

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	2018-02: Insurance process automation for Lead Foundation
Country / Region	Egypt
Partner Financial Institution/s	Lead Foundation
Grantee	Women’s World Banking, Inc. (endorsed by Swiss Re)
Overall Budget	CHF 177’711 (18% self-contribution)
SCBF Contribution	CHF 145’871
Date of Approval	30.11.2017
Duration	01.2018 until 07.2019, amended to 01.2018 until 02.2020
Context	<p>Egypt is lagging behind in financial inclusion with only 14.1% adults and 9.3% of women having bank accounts. The penetration of digital financial services is also very low with merely 1.1% adults having access to a mobile account. Low-income individuals are mostly served by microfinance institutions (MFI). The Central Bank of Egypt (CBE) has formed a steering committee to develop the National Strategy for Financial Inclusion, which aims at developing policies and guidelines to encourage key stakeholders to play active role in reaching to the bottom of the pyramid segment. A new microfinance law addresses regulatory gaps, including allowing banks to engage in microfinance and opening a window to establish and own shares in MFI. The Financial Regulatory Authority (FRA) that regulates MFI and insurance companies is also working with public donors and microinsurance consultants to implement their roadmap for micro-insurance.</p> <p>Women’s World Banking and Lead Foundation (Lead) rolled out a microinsurance scheme, Hemayat Lead, which provides life and hospital cash benefits bundled with every loan to all Lead’s 190,000 clients. With the tremendous success of the program, we now aim to expand the insurance offering (e.g. family coverage, savings linked) and build Lead’s capacity in managing high volume transactions. While the insurance operations are running smoothly, Lead’s microinsurance team spends a great deal of time scrutinizing every claim document with equal rigor to eliminate the possibility of fraud. This creates delays in decision making for low value claims and results in a lost opportunity on clients’ satisfaction when they have to follow-up constantly with the branch staff for a relatively small amount of money. Lead needs to transform its insurance operations and make them completely digital, automatic, and paperless to support the next phase of growth.</p>
Current Status of the MFI	Lead is the second largest MFI in Egypt with an outreach of about 200,000 active borrowers. Lead provides both group loans (CHF50 to 700) and individual loans (CHF170 to 2’800) to low income women entrepreneurs. In addition to microcredit, Lead also provides insurance to its clients.
Objective and Main Activities	<p>The main objective of the project is to transform Lead’s microinsurance operations to make them digital and automated. Women’s World Banking and Lead will map Lead’s insurance operations to identify areas to streamline processes. Then, we will prepare a roadmap for IT development and integration. At the same time, we will design a customer journey to incentivize clients to use the service resulting in a first positive e-payment experience. We will pilot the solution at select branches, and course-correct and enhance based on pilot results. Lead will roll out the new operations to all branches. Upon project completion, the insurance process automation solution should enable Lead to expand its client base from currently 180,000 clients to 318,000 in 2019 and manage high scale operations without adding more staff. They can then play a bigger role in bridging the gap in financial inclusion by reaching out to a larger number of potential clients.</p>