

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	SCBF 2016-07 CareGiver Insurance Roll-out at Lead Foundation
Country / Region	Egypt
Partner Financial Institution/s	Lead Foundation
Grantee	Women´s World Banking (WWB)
Overall Budget	CHF 138'662 (22% self-contribution)
SCBF Contribution	CHF 107'474 (78% SCBF funding share)
Date of Approval	14.07.2016
Duration	07.2016 to 09.2017, extended until 12.2017
Context	The health insurance system in Egypt is complex and does not include the informal/unorganized sector. This indicates gaps in the penetration and effectiveness of social security health financing programs. In the particular case of the low-income segment, that tends to be excluded from private and public schemes, the high out-of-pocket costs create a heavy financial burden on households and put them at the risk of falling below the poverty line. This is a first-of-its kind initiative in Egypt where a fully non-subsidized (i.e. client is paying the full premium) health insurance scheme will be distributed through a financial intermediary (Lead) and the underwriting (i.e. insurance risk) is managed by a commercial insurer (ELTC). The product is provided to the clients bundled with the loans (all clients receiving loans will receive the product). Bundling health insurance with micro-credit has unique advantages in complementing the risk mitigation needs as well as ensuring quick scale-up of the product. Bundling also gives the benefit of better operational efficiency compared to if the insurance is kept optional, as the intermediary (in this case, Lead Foundation) does not have to set-up separate elaborate operational processes or incentives for the staff to sell insurance.
Current Status of the MFI	Lead Foundation is an Egyptian Non-Governmental Organization (NGO) founded in 2003. Lead specializes in the delivery of microfinance services to Egypt's economically active poor and operates in the Greater Cairo area through 18 branches. Lead is currently the second largest microfinance player in Egypt with an outreach of over 151,000 active borrowers. In addition to microcredit. Lead, as an aggregator, also provides unique opportunity for Women's World Banking to reach out to a high number of low income women in a short time and scale up program quickly. Because of the strong working relationship with Lead, Women's World Banking is already beginning to explore future opportunities to expand the insurance offering (e.g. family cover, savings linked).
Objective and Main Activities	The specific objectives of this project are: 1) To roll out Hemaya in all 18 branches of Lead covering 100% client base of Lead (160,000 clients as projected for 2017) by the end of the project 2) To meet the following KPI targets : Over 90% clients to be aware of the product key features and benefits (tested through phone survey) and Favorable Claims Ratio (between 55% and 75%) indicating that the product is being used by the clients at the same time, it's sustainable in the long run 3) To set up robust data collection framework on Hemaya in order to prepare Lead for an outcomes evaluation study in future (the study is not in the current scope of activities) 4) To ensure that the product is financially sustainable for Lead and the insurer while remaining affordable for clients 5) To build Lead's microinsurance project team capacity and capability to run the Hemaya program independently Upon project completion Lead should be in a position to create a profitable business model for itself Lead and the insurer in order to ensure that the program is sustainable for all of their clients.