

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	SCBF 2017-01: Enhancing client value through microinsurance offerings by AMRET in Cambodia
Country / Region	Cambodia
Partner Financial Institution/s	AMRET Microfinance Institution (www.amret.com.kh/amret/index.php/en/)
Technical assistance provider	John Wipf, international microinsurance consultant
Overall Budget	CHF 35'875 (31.8 % self-contribution)
SCBF Contribution	CHF 24'450 (68.2% SCBF funding share)
Date of Approval	28.2.2017
Duration	03.2017 until 12.2017, extended to 04.2019 due to regulatory delays
Context	<p>Cambodia has one of globally most developed inclusive banking sector with six large inclusive banking institutions with each of them offering a wide range of banking products to between 150'000 to 450'000 clients. The credit penetration is very high across the country, notably in the micro credit sector, and the one in mass deposit mobilisation is on a fast rise.</p> <p>However, the inclusive insurance sector is still in its infancy with very few insurers and only two of the six large banking institutions firmly involved as insurance distributors. It is constrained by a still poor and incomplete regulatory framework, but it is a high government priority to develop the microinsurance industry.</p> <p>There are great opportunities for an agent-partnership model where the strong banking institutions could manage the insurance management processes as they are in the stronger market position compared to the still young insurance companies of bringing in their hundreds of thousands clients. This would better ensure high client value of the insurance products, as they know their clients better than the underwriters do. This requires the acquisition of the necessary in-house expertise for the banking institutions to design and manage the insurance processes.</p>
Current Status of the MFI	<p>Amret's mission is to offer a wide range of financial services to low income people as well as micro, small and medium enterprise - while at the same time achieving a high level of financial and social performance. It is the second largest microfinance institution in terms of outreach (above 300'000) and balance sheet with 141 physical branch office in all 25 provinces.</p> <p>Amret has decided to start offering insurance products to its clients to enhance their value proposition and retention. Following some of its main competitors, Amret plans to offer first a credit life plus product and a hospital cash product, but considers also savings-linked insurance products at a later stage.</p>
Objectives and Main Activities	<p>The overall goal is to develop the infant microinsurance market in Cambodia by capacitating Amret as second largest microfinance institution to enter the market as insurance distributor and to assume a leading role vis-a-vis the underwriter in the interest of high value for its clients.</p> <p>The three main objectives for Amret are to:</p> <ol style="list-style-type: none"> 1) Design, launch and manage a mandatory credit life plus product for its more than 160'000 group borrowers and to select the underwriter. 2) Improve two health microinsurance offers from two underwriters and select the best offer in terms of client value and premium costs. 3) Build in-house microinsurance capability to offer microinsurance products as additional offer to its clients to enhance client value and retention. <p>Upon completion of the SCBF support, Amret should be in a position to:</p> <ol style="list-style-type: none"> 1) Manage effectively the credit life plus product, incl. claim settlement. 2) Monitor and review effectively the health microinsurance product. 3) Compare insurance offers and negotiate effectively with underwriters for better client value.