

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	2018-03: Pilot of family insurance cover in Egypt
Country / Region	Egypt
Partner Financial Institution/s	Lead Foundation
Grantee	Women's World Banking
Overall Budget	CHF 157,166 (11% self-contribution)
SCBF Contribution	CHF 140,421
Date of Approval	18.12.2017
Duration	June 2018 – September 2019, amended to 19.3.2018 – 30.9.2019
Context	<p>Egypt is lagging behind in financial inclusion with only 14.1% adults and 9.3% of women having bank accounts. 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.</p> <p>High inflation has increased poverty and healthcare costs in Egypt. While there are several types of service providers providing insurance at highly subsidized rates, the fragmented system only includes formal sector employees, leaving the majority of informal small and micro entrepreneurs, especially women, without access to health insurance. Egyptians still incur a tremendous amount of out-of-pocket costs (90%) for private health expenses, leaving families at high risk of poverty. Moreover, the population, including young children are more prone to non-communicable chronic diseases such as organ diseases, asthma, migraine etc. and treatment of such illnesses are long term and expensive putting high financial strain on cashflows, and leaving families financially unprepared for health emergencies.</p> <p>In 2017, with the financial support of SCBF, Lead Foundation (Lead) rolled out a microinsurance scheme, <i>Hemayet Lead</i>, which provides life and hospital cash benefits to all Lead's 190,000 clients. With the tremendous success of the program, we now aim to expand the insurance offering to include family coverage.</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 (CHF 50 to 700) and individual loans (CHF 170 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 this project is to develop new risk mitigation products that meet Lead's clients' needs to better cope with health emergencies in their households.</p> <p>Women's World Banking will (1) gain a deeper understanding of health risks of low income population and family dynamics through secondary and primary research; (2) develop a family insurance product prototype; (3) pilot the solution in at least three Lead branches; (4) use the fraud information collected during the pilot to calibrate the new fraud robot, and (5) test the business case for the developed solution and start roll-out.</p> <p>Upon project completion, Lead should be in a position to expand its insurance offering to its clients' families (population of 950,000 people in total) while managing high scale operations, and to play a bigger role in bridging the gap in financial inclusion by reaching out to a large number of low income population.</p>