

PRODUCT UP-SCALING SUPPORT – FACTSHEET

Product Up-scaling Support	2017-07: Initial insurance up-scaling of Zingsure in Malawi by reaching 1 million members of the Muslim Association of Malawi
Country / Region	Malawi
Partner Financial Institution	Zingsure MW
Grantee	Zingsure Limited (endorsed by Swiss Re)
Overall Budget	CHF 449,745
SCBF Contribution	CHF 149,260
Date of Approval	7.8.2017
Duration	8.2017 until 12.2018
Context	<p>The Southern African nation of Malawi is bordered by Mozambique to the south and west, Zambia to the east, and Tanzania to the north. It is a least developed country with an estimated population of 17.2 million (as of 2015) expected to grow by an average of 5.7% per annum due to high fertility rates. Poverty is still widespread and the economy is heavily based on agriculture, with a largely rural population totalling 84.6% and vulnerable to external shocks with 82.3% of the population living on less than \$2 per day.</p> <p>The financial services sector is mostly patronized by the high-income population residing in the urban and city areas, leaving out the major part of the population, which is low income and rural based. 19% of the population are bank account holders, 55% do not use any financial product and 74% save their wealth in cash and kind (UNCDF, 2014).</p> <p>Zingsure will introduce a term life insurance product that starts out the journey by providing protection for main members of the Muslim Association of Malawi ("MAM" and "the Client") and which can easily be expanded to provide additional protection for the main member, spouse, children, parents and extended family. Based on the current coverage of 275,634 lives we will at least increase the microinsurance penetration rates in Malawi above 7.6%, which is well above the Africa median.</p>
Current Status of the MFI	<p>Zingsure MW is registered insurance entity in Malawi established by the Zing World Group in 2016 as a subsidiary of Zingsure Ltd with operations based in Blantyre.</p> <p>The aim of this initiative is to help build the needed local human resources in Malawi for Zingsure to start its greenfield insurance operations with the Muslim Association of Malawi where 1 million main members (being previously uninsured heads of households) will be covered with a monthly term life cover of \$500.</p>
Objective and Main Activities	<p>The local human resources will be built up to assist the client to register its members and to collect monthly contributions from their members. 2,700 members of the affinity group will be trained as agents to assume the function of collecting contributions and processing receipts to place the client in a position to process monthly recurring premium contribution</p> <p>Major steps include project mobilisation, contracting, training, licence approval, monitoring registrations and contribution collections. Upon project completion, Zingsure should be in a position to provide initial insurance group scheme cover to 1 million members in Malawi.</p>