

## PROJECT FACTSHEET

<b>Title of project</b>	<b>SCBF 2011-07: Launch of Savings-based Microinsurance Product in Egypt</b>
<b>Country / region</b>	<b>MENA Region - Egypt (two governorates – Alexandria and Dakahlya)</b>
<b>Financial Intermediaries</b>	<b>Alexandria Businessmen Association (ABA) and Dakahlya Businessmen Association for Community Development (DBACD)</b> are both leading non deposit-taking NGO microfinance institutions <b>MetLife Alico</b> , a private life insurance company
<b>Swiss Competence Centre mandated for execution</b>	<b>Association PlaNet Finance Suisse</b> c/o Sogeti, 65 rue du Rhône, 1204 Geneva, Switzerland
<b>Overall project budget</b>	CHF 289'553 ( <b>20,7%</b> self-contribution by partners)
<b>SCBF contribution</b>	<b>CHF 229'553</b> (79,3% SCBF funding share)
<b>Date of project approval</b>	16 January 2012
<b>Project period</b>	March 2012 - October 2013 (20 months)
<b>Context</b>	NGO microfinance institutions are the largest provider of micro loans to low-income people, but regulatory requirements prevent them from offering a wider range of financial services, such as insurance, savings, and transfers of remittances. As insurance companies, banks, and money transfer companies have not yet developed tailor-made products for low-income people, business alliances between NGOs and other financial institutions are required for promoting financial inclusion.
<b>Current status</b>	<b>ABA</b> operates in six governorates in Lower Egypt serving 227'900 clients through 37 branches. It has a strong social mission with a good track record over the past years: USD 1,2 million loan portfolio with 0,42% portfolio-at-risk, and 123% operational self-sufficiency. ABA is offering death and disability insurance to all its clients since 2008. <b>DBACD</b> operates in all cities of the governorate of Dakahleya in Lower Egypt serving more than 100'000 clients with 635 staff and a total outstanding portfolio exceeding USD 25 million in 2011 with a 1,13% portfolio-at-risk. <b>MetLife Alico</b> has a total annual premium of USD 135 million in the last fiscal year, serving around 1'300 corporate accounts and more than 300'000 people insured.
<b>Objective and main activities</b>	The <b>objective</b> is for ABA and DBACD to offer at least one savings-based micro-insurance product on a sustainable basis as an agent of MetLife Alico and with low premiums to their growing clientele. By the end of the project, 15'000 clients of ABA and DBACD will receive awareness building and sensitization sessions on the new product and 1'500 of them will actually buy the product. It is expected that the successful collaboration between the two leading MFIs and MetLife Alico would invite others to replicate the introduction and expansion of savings-based micro insurance services. The <b>main activities</b> of the project are to: <ol style="list-style-type: none"> <li>1) Assist ABA, DBACD and MetLife Alico to design a savings-based micro insurance product tailored to the needs of low-income people.</li> <li>2) Develop actuarial pricing models for the product and facilitate the margin negotiation process between the distributors and MetLife Alico.</li> <li>3) Develop operational manuals for ABA and DBACD on the marketing, sales, client information, premium collection, and claims management and settlement of the new product - including adaptation of the MIS of ABA and DBACD - in close collaboration with MetLife Alico.</li> <li>4) Assist all three parties in the pilot launch of the new product and revise product design and the operational manuals, as required for up-scaling of the product.</li> </ol> <p>At the end of the project, the three parties should have gained the capacity to expand the outreach of the product to all their clients without the need for external support. Both ABA and DBACD will also have the capacity to attract better terms from other insurance companies in distributing other savings and insurance products to their clients.</p>