

2020-18 | Accident, Sickness & Health Insurance for Savings Groups in Malawi

Partner Financial Institution:	VisionFund Malawi	SCBF Contribution:	CHF 101'413 (64%)
Grantee:	VisionFund International	Matching Contribution:	36%
Country:	Malawi	Theme:	Health
Duration:	December 2020 – December 2022	Product:	Insurance
Potential Outreach:	35,870	Target Group:	Multiple
Thereof Women:	Approx. 65%		

CONTEXT

In Malawi, financial inclusion encompasses formal financial institutions (commercial banks), microfinance institutions and informal financial service providers such as Village Savings and Loan Associations (VSLAs). Access to formal financial services is confined to urban areas as most institutions lack infrastructure and reach in rural areas. Access to insurance has been hampered by lack of infrastructure and high distribution costs, but innovation and digitization can make it possible to provide these services now.

This project will permit VisionFund Malawi (VFM) to access World Vision Savings Group members and their families, the majority of whom will have no connection to formal financial services, including the product on offer here, hospicash health cover, using a digital platform.

CURRENT STATUS OF THE MFI

VisionFund Malawi started its operations in 2013, initially with a non-deposit taking microfinance license. In July 2019, it was awarded a deposit-taking licence to start offering savings products to its customers and has a strategic objective of ensuring holistic and sustainable transformational development in its programming through financial inclusion. VFM lends USD 4.35m to over 28'000 clients from 22 branches, 61% of whom are female and 26% of whom live in rural areas. VFM offers credit life insurance for its borrowers and is developing accident, health, livestock, and crop insurance products for 2021.

VFM realises that there are members of communities that World Vision (VFM's ultimate parent) serve whose first interaction with financial services, to improve financial resilience, may be an insurance policy for health. VFM is in need of assistance to pilot this project to educate such communities on health and financial literacy and offer such products.

OBJECTIVES AND MAIN ACTIVITIES

The overall goal of this project is to find the most effective way to equip poor communities within World Vision Area Programmes with more resilient health and financial tools. This work can then be scaled up to the over 50'000 Savings Groups and 1.3 m members that WV have across the globe. Initially the project will assess potential beneficiaries for their specific needs and ability to pay for health insurance. The most appropriate product will then be selected along with different distribution methods (full time independent individuals and part time local members of the community). Education modules for financial and health literacy will be given and a hospicash insurance product offered. This will be reviewed and amended as appropriate, six and twelve months after the first offering.

Upon completion, the financial institution should be in a position to roll out the scheme to its remaining savings groups in Malawi (272'000 members) and VFI will have valuable knowledge for roll out in other countries.

Partnering with:

