

2020-08 | Product Upscaling of Covid-19 Value Added Services (VAS)

Partner Financial Institution:	Stonestep TFD Private Limited	SCBF Contribution:	CHF 85'323 (76%)
Grantee:	Stonestep AG	Matching Contribution:	24%
Country:	Nepal	Theme:	Health
Duration:	September 2020 – October 2021	Product:	Insurance
Potential Outreach:	5'000 VAS sales	Target Group:	Multiple
Thereof Women:	35-50%		

CONTEXT

The Government of Nepal (GoN) is dedicated to enhancing financial inclusion through financial literacy, access to finance and insurance. Together with the insurance regulator, they aim to make insurance available nationwide, introducing directives to regulate, assist and support insurance companies to offer microinsurance products covering life, health, and agriculture to serve low-income and marginalized households. Despite promotional efforts and premium subsidies for some programs, only 17.5% of the Nepali population have some form of insurance, and most low-income households do not have access to insurance at all.

Covid-19 is an acute threat to the well-being of vulnerable, low- and middle-income households in Nepal. It adds to the list of insurable risks which force households into poverty and creates heightened insurance demand. Since the outbreak started, Nepal has 262'784 confirmed cases, 5'225 active cases, and 1'893 deaths as of 6 January 2021. The current pandemic provides an opportunity for local insurance companies and e-Health service companies to innovate and work together to offer critical services to the low-income population of Nepal, while establishing a platform to expand insurance in the market.

CURRENT STATUS OF THE MFI

Stonestep Nepal provides insurance management software (“Insurtech”) and technical management services to customer-facing digital companies, development agencies, and insurers to meet the needs of vulnerable, low- and modest-income households in Nepal. Stonestep and its partners enable all aspects of digital insurance programs, from technology integration, marketing design and messaging, customer service, claims handling, billing, and payment. In 2020, Stonestep Nepal implemented a Nudge Group Personal Accident insurance program with two mobile money providers, insuring 5'000 customers and reaching an additional 100'000 through in-app offers and marketing messages (SMS push notifications, Facebook campaigns, and radio). This intervention builds on the experience of earlier projects with SCBF providing financial support for product development, operations, marketing, and capacity building for an innovative COVID-19 Value Added Service (VAS) product.

OBJECTIVES AND MAIN ACTIVITIES

This SCBF product upscaling project supports the implementation of a voluntary, paid e-Health VAS product which will be sold through two mobile money partners, PrabhuPAY and MoRu Digital Wallet. The VAS bundle includes health related insurance, telemedicine doctor consultations, discounts to lab services for rapid COVID-19 testing, and online health content. Stonestep partnered with a local e-Health telemedicine provider and general insurer to implement the VAS.

The project is a first-of-its-kind in Nepal, improving the resilience of vulnerable, low- and middle-income families in Nepal. Distribution partners will make offers via Facebook marketing, outbound messaging (SMS and in-App notifications), website, and tele-marketing reaching +50'000 people and enrolling 5'000 customers by October 2021. Main project activities are forming commercial distribution partnerships with e-Health service providers, distribution partners and insurers as well as product development and sourcing, IT and operations, marketing/promotion/education, pilot implementation, monitoring and reporting. Upon project completion, Stonestep and its partners hope to scale the diversity of product offers to cover additional risks and geographies.

Partnering with:

