

# Building resilience with Swiss Re Foundation

- compendium of projects



## About Swiss Re Foundation

Swiss Re Foundation is a non-profit organisation committed to promoting care and concern for society and the environment. Launched in 2012 by global re/insurer Swiss Re, the Foundation aims to make people more resilient towards natural hazards, climate change, population growth, water scarcity and pandemics, along with other challenges to society's security, health and prosperity. It also supports community projects and employee volunteering in locations where Swiss Re has offices.

Website: [www.swissrefoundation.org](http://www.swissrefoundation.org)

## About SCBF

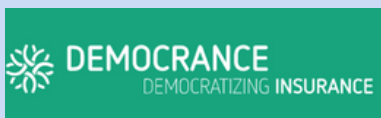
The Swiss Capacity Building Facility (SCBF) is an innovative public-private platform to enhance inclusive finance for low-income clients, especially women, smallholder farmers and MSMEs, in emerging contexts. SCBF enables, with funding, financial service providers to access the expertise required to develop, tailor and scale innovative solutions that address the unique challenges these low-income populations face.

Website: <https://scbf.ch/>

# Table of Contents

• Background .....	1
• Overview of SR Foundation funded projects .....	3
• Insights gained from the projects .....	5
• <b>Projects in Kenya</b> -----	<b>6</b>
◦ Design and launch of micro-property insurance for the low-income market .....	6
◦ Scaling-up micro-property insurance for MSMEs .....	7
◦ Scaling-up a hybrid digital micro-health insurance .....	9
• <b>Projects in India</b> -----	<b>10</b>
◦ Increasing insurance penetration through technology and partnerships .....	10
◦ Weather index insurance for smallholder farmers .....	11
◦ Digital health platform for increased financial inclusion .....	13
• <b>Projects in Zambia</b> -----	<b>15</b>
◦ Scaling-up the first fully digital life insurance product for low-income segments.....	15
◦ Scaling-up a macro resilience bundling program for smallholder farmers .....	18
• <b>Project in Ethiopia</b> -----	<b>20</b>
◦ Scaling up life insurance and launching health insurance on digital platform to CBGs ....	20
• <b>Project in Malawi &amp; Nigeria</b> -----	<b>22</b>
◦ Enhancing accessibility to improved, farmer-centered insurance products .....	22

# Project partners



COLUMBIA CLIMATE SCHOOL  
INTERNATIONAL RESEARCH INSTITUTE  
FOR CLIMATE AND SOCIETY

syngenta foundation  
for sustainable  
agriculture

ONE ACRE FUND



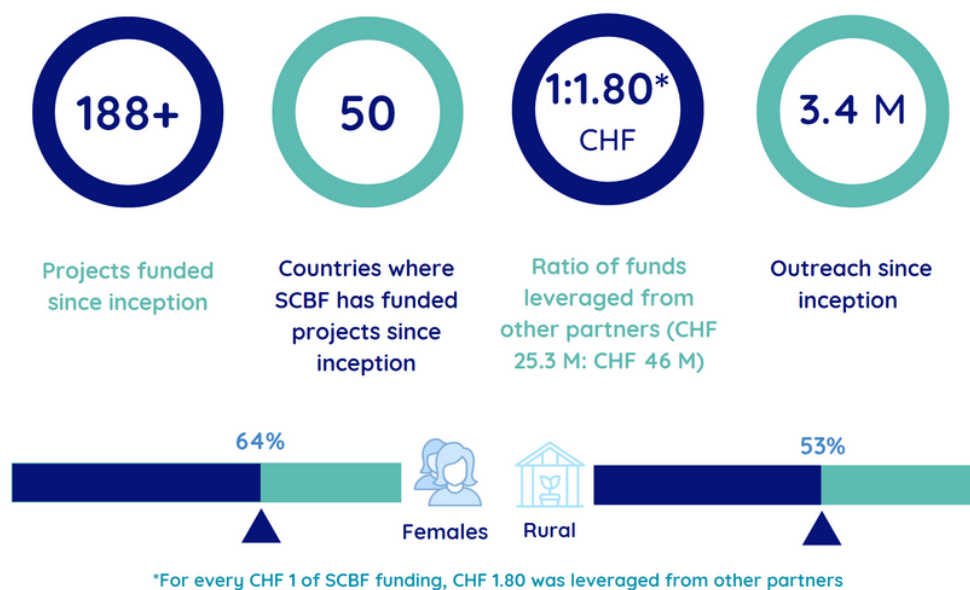
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Nib Insurance Company (S.Co.)

jami.one

## Background

Since it started operating in 2011, the Swiss Capacity Building Facility (SCBF) has focussed on fostering innovation and scaling-up of financial services and products for inclusion of low-income women, vulnerable households, smallholder farmers and MSMEs in the emerging economies. SCBF grant funding for technical assistance to develop tailored financial products is catalytic for de-risking capital crucial in inclusive finance. It can stimulate innovation, mobilise private investment, fill the financing gap, build ecosystems, and contribute to sustainable development. It plays a vital role in expanding access to financial services and promoting inclusive economic growth and development for un- and under-served populations.

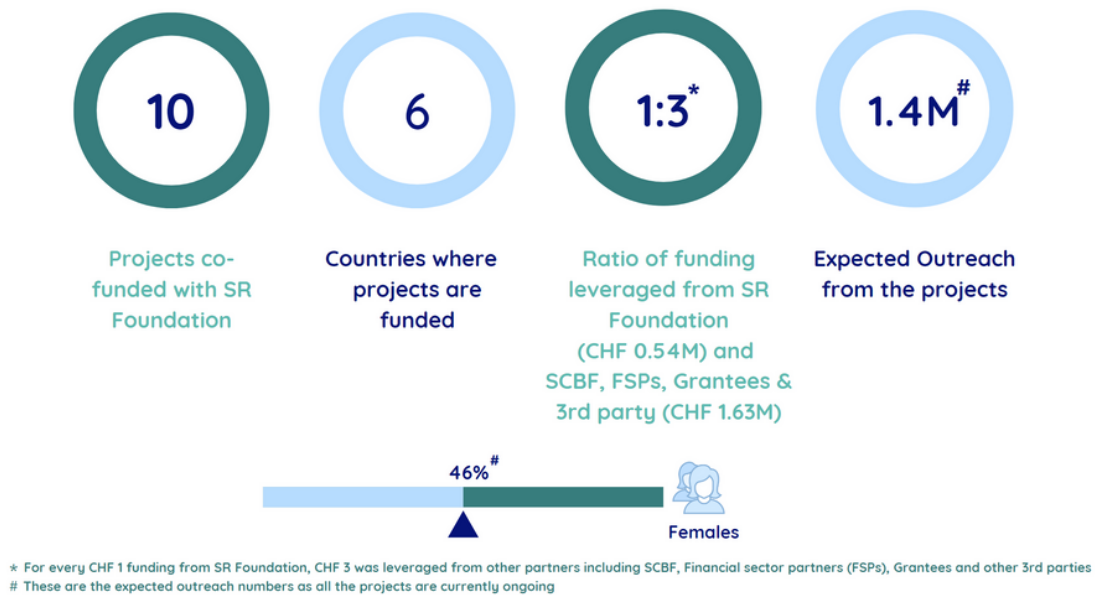
### Snapshot of SCBF's journey since 2011



Low-income households around the world are particularly vulnerable to shocks and the least prepared to deal with them. The effects of climate change, including floods, droughts, and other weather-related disasters, are adding another layer of risk for the already vulnerable households. In this context, it is increasingly important that poor households build resilience—that they strengthen their ability to mitigate, cope, and recover from shocks and stresses without compromising their future welfare. Evidence suggests that access to inclusive finance for low-income women, smallholder farmers, and small-scale entrepreneurs will increase their resilience, economic empowerment, and access to essential services.<sup>1</sup> Well-designed financial products and services, especially inclusive insurance, can play a crucial role in increasing low-income families' resilience. Insurance solutions offer risk management - protection against life, health, and loss of property risks. They contribute to poverty reduction and social stability and play a significant part in safeguarding the low-income populations. To support equitable and sustainable development of the vulnerable segment by fostering resilience, stability, and well-being, SCBF since 2011, has focused on inclusive insurance and has funded most of the projects in this space covering health, life, agriculture, property risks etc.

<sup>1</sup> <https://www.worldbank.org/en/topic/financialinclusion/overview>

## Snapshot of SCBF & SR Foundation's journey since 2021 on projects co-funded



Since 2021 SCBF has partnered with Swiss Re Foundation (SR Foundation) to build and increase the resilience of people in low- and middle-income countries. Till date, SR Foundation has given a total of CHF 750,000 of grant funding, of which ~ CHF 550,000 has been allocated towards projects, and the balance amount has been earmarked to be utilised towards other activities, e.g., operating costs, admin and project management, outcome studies etc. This publication is a compendium of the ten projects co-funded under this important partnership. Total grant funding for these ten projects was CHF 1,131,899 (SCBF CHF 588,103 / Swiss Re Foundation CHF 543,796). Plus, matching contribution from the financial sector partners (FSPs), grantees and other third-party contributions totaled CHF 1,047,329. Thus, the ratio between the Foundation's contribution and the matching contribution from SCBF, FSPs, grantees and other third parties translates to 1:3. The matching contribution from the financial sector partners (FSPs), grantees and other third-party is higher than the required amount of 20%. The grand total of project financing is CHF 2,179,228.

SR Foundation contributed CHF 85,000 of admin costs to manage and source projects between 2021 and Dec 2022 which amounts to 3.9% of the total project costs (CHF 2,179,228).

These figures do not include the in-kind time contributions and knowledge expertise that SR Foundation members offer to SCBF through reviewing, sourcing, and monitoring projects.



## Overview of SR Foundation funded projects:

With Swiss Re Foundation, SCBF has co-funded ten insurance projects across six geographies in India, Ethiopia, Kenya, Malawi, Nigeria and Zambia. In India there are three projects covering thematic areas of health insurance, weather-index insurance and health literacy; in Kenya, there are two property insurance projects and one on health insurance; in Zambia, there are two projects one on digital life insurance cover and the other on agriculture index insurance; in Malawi and Nigeria there is one project on parametric insurance and in Ethiopia one on life and health insurance.

### Overview of SR Foundation funded projects (Jan 2021 – May 2023)

Project descriptor	Country	Partners	SCBF Contribution CHF	SR Foundation Contribution CHF	Matching Contribution CHF
<a href="#">1. Design and launch of micro-property insurance for the low-income market (PUW # 2021-04)</a>	Kenya	<ul style="list-style-type: none"> <li><a href="#">Britam General Insurance Company (K) Ltd.</a></li> <li><a href="#">Habitat for Humanity</a></li> <li><a href="#">ILO Impact Insurance Facility</a></li> </ul>	58,928	58,928	30,281
<a href="#">2. Scaling-up micro-property insurance for MSMEs (PUW # 2021-07)</a>		<ul style="list-style-type: none"> <li><a href="#">AB Consultants Limited;</a></li> <li><a href="#">APA Insurance Limited</a></li> </ul>	35,000	35,000	35,390
<a href="#">3. Scaling-up a hybrid digital micro-health insurance (PUW # 2022-14)</a>		<ul style="list-style-type: none"> <li><a href="#">Democrance DMCC</a></li> <li><a href="#">Ilara Health</a></li> <li><a href="#">Emerging Markets</a></li> <li><a href="#">Paa Insurance Agency</a></li> <li><a href="#">APA Insurance Limited</a></li> </ul>	64,858	64,858	97,429
<a href="#">4. Increasing insurance penetration through technology and partnerships (PUW # 2021-05)</a>	India	<ul style="list-style-type: none"> <li><a href="#">Briisk India</a></li> <li><a href="#">Care Health Insurance</a></li> </ul>	40,398	40,398	27,140
<a href="#">5. Weather index insurance for smallholder farmers (PUW # 2022-10)</a>		<ul style="list-style-type: none"> <li><a href="#">Avanti Finance India</a></li> <li><a href="#">IBISA S.A.</a></li> <li><a href="#">CiNi</a></li> </ul>	34,217	34,217	29,092
<a href="#">6. Digital health platform for increased financial inclusion (PUW # 2022-15)</a>		<ul style="list-style-type: none"> <li><a href="#">Saathealth</a></li> </ul>	96,538	52,232	90,626

Project descriptor	Country	Partners	SCBF Contribution CHF	SR Foundation Contribution CHF	Matching Contribution CHF
7. <a href="#">Scaling-up the first fully digital life insurance product for low-income segments</a> (PUW # 2022-09)	Zambia	<ul style="list-style-type: none"> <li><a href="#">Prudential Life Insurance Zambia</a></li> <li><a href="#">Upendo Zambia</a></li> <li><a href="#">Briisk Limited</a></li> </ul>	64,368	64,368	97,671
8. <a href="#">Scaling-up a macro resilience bundling program for smallholder farmers</a> (PUW # 2022-12)		<ul style="list-style-type: none"> <li><a href="#">Mayfair Insurance Zambia</a></li> <li><a href="#">Syngenta Foundation for Sustainable Agriculture</a></li> <li><a href="#">Acre Africa</a></li> </ul>	72,746	72,746	93,574
9. <a href="#">Scaling up life insurance and launching health insurance on digital platform to CBGs</a> (PUW # 2023-10)	Ethiopia	<ul style="list-style-type: none"> <li><a href="#">Jamii.one</a></li> <li><a href="#">Nib Insurance Company</a></li> </ul>	74,801	74,801	129,013
10. <a href="#">Enhancing accessibility to improved, farmer-centered insurance products</a> (PUW # 2023-03)	Malawi & Nigeria	<ul style="list-style-type: none"> <li><a href="#">One Acre Fund</a>;</li> <li><a href="#">International Research Institute for Climate and Society</a></li> </ul>	46,250	46,250	417,113
<b>Total</b>			<b>588,103</b>	<b>543,796</b>	<b>1,047,329</b>

**Note:**  
Nine projects of the ten projects were co-funded by SCBF/Swiss Re Foundation at 50/50 share, Saathealth India is with the co-funding split at 65/35 between the funding partners;



## Insights gained from the projects:

Insurance is a key pillar of financial inclusion. It is an essential source of financial security as it can enable asset protection, poverty reduction, and social stability. Insurance solutions support low-income people in overcoming shocks that affect not only their savings but also their future income-generating capacities. Yet, a very small portion of the [4.7 billion people](#) who fall into the low-income category have access to any type of insurance to protect them against risks. The protection gap is huge and due to the COVID-19 pandemic and other factors (increasing incidents of extreme weather events, digital divide, inequality, etc.), the gap is expected to grow in the coming years.

The projects supported by SR Foundation provide protection for emerging consumers against risks in different areas; life and health, property, and agriculture. While the projects are still underway, we are seeing some emerging insights summarised here:

- **Creating awareness and educating customers** will go a long way in creating sustainability in financial products. It is important to bridge the knowledge gap on various health issues, preventive measures and planning for eventualities, for the customer segment to accept proposed financial solutions. Without knowledge and understanding they cannot take informed decisions and that will not sustain in the long term.
- **Private sector can play a critical role** in complementing the efforts by governments in minimising the impact of adverse weather events on smallholder farmers. Private players can partner together with government organisations or public sector players to enable collaboration between various agri-value chain partners. They can also support by providing a single platform for all the partners to bring in transparency and accessibility.
- **Creative and unconventional distribution will increase accessibility** to financial services, e.g., insurance for the low-income segment who do not prioritize these products primarily due to lack of understanding and resources. Innovative ways like using the SureBuddy ad points for funding the insurance premiums (details [here](#)) will enable the segment to experience the insurance benefits first-hand before allowing them to make decisions for the future.
- **End-to-end digitisation** of the delivery of financial products including the backend, credit, customer on-boarding as well as claims pay-out processes create easy, seamless, and timely access to services for the customers thereby enhancing their experience and trust in insurance products and providers.
- **Partnerships that cross-pollinate expertise**, particularly public and private sector, are essential for delivering digital insurance to low-income populations as they provide access to expertise, resources, local context, outreach, and engagement, and can help overcome barriers and promote sustainability. Collaborative efforts through partnerships can lead to more effective, inclusive, and sustainable digital insurance solutions that cater to the unique needs of low-income populations.







- **Simplicity in processes** Customers may simply engage with digital microinsurance products thanks to simplifications in the registration, administration, and claims processing procedures. Enrolment through SMS or USSD instead of visiting an insurance agent increases uptake.
- **Market research and client segmentation are critical success factors** in developing and delivering digital financial services to women. Understanding women's needs and preferences from a behavioural or human-centred design perspective is paramount to increased product uptake by women, and clients overall.

## Projects in Kenya

### 1. Design and launch of micro-property insurance for the low-income market

SCBF provided funding in 2015 for a [feasibility study](#) in collaboration with Swiss Re and Habitat for Humanity to 'Explore the market opportunity for housing and property insurance in Kenya'.

According to this study, 35% of Kenyans lose their homes, companies, or property to fire, flood, theft, or eviction. This statistic demonstrated the necessity for property micro-insurance. The feasibility study uncovered ten product concepts worth exploring for product development and upscaling. Following the recommendations of the report, in June 2021, [Habitat for Humanity](#), the [ILO's Impact Insurance Facility](#), and [Britam General Insurance](#) started a project to design, develop and launch new micro-property insurance products and bundled services, to benefit low-income households and MSMEs in Kenya.

	<b>Kenya</b>
	<b>Micro-property insurance (PUW 2021-04)</b>
	<b>June 2021 - Dec 2023</b>
	<b><a href="#">Britam General Insurance</a>; <a href="#">Habitat for Humanity</a>; <a href="#">ILO</a></b>
	<b>MSMEs &amp; Low-income clients</b>
	<b>Expected outreach: 75,000 policies</b>
	<b><a href="#">Read more on the project here</a></b>

### What is the innovation in the project?

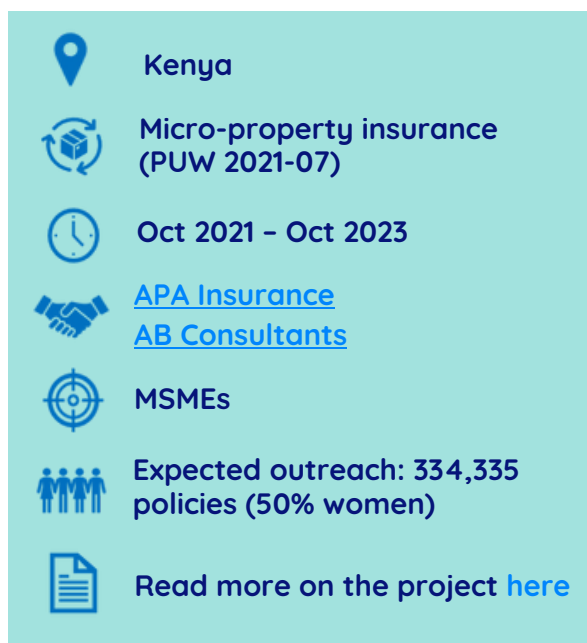
While property insurance for the low-income market is not commonplace, there are insurers in Africa who are making efforts to tap this unexplored segment. A key aspect of the project is identifying and developing new partnerships with various categories of distribution channels (financial and non-financial) currently serving the low-income market. The cross-pollination of public and private sector expertise makes this project a model for others to replicate. The project has been exploring unconventional distribution strategy by partnering with utility service providers e.g., they have been able to partner with a digital aggregator, utility service provider - cooking gas supplier & inter-city transport aggregator (for contents).

## Key learnings:

- Insurance penetration in general is low in Kenya particularly in the low-income segments hence more efforts are required for raising awareness.
- Understanding the market needs is crucial to provide the right product offering (based on the HCD approach).
- Robust distribution and execution plans are critical to drive product adoption. Partnerships and product bundling are pivotal.

## 2. Scaling-up micro-property insurance for MSMEs

Most insurers looking to serve emerging consumers focus on tried and tested products such as life, hospital cash and funeral insurance. According to the [2021 Landscape of Microinsurance Study](#), in Africa a mere 0.09 million people had inclusive property insurance compared to inclusive health insurance (16.76 million) and funeral insurance (10.23 million). MSME segment is a relevant yet underserved market segment for inclusive property insurance. Negative impact on their businesses or properties has a direct impact on their source of livelihood and resilience. Additionally, given their contribution to the economic growth in emerging and low-income markets, there is direct impact on the nation's economy as well.



Kenya

Micro-property insurance (PUW 2021-07)

Oct 2021 - Oct 2023

[APA Insurance](#)  
[AB Consultants](#)

MSMEs

Expected outreach: 334,335 policies (50% women)

[Read more on the project here](#)

With this project, [APA Insurance](#) and [AB Consultants](#) had planned to expand the existing micro property insurance solutions to a larger number of MSMEs with an equal focus on women entrepreneurs or business owners. Primary research on the demand side and secondary research on the supply side were conducted. A Human-Centered Design (HCD)-based product and expansion of distribution channels is expected to drive scale. The findings are complemented by demand research findings on how best the customer wants can be served and how they can be adopting that in the most practical manner.

## What is the innovation in the project?

- The project is trying to scale the uptake of micro property cover for MSMEs, from baseline of 93,000 active policy holders equivalent to CHF 30.8 million insured value, to a minimum of 334,335 active policies targeting 80% urban and 20% rural regions with a minimum CHF 850 value insured per policy within the two-year period of the program, and target 2.7 million active policies by year 5.

- The use of gamification as a new educational tool. Gamification simulates real life experiences and everyday financial decisions made at the household and small business level. It further simulates the impact of various financial risks on the household and business, at which point the concept of insurance and its role in safeguarding against such risks gets demonstrated. The gamification leverages the communal nature of the low-income households and small business owners so they can learn together, as they take a break from the daily challenges in their regular small group meetings.
- Extensive trainings with the distribution and sales staff of various distribution partners is underway.
- The project is leveraging on technology for expanding consumer education, distribution and end-to-end management of the product.

### Key learnings:

- B2B2C is a complex and limiting distribution model due to the restrictive agreements with different partners and the financial services provider having no direct access to the end customer.
- Based on lessons learnt and best practices from other market's success, target settings and marketing strategy should be localised and aligned with the specific market where the product is being launched.
- Product features should be adapted from time to time to meet the changing requirements and needs of the market.



Picture credit: GC Shutter, Getty Images Signature

### 3. Scaling-up a hybrid digital micro-health insurance

According to the [2021 Fin-Access National Survey](#) only 23 out of 100 Kenyan adults had access to health insurance. While the government is trying to provide the Universal Healthcare to all citizens and has made the National Health Insurance Fund (NHIF) mandatory for all formal employees, the informal sector which employs more than 80% of Kenyans is still majorly out of NHIF and thus is exposed to health risks. Furthermore, a significant portion of NHIF accounts is still dormant, indicating that either the accounts have expired owing to non-payment or are insufficiently covered by several exclusions. Private health insurers too typically limit or exclude coverage for chronic diseases.

[APA Insurance](#), [Democrance DMCC](#), [Ilara Health](#), [Emerging Markets](#), and [Maisha Paa](#), are working on a solution to address this issue by creating a comprehensive wellness program tailored to clients who have (or are on the verge of having) non-communicable chronic - diseases. It will help them to effectively manage their health. The product offering is a health care benefit package which includes outpatient, telemedicine, inpatient, maternity, dental and optical for the whole family, which will be further refined following a human-centered design and digitally enabled by deploying Democrance's digital platform.

#### What is the innovation in the project?

- The offering will be a hybrid capitation (a payment arrangement where a fixed amount of money is paid in advance per patient for outpatient treatment through Ilara's network of primary care clinics) and in-patient benefit should patients require a hospital admission.
- Private actors developing and delivering sustainable products for low-income populations to supplement the government scheme while cross pollinating their expertise to avail sustainable comprehensive solutions. The innovative solution is being developed by a consortium of four local insurance innovators and an established insurance company with a track record in inclusive insurance.

#### Key learning:

The product is yet to be launched so client and distribution insights will be shared later; however, at this stage main learning has been - to have effective internal stakeholder management to be able to move efficiently and timely for project implementation.



 Kenya

 Hybrid micro-health insurance (PUW 2022-14)

 Nov 2022 - Apr 2024

 [APA Insurance](#); [Democrance DMCC](#); [Ilara Health](#); [Emerging Markets](#); [Maisha Paa](#)

 Low-income clients (gig workers/smallholder farmers)

 Expected outreach: 22,500 policies with 90,000 lives covered (50% women)

 Read more on the project [here](#)

## Projects in India

### 4. Increase insurance penetration through technology and partnerships

Insurance is one of the key enablers of financial inclusion. Despite a high [mobile phone penetration of 76%](#), [less than 4% of Indians are covered by insurance](#). The situation is even worse when it comes to microinsurance products meant to serve low-income groups in rural India (accounting for [65% of the total population](#)). There is gross under-penetration of microinsurance due to various factors, such as high cost of distribution and market creation due to lack of awareness and knowledge resulting in low margins. There is an immediate need to bridge this huge protection gap in the rural parts of the country and microinsurance products can play a pivotal role to meet that objective.

[Briisk India](#), in partnership with [Care Health Insurance](#) (CHI) through various campaigns (e.g., e-mail, Facebook, Instagram, WhatsApp, community visits, webinars, CHI branch awareness campaigns, etc.) targeted reaching 1 million financially un/under-served people in the rural, semi-urban and urban area in India. These campaigns enable the targeted population cope with financial uncertainty by bringing them under the umbrella of need-based personal accident insurance through an innovative alternate distribution channel with a mission to onboard 25,000+ unique policyholders within 24 months.



The infographic is a vertical list of project details on a light blue background. Each item consists of a blue icon followed by text. The items are: 1. A location pin icon followed by 'India'. 2. A cube with arrows icon followed by 'Insurance penetration through technology and partnerships (PUW 2021-05)'. 3. A clock icon followed by 'Oct 2021 - Oct 2023'. 4. A handshake icon followed by 'Briisk India' and 'Care Health Insurance' on separate lines. 5. A target icon followed by 'Low-income clients'. 6. An icon of three people followed by 'Expected outreach: 25,000 (40% women)'. 7. A document icon followed by 'Read more on the project [here](#)'.

This product is being distributed through an innovative alternative distribution channel that is unique and fit for low-income households across rural and semi-urban India whereby the policyholders do not need to pay for insurance premiums. Users download the FinBuddy app through Google Play Store and sign up for the insurance product. After watching 1-5 minutes of digital ads per day, and overall, i.e., 30-150 minutes of ads per month, depending upon the insurance cover, users will earn FinBuddy ad unit reward which then can be cashed in (on the app) to buy and renew an insurance cover.

#### What is the innovation in the project?

- The innovative alternative distribution channel - FinBuddy app, generates revenue through ads watched by app users (FINKAI in India) and that gives the users free personal accident cover. Revenue generated through the ads watched by app users are used by the master policyholder (FINKAI) to pay the premium to CHI, and then assign the certificate of insurance coverage to the users on the insurer's behalf. As a result, users will get a personal accident insurance cover of up to INR 1,000,000 (~ CHF 10,950) without paying any premium or renewal fee. The insurance contract is annual and the cover amount is dependent on the earned reward points which then gets rene-

wed monthly. This initiative could reshape the insurance landscape in the country where insurance is seen as a liability instead of a necessity due to the existing mistrust towards the insurance sector, lower levels of financial literacy among the masses, or complexity of the products on offer in the market.

- The unique packaging of the product is helping in addressing some of the initial resistance issues for insurance purchase by the low income people. The insurance product has been built-into the FinBuddy app and it allows the app users to watch digital ads every day. These ad views are providing FinBuddy Ad units to the app users, which are then monetised to fund their insurance cover premium.

### Key learnings:

- There should be more offline trainings rather online for creating awareness and educating potential clients.
- Users should be given the flexibility of paying premiums in lieu of watching ads (instead of using only the ad units).
- To make the FinBuddy market-place more appealing and to increase traction, new products should be added and marketing activities increased to target a larger audience

## 5. Weather index insurance for smallholder farmers

Climate change has had a major effect on agriculture in India in recent years. India is exposed to natural disasters due to its geographical location and geological structure. [Between 2015-21, the country lost 69 million hectares due to extreme weather events like floods, excess rains and drought](#), which are likely to intensify as various studies predict. [The value of the damaged crops during this period is estimated to be around 4 billion USD.](#)

Weather index-based insurance is an important tool to manage weather and climate related risks, it pays out benefits more quickly in comparison to conventional insurance as they are linked to the weather indices, hence claims decision is more objective without any human interventions. Under this project, [IBISA](#), [CiNi](#) (nodal agency of the Tata Trusts) and [Avanti Finance](#) have partnered to launch a customised and affordable weather index insurance product covering lack of and excess rainfall, heatwave, and cyclone risks primarily for vegetables, maize and paddy farmers.



The infographic is a vertical list of key project details on a light blue background. Each item is preceded by a small icon: a location pin for the country, a cube with arrows for the insurance type, a clock for the period, a handshake for partners, a target for the beneficiary group, a group of people for outreach, and a document for more information.

-  **India**
-  **Climate insurance for smallholder farmers in India (PUW 2022-10)**
-  **Sep 2022 - Dec 2023**
-  **[Avanti Finance India](#); [CiNi](#); [IBISA S.A.](#)**
-  **Smallholder farmers**
-  **Expected outreach: 35,000 (80% women)**
-  **Read more on the project [here](#)**

The product distribution has been planned through bundling agricultural credit (not mandatory but to be marketed as a package) provided by Avanti. With SCBF / SR Foundation co-funded intervention, IBISA, CiNi and Avanti Finance enabled better participation of and collaboration with the mission-aligned institutions in the agri-value chain. By December 2023, the project would have helped in minimising the impact of adverse weather events on smallholder farmers, testing of index insurance to substitute existing loan default guarantees, and in providing credit facilities to new-to-credit smallholder farmers.

### What is the innovation in the project?

- To make the product more acceptable and relevant to the farming community, it has been co-created with inputs from a local nodal agency CiNi that helped in identifying and understanding the farmer needs and affordability aspects better.
- To make the product design transparent, easily understandable and to build trust amongst the farmers, platform access has been provided to farmer groups and the entire process of the credit, insurance coverage and insurance policy management system is being worked upon to be integrated with the Avanti Finance's system.
- A policy tracking tool has been created that enables users to view the ERA5 rainfall data for their locations and remain informed when payouts are triggered.

### Key Learnings

Project is working on implementing 'Aggregation model' wherein local organizations such as federations or farmer producer organisations (FPOs) have been identified and they will be provided with meso-level coverage. Such kind of a meso-level coverage has three main benefits:

- It is operationally less complicated to implement (no need to collect individual farmer data, bank details, etc.).
- End users have higher confidence in the insurance since they are part of a larger group that is covered by insurance.
- It is financially more sustainable for the small and marginal farmers since they do not have to pay the premium upfront but it is offered as a service by the federations/FPOs.







Picture credit: Deepak Sethi, Getty Images Signature

## 6. Digital health platform for increased financial inclusion

India has made large strides towards Universal Health Coverage with the launch of Ayushman Bharat in 2018, which is the largest fully government subsidised scheme in the world, covering nearly 40% of India’s population at the bottom of the pyramid. However, despite this progress, 30% of the population still lack any form of financial protection for health. This segment is termed as the “missing middle” because they are not poor enough to be covered by government subsidised insurance but not rich enough to buy private insurance. The missing middle is characterised by informal employment with unstable incomes and lack of social security benefits. They have the financial capacity to pay for health insurance but the products need to be simple and affordable.

Significant challenges still need to be overcome to increase the penetration of health insurance and access to health financing plans overall. On the demand side, this low penetration is attributed to low awareness about health insurance and other health financing plans, and lack of trust in the insurance industry. On the supply side, lack of affordable products in the market that truly respond to the needs of the missing-middle segment, and lack of cost-effective options for distribution of financial products and services.

-  **India**
-  **Saathealth family health intervention to address financial health needs of low-income users and increase uptake of insurance (PUW 2022-15)**
-  **Nov 2022 - Jan 2024**
-  **[Saathealth](#)**
-  **Low-income clients**
-  **Expected outreach: 20,000 clients (health products) & 5 million people (financial literacy); (50% women)**
-  **Read more on the project [here](#)**

Since 2018, [Saathealth](#) has been providing preventative health content in regional languages using infotainment through a digital platform powered by artificial intelligence to nudge low-income people towards more positive health outcomes. They have managed to gain trust of this segment, they have decent retention numbers reaching 1.5 million users every month with the health content on their mobile app and social platforms, and engage these consumers for a sustained period of time.

With the funding support from SCBF/SR Foundation, Saathealth is now updating its content to include financial literacy and financial products available in India for managing health-related expenses. The objective is to aggregate demand and connect consumers with providers of low-cost financial products for management of health needs. The intent of this project is to test if a trusted digital platform that has managed to get low-income people's attention, can now help these people in their health financing decision-making process, thereby contributing to increased health financial inclusion in the country.

### **What is the innovation in the project?**

- Root cause of health protection gap is lack of awareness, knowledge and understanding of various health issues, preventive measures, and financial planning to handle them. Saathealth provides these requisite details through digital medium in vernacular languages to make them easily understandable and accessible.
- The data and insights generated through the consumer surveys, interviews etc., is a ready base for financial service providers to create and provide customised solutions to the 'missing middle' segment, who while having the willingness and ability to purchase are unaware of the solutions and modes of getting them.
- A marketplace solution that collects client behaviour and disease information while connecting clients to low-cost financial products for health.
- Use of technologies that lower cost and increase efficiency of delivery.
- Leveraging a trusted health content platform to enable health financing decision-making, thereby contributing to increased health financial inclusion.

### **Key Learnings**

- There is significant user engagement through various campaigns on health literacy and users are keen on sharing their needs and health behavior.
- There is a stronger need for understanding consumer needs in creating health finance offerings.

## Projects in Zambia

### 7. Scaling-up the first fully digital life insurance product for low-income segments

For poorer population, life insurance is a critical tool in reducing financial risk across a segment that experiences the highest socio-economic burden in the event of death or disability of a family member. This is devastatingly amplified when the deceased is the main bread-winner. Despite of this, Zambia continues to have a naggingly low penetration rate for life insurance. In terms of a ready target market, the informally employed population in Zambia is over 85% of the total labour force equating to over 5 million people. This massive labour force and their family members face extreme risk of death every day that will lead to the subsequent financial turmoil.

[Upendo](#) Life Cash Boost is a life microinsurance product underwritten by [Prudential Life Zambia](#) that is delivered through multiple distribution channels. It uses a high-touch customer engagement via street agents and a simplistic digital approach for the more digitally astute clientele (e.g., mobile money, smart-phone ownership, free to air TV advertising, social media branding).

The life product provides low-cost, high-value life cover with a duration for 1 month up to 12 months that is determined solely by the customer in terms of their current affordability requirements and economic cash flow.

With the funding support from the SCBF and SR Foundation, a core team of activation and training agents (field officers) have been hired and trained to on-board and deliver sales skills and financial literacy to thousands of new sales agents across Zambia. These new sales agents will utilise Conversational Artificial Intelligence (AI) to promote life insurance and to assist customers with product understanding at the time of purchasing their life cover. The entire customer engagement process has been enabled by an end-to-end digital process that supports rapid scalability whilst enhancing customer onboarding, client support, claims registration, and processing efficiency.

#### What is the innovation in the project?

- The intervention will create a sales force of high-touch agents (+10,000 over 12 months), who will be digitally on-boarded and trained by the field officers, to provide much-needed services to Upendo customers. These sales agents will assist in digitally on-boarding customers and will accept premium payments in cash. They will activate policies digitally and start the cover immediately in the presence of the customers.

**Zambia**

**Digital life insurance product for low-income segment (PUW 2022-09)**

**Aug 2022 - July 2024**

**[Prudential Life Insurance Zambia](#); [Upendo Zambia](#); [Briisk Limited](#)**

**Low-income clients**

**Expected outreach: 706,029 policies (45% women)**

**Read more on the project [here](#)**

- The lowest premium across all adult ages per month per individual is CHF 0.426 with child dependents below 18 years at CHF 0.213 per month. Via a highly innovative next-gen product design and distribution strategy, Upendo is able to provide maximum value benefits to the customer whilst making the product financially lucrative and sustainable for the underwriters.
- Upendo Life Cash Boost provides cover benefit between CHF 325 – CHF 1,448 to people aged between 18-29 years of age. Adult customers can increase their life cover benefits 4x based on their premium affordability and can equally reduce their cover in times of economic hardship.
- The product only has a 1-month waiting period prior to full life cover compared to 3 months for other competing products in Zambia. The product is also superior because there are no payback penalties in the event of a premium default and allowing the defaulting customer to merely reconnecting whilst serving a one month waiting period with a full accidental death benefit in place.
- To counter lack of affordability in the higher age brackets, the premiums remain constant across all adult ages with a reduction in the policy benefits as the customer ages. The age bands are also spaced across 10 year cycles (compared to competitors' 5 year age bands) up to 64 years providing higher benefits for longer duration. This allows younger, more financially secure adults, to cover the lives of their dependent young children and elderly parents resulting in a significant expansion of lives covered, particularly in the rural areas.
- To solve past insurance value-chain inefficiencies, the Upendo product is digitally distributed, administered and processed via a fully integrated insure-tech platform.
- The product was recently awarded the inaugural Prudential Global Innovation Award as a testament to its potential not only in Zambia, but globally.

### Key learnings:

- The insurance landscape in terms of customer requirements and needs are changing rapidly and there is a greater urgency on innovation to address these needs through entire business model and product transformation that will result in value chain efficiencies and better product fit that enables alternative digital distribution models to be sustainable.
- A single successful use case will create a snowball effect that pushes incumbents to change their business and pricing models to drive significant growth within the lower market segments of the population. So, it's important to keep trying new things.

- With innovation across products and distribution fundamentals, reinsurers are willing to back and take on upfront execution risk.
- Customers engage with the sales agents on a very simplistic level enabled by equally simplistic easy-to-understand products. This helps remove friction from the customer journey along the sales and distribution processes, leading to significantly higher rates of adoption and sales volumes.
- At times, such innovations in business models and new value chains could be ahead of the current regulatory set-ups. Thus, it is important to constantly engage with the regulatory authorities and other market players to recognize these next-generation products, sales and distribution models that can enhance market conduct requirements and simultaneously drive insurance adoption in the poorer communities across the country and other emerging economies.



## 8. Scaling-up a macro resilience bundling program for smallholder farmers

Smallholder farmers in Zambia are vulnerable to climate-related shocks such as drought, extreme rainfall events, pests, and diseases that pose a constant threat to their livelihoods and food security. The increasing frequency and intensity of droughts and floods occurring in Zambia due to climate change has adversely impacted the livelihoods of 13 million people ([USAID, 2016](#)). The anticipation of losses from extreme weather events discourages farmers from making productivity-enhancing investments, trapping them in low risk and subsequently low return agriculture practices.



 **Zambia**

 **Multistakeholder macro resilience bundling (seed + agrochemical + fertilizer) scale-up program for smallholder farmers (PUW 2022-12)**

 **Oct 2022 - Jun 2024**

 **[Mayfair Insurance Zambia](#); [Syngenta Foundation for Sustainable Agriculture](#); [Acre Africa](#)**

 **Smallholder farmers**

 **Expected outreach: 30,000 (40% women)**

 **Read more on the project [here](#)**

The financial solution is a bundled inclusive input insurance product that consists of credit, inputs, and insurance. The solution aims to provide a good range of risk coverages including Rainfall Index covering drought and excessive rainfall and the Vegetative Health Index (VHI) modelled to cover uncontrollable pests and a good range of risk coverages including Rainfall Index covering drought and excessive rainfall and the Vegetative Health Index (VHI) modelled to cover uncontrollable pests and diseases. Based on the successful pilot in 2021-2022 season, [Mayfair Insurance](#) in partnership with [Syngenta Foundation](#), [Acre Africa](#) and other agri-value chain partners plans to scale-up the product across four provinces.

The substantive aim of this project is to de-risk target farming communities by promoting the uptake of quality and insured agro-inputs that include seeds, fertilizers, and crop protection through this unique and inclusive input bundling model.

Due to the decommissioning of Terra and Aqua satellites that carry the MODIS sensors the decision was taken to proceed with a pure weather index product for the 2022/2023 season. However, the project is currently working on reverting back to the initial hybrid product in the 2023/2024 season.

### What is the innovation in the project?

- This product aims to cover farmers against multitude of risks – drought, excessive rainfall, pests, diseases etc. based on historical yield or loss data and is bundled with agriculture inputs such as seeds, agrochemicals and fertilisers. The product is tailored for the smallholder farmers purchasing inputs from the selected agri-businesses.

- Distribution partnership with agro-shops is enabling the farmers to access agri-inputs and financial cover (bundled with the inputs) under one roof. Furthermore, usage of Village Extension Service Providers (VESP) and the Ministry of Education Camp Extension Officers as the last mile delivery points/ key farmer contact point that will be supported primarily by separate Financial Education funding (separately from Swiss Re Foundation funding) will provide the boost on the ground to support the upscaling project. Working with VESPs at a village level will ensure that there is a buy-in at the community level therefore making the introduction of innovations and market entry of new products much easier.

### Key learnings:

- There is a need to leverage on the group settings that smallholder farmers are aggregated in to reach a wider audience and create more awareness about the Macro resilience product offering. This can be achieved through both direct and indirect distribution through agro-shops linked to the input companies and through aggregators who have partnered with the input companies.
- Farmer registration ahead of the purchase time during field sensitization days is necessary to reduce the time spent onboarding them at the agro-shop level. During the sales window, merchandisers at the agro-shops are swamped and many farmers do not access the product offering due to time constraints. Through registration beforehand, which the project has been working on in preparation for year 2 of the implementation, the time used to onboard at the point of purchase will be significantly reduced.

## Project in Ethiopia

### 9. Scaling up life insurance and launching health insurance on digital platform to community-based groups

The aggregate insurance penetration of 2.78% in Africa (2019) is very low compared to the global average insurance penetration rate of 7.23% and specifically in Ethiopia it is abysmally low at just 0.32% (2019). In terms of uptake, low penetration has translated into less than 10% of people owning any form of insurance, with individuals who reside in rural areas even less likely to access and use insurance. This impedes economic mobility and makes people vulnerable to financial shocks.

Lack of data for risk and credit assessment, lack of data to identify the customers, lack of a low-cost infrastructure to reach customers and restriction on foreign insurers limiting in-

novation and competition add to the already high risk for insurance companies. To support themselves, majority of people have organised themselves into funeral associations, community-based groups (CBGs with 50-200 people) who meet on a weekly/monthly basis to pool together their savings to self-insure or self-bank.

In partnership with a local insurance company [Nib Insurance Company](#) (NIC), [Jamii.one](#) - a fintech company and platform for digital savings groups that bridges the location gap and provides underserved and remote communities access to formal financial services by going deeper into rural areas, is currently providing its end-users with access to a group-based life insurance. With SCBF/SR Foundation intervention, it will scale-up the life insurance and will develop, test and launch a health insurance program to the users.

#### What is the innovation in the project?

- Usage of the Jamii.one digital platform for launching and scaling up the products will make insurance accessible to the target segment. Digital flow will be developed on the Jamii.one platform for user-friendly purchases of the insurance product and as the purchase is made through the group it only requires access to one smartphone and one person with digital literacy for a group of on avg. 120 members to get access



 Ethiopia

 Leveraging a digital platform to scale the most affordable life insurance and to develop and launch health insurance for low-income people organised in community-based groups (PUW 2023-10)

 Jun 2023 - Nov 2024

 [Jamii.one](#)  
[Nib Insurance Company](#)

 Low-income clients  
(Members of community based groups)

 Expected outreach: 113,902 (35% women)

 Read more on the project [here](#)



to affordable, resilience-building insurance solutions; thereby addressing the challenge of unavailability of mobile devices, internet and knowledge gaps for accessing insurance.

- Reaching out to the individual low-income clients, regulations around providing insurance (upfront payment collection for 1 year) creates a high entry barrier for both the insurers and customers. However, in this case the target population are the members of the community-based groups which will enable collection of payment/contribution of members on a monthly or bi-weekly basis, and holding group capital accumulated from members over a period of time. Thus, this will allow for an up-front premium payment from all the group members and will help people to access affordable insurance cover.
- Jamii.one is the selected digital partner to the National Iddir Council to digitalise all funeral groups under it in Ethiopia, covering approximately 20 million funeral group members. It will leverage this partnership for the distribution of the products, which will follow a one-to-many approach for training the leaders of several groups in one seminar. These leaders will then take the information about Jamii.one and the insurance products to their respective groups. With the app being free to use, leaders can download it to show and share more details on Jamii.one and the insurance products.

## Project in Malawi & Nigeria

### 10. Enhancing accessibility to improved, farmer-centered insurance products

Majority of the world's poor are smallholder farmers, who are increasingly caught between climate change and extreme poverty. Long-term yield declines and more frequent and severe shocks are further compounding the emerging food crisis spreading throughout Africa. At least one in five Africans goes to bed hungry and an estimated 140 million people in Africa face acute food insecurity.

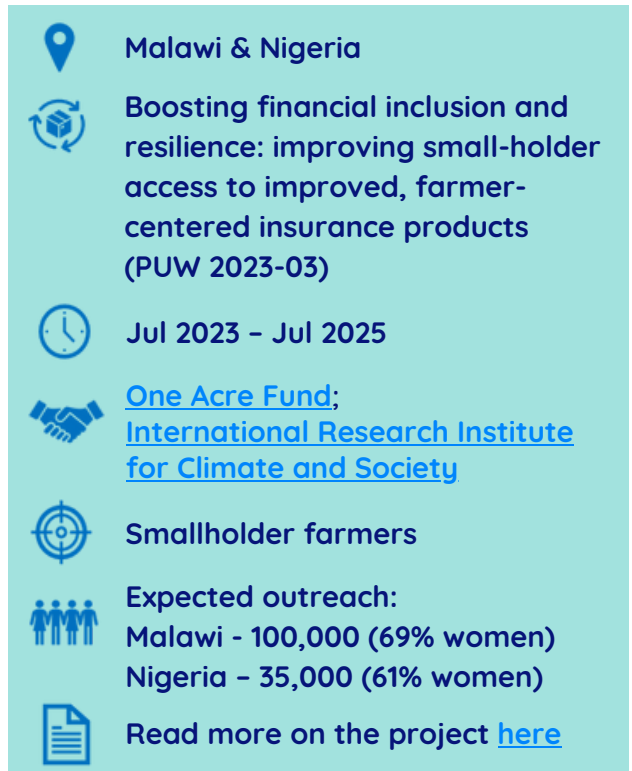
According to an IPC Chronic Food Insecurity Report, approximately 5.4 million people in Malawi living in rural and secondary urban centres are facing moderate or severe chronic food insecurity due to abject poverty and recurrent shocks, among other drivers. In Nigeria, FAO has projected about 25.3 million


people would face acute food insecurity during the June to August 2023 lean season. Given the frequent and severe climatic changes, agricultural input insurance is one of the most important tools for smallholder farmers to build their resilience against climatic shocks and get them financially included in the short term. Access to insurance will help instill confidence in the smallholder farmers who are generally risk-averse to make necessary investments in their farm's productivity, while providing a critical safety net against the unpredictable impacts of climate change. Through this project, [One Acre Fund](#) with partner with [International Research Institute for Climate and Society](#) at Columbia University for technical assistance and will work with local partners (insurance and reinsurance) to design and implement parametric products in Malawi and Nigeria.


The SCBF/SR Foundation intervention will help in introducing and scaling the insurance products to larger client base of farmers including the entire client base of One Acre Fund in Nigeria, who are currently not receiving insurance through their core program, and a mix of existing clients and newly reached farmers in Malawi.


#### What is the innovation in the project?


- To increase the accuracy of the products, assistance from external sources will be utilised for remote sensing, modelling, and a research consultant to develop tools to improve the outcomes and value of the insurance products and deliver better customer service to farmers in Malawi and Nigeria.





 **Malawi & Nigeria**


 **Boosting financial inclusion and resilience: improving small-holder access to improved, farmer-centered insurance products (PUW 2023-03)**

 **Jul 2023 – Jul 2025**

 **[One Acre Fund](#); [International Research Institute for Climate and Society](#)**

 **Smallholder farmers**

 **Expected outreach:**  
Malawi - 100,000 (69% women)  
Nigeria - 35,000 (61% women)

 **Read more on the project [here](#)**

- Key data points will be utilised to create combined (yield index and weather index) approaches to mitigate multiple types of agricultural risks.
- To create a farmer-centred product design, feedback from farmers will be collected on shocks and seasonal variability, allowing the team to fine-tune index products to best meet smallholder needs.

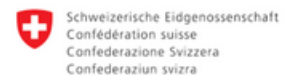
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