

[Pioneering the ?Women?s World Banking Caregiver Policy? - MFW](#) [1]

About the Project



Project Name: Pioneering the ?Women?s World Banking Caregiver Policy? - MFW

Type of Facility Project: Microinsurance innovation grantee

Country of Operation: Jordan

Region: Asia and the Pacific

Sub Topics: Financial institutions, Product development, Health

Type of Distribution Channel: Microfinance institution

Organizational Overview

MicroFund for Women (MFW) started as a Save the Children lending program in 1994 and was registered as a local non profit company under the Ministry of Trade in 1999. MFW aims to harness the productive capacity of microentrepreneurs in Jordan, especially women, by providing them with financial and non-financial services. Its work contributes to the empowerment of underprivileged women as they become income earners and decision-makers in their communities and to reduce unemployment by enhancing economic opportunities and providing support to entrepreneurial enterprises.

Project Description

Started in 1979, Women?s World Banking (WWB) is a global network of 41 leading microfinance institutions from 29 countries. The network members are diverse in geography, size, and structure, but united in the firm belief that global poverty can be best addressed by increasing the economic access, participation, and power of low-income women. Collectively the network reaches over 21 million poor entrepreneurs, the majority of whom are women. MicroFund for Women (MFW) is a member of the WWB c...[READ MORE](#) [2]

Beneficiaries

The Caregiver product will be offered to MFW?s nearly 40,000 borrowers: MicroFund serves primarily women (96% of borrowers) with an emphasis on those below the poverty line (78%). Research indicates that health is among the top three most important financial concerns of MFW?s target group.

Learning Agenda

- How much does insurance help protect savings and capital accumulation in a household?
- How will clients use a supplemental hospital cash product to meet their typically non-insured health care costs?
- How effective are different marketing methods for voluntary insurance components of the Caregiver product?
- How well do clients understand all features of the policy, especially any that are mandatory?
- What additional institutional capacity is required to expand insurance services beyond a credit life product?
- How sustainable and replicable is a caregiver insurance product?

Project Status

Key Performance Indicators

Riaya (Caregiver mandatory cover for MFW clients)

Item No	Indicator	Cumm/Incr (a)	Year to				March 2013	Total	Target
			2010	2011	2012				
I	Insured Number	C	5'209	43'630	91'044	22'517	159'036	93'381	
	Claim Numbers (b)	C	148	1'987	4'391	1'424	7'360	18'864	
	Loan Rejection (c)	C	Nil	Nil	Nil	Nil		<2.5%	
II	Expense Ratio (d)	C	48%	18%	8%	6%	6%	<90%	
	Claims Ratio (e)	C	29%	31%	32%	33%	33%	33%	
	Net Income Ratio	C						n/a	
III	Coverage Ratio	C	8%	61%	98%		25%	93%	
IV	Claims Frequency	C,I	10.2%	8.3%	7.2%	7.1%	7.1%	10%	
	Hospital Stay Length	C,I	3.6	3.8	3.5	3.5	0.0	3.8	
	Claims Duration (f)	C,I	11.6	10.0	10.1	8.1	9.7	<10 days	
	Claims Rejection Ratio	C,I	4.7%	3.1%	3.4%	2.6%	3.4%	<5%	

Notes

- (a) Some indicators completed based on cumulative or incremental Data
- (b) Claim numbers include estimated incurred but not reported claims (IBNR)
- (c) Loss of clients due to client refusal of Riaya policy
- (d) Total direct costs by month compared to the amount paid to MFW as fees
- (e) Measuring whether total claims costs not unduly low or high (pricing expects 60%)

Salamatak (family cover)

May 2012 June 2012 July 2012 Aug 2012 Sep 2012 Oct 2012 Nov 2012 Dec 2012 Jan 2013 Feb 2013

MEMBERS

Cumulative Total since inception	95	413	453	477	639	724	765	825	837	864
Total per month	95	318	40	24	162	85	41	60	12	27
Female members	28	121	16	9	45	29	13	20	2	9
Male members	67	197	24	15	117	56	28	40	10	18
Age(0-18 years)	49	188	28	11	86	50	26	26	4	18
Age>18 Years	46	130	12	13	76	35	15	34	8	9

POLICYHOLDERS (MFW Clients)

Cumulative Total	28	125	137	148	216	249	261	285	291	299
Grand total	28	97	12	11	68	33	12	24	6	8
Female clients	28	95	12	10	66	32	11	19	6	7
Male clients	0	2	0	1	2	1	1	5	0	1
Single clients	0	6	0	1	5	1	2	1	0	0
Married clients	25	81	11	10	59	28	9	23	6	8
Widow Clients	2	8	0	0	3	3	0	0	0	0
Divorced Clients	1	2	1	0	1	1	1	0	0	0
Average members/policy	3.4	3.3	3.3	2.2	2.4	2.6	3.4	2.5	2.0	3.4

PENETRATION

Eligible Clients (approximate)*	3'100	3'100	3'100	3'100	3'100	3'100	3'100	3'100	3'100	3'100
Per cent enrolled	1%	4%	4%	5%	7%	8%	8%	9%	9%	10%

CLAIMS

Claims Incurred and reported		1	3	4	6	6	9	5	2	4
Settled Claims	0	0	3	4	6	6	9	5	2	4
Average Length of Hospital stay (days)	-	-	3.7	3.3	4.0	2.5	3.6	6.4	5.5	4.5
Total Amount Paid per month (JOD)	0	0	110	195	360	225	480	480	75	285
Average claims turnaround time	0.0	0.0	3.3	2.5	6.8	6.2	7.7	11.6	5.5	4.5
Rejected Claims	0	1	0	0	0	0	0	0	0	

Note: until January 2013, only active clients with more than six months remaining on their loan were eligible to enroll. Approximately 15% of new clients were estimated to enrol their families.

Project Updates

Phase 1: Initial planning (June - November 2009) MFW conducted four focus groups with clients and one with staff to test key product features and pricing, and gauge receptivity. It also modeled the administrative, marketing and training costs to include in final pricing. An insurance partner was selected (Al Manara, an affiliate of Zurich Insurance), and work begun to create a product tailored to MFW clients' payment capacity, eliminating most exclusions, including pre-existing m...[READ MORE](#) [2]

Project Lessons

[On the use of a supplemental hospital cash product](#) Having insurance may increase health seeking behavior. During enrolment some clients said that they had previously deferred seeking hospital care due to financial constraints and that they may be more likely to seek care with the Caregiver product. Although claims rates may increase over time, the frequency of hospitalization may be lower than expected, thus keeping claims costs low. Experienc...
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[On the effectiveness of different marketing methods for voluntary insurance components](#) Client reaction to a mandatory hospital cash product is generally positive. Clients' first priority is applying for a loan, and the product may be seen as an added benefit of taking a loan. Because the product is mandatory, it is not yet possible to test the price sensitivity of clients. This will be tested through the results of the voluntary product. Loan office...
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[On client understanding of the policy](#) Clients need to understand how to submit claims. During the pilot, MFW observed that most clients understood the key features of the product and the claims process, but there was mixed response on the information brochure (half of clients read it) and some clients were not aware of the need to include a medical diagnosis on hospital papers. Based on client feedback, MFW saw a need to reinforce informati...
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[On building and maintaining successful partnerships](#) When multiple stakeholders are involved, a clear decision-making process is essential to achieve timely action on implementation, and to obtain consensus. MFW had some challenges to achieve a common understanding with its insurer partner on product and pricing terms and operational items in the expected time frames. Part of this is believed to be due to a need for additional clarity around each...
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[On product design](#) It is essential to have detailed client data. MFW collected detailed client data, both through prior research and at the beginning of this project. This data helped to inform the negotiations around product design and pricing, and to ensure a fit with customer needs, priorities, and payment capacity. MFW has continuously solicited feedback on client understanding of the product features, including benefits and claim processes. I...
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[On designing and monitoring new processes](#) A pilot phase is ideal for testing new processes on a small scale, to see what works (or doesn't), before integrating improvements and scaling up. For example, it was discovered that both loan officers and clients had some confusion around claim submission requirements. Training processes and materials were therefore modified to improve loan officer and client understanding of how to submit a claim under the...
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