Pioneering the "Women's World Banking Caregiver Policy" - MFW

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
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 [i]
**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. 

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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...*[READ MORE][2]*

**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...*[READ MORE][3]*

**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...*[READ MORE][2]*

**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...*[READ MORE][2]*

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