Natural catastrophe and weather index insurance provided to microfinance institutions

Country of Operation: Haiti
Region: Latin America and the Caribbean
Sub Topics: Business models, Data analysis and processing, Financial institutions, Subsidies, Claims, Promotion, Product development, Consumer education, Improving value, Property, Agriculture, Agriculture

Organizational Overview

MiCRO is a reinsurance provider based in Barbados. MiCRO currently provides natural catastrophe and weather index insurance to microfinance institutions (MFIs), which in turn insure low-income micro-enterprises.

Activities Overview

MiCRO works through MFI Fonkoze, and hopes to reach economies of scale through other MFI distributors. Through GIIF technical assistance, the project will expand the reach of the product offer to more low-income microfinance clients by adding at least one additional MFI to MiCRO's distribution channels by the end of the project. With GIIF grant funds, MiCRO is able to cover the costs of up to 50 percent of the premiums for three years, allowing MiCRO time to bring its index product up to a sustainable market level.

Approximately 70,000 micro-enterprises are expected to be insured by the end of December 2016. The total projected value of active insurance contracts is estimated to be $20.5 million by 2016.

Haiti is one of the most disaster-prone countries in the world with earthquakes, hurricanes and flashfloods. MiCRO and Fonkoze have redesigned the index insurance portfolio product to reduce basis risk and excessive payouts.
Learning Agenda

- Technicality of product given the drive to be innovative
- Consumer education and awareness
- Partnership coordination given that all partners have different agenda

Latest Updates

The MiCRO pilot is still being tested.

Contributor/s: The content of this page is from the project's page on the GIIF website.

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