Serving clients in the informal sector -- NBC

Country of Operation: Mozambique
Region: Africa
Sub Topics: Other channels, Client interface, Product development, Retailers, Mobile network operators, Partnerships, Improving value, Savings-linked, Life

Organizational Overview

NBC Mozambique Micro Insurance Company S.A. is part of NBC Holdings South Africa. Established in 2014 as the first micro insurance company in Mozambique, the company focuses on directly serving the lower-income earner and the informal market, through the provision of innovative and cost efficient products and services that provide sustainable solutions to improve the lives of their clients.

Project Description

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Activities Overview

NBC Companhia de Microseguros, the first microinsurance company registered in Mozambique, is developing its business strategy to serve the population working outside the formal sector. This is a part of the population that is demanding solutions that are adapted to their circumstances and that enable them to bring their business to a secure and regulated environment.

The development of the project consists of two phases, the first consisting of a market research, segmentation, product development and piloting in 2018, followed by project completion during its second phase in 2019.

Learning Agenda

- What are the most strategic channels that would facilitate an efficient delivery of micro insurance products in the Mozambican market?
- How to improve the company value proposition that would increase the uptake of microinsurance products?

Latest Updates

The project started with an institutional evaluation. Since NBC is developing a new business model to serve individual low-income clients, it is crucial for the company to create strategic alliances that help it to get to better understand these new market households. The company will conduct a market research to be able to identify which distribution channels are available for a strategic and sustainable entrance into this new market using a client-centric approach.

Lessons

Of the eight channels that were identified, there is not one that is suitable for a single line of collaboration. Therefore it is recommended to select and prioritize a few channels that enable NBC to get insights about the market to which they wish to expand and to understand the clients’ characteristics of each channel. This would enable NBC to design products that offer value to different channels and client profiles, as well as guaranteeing the sustainability of the project.

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