



The Role of Microinsurance for the poor: ICMIF's 5-5-5 Strategy

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Microinsurance and its Importance for the Poor

Microinsurance is a protection availed by low-income people against specific perils for an affordable, regular premium.

Importance of Microinsurance

Provides **safety net** for the vulnerable poor

- Protects people's livestock and crops
- Protects them against natural disasters
- Helps them grow their businesses

Microinsurance **reduces poverty** and **uplift the lives of the poor.**

www.spixii.com. "What is Microinsurance and why it is important?"

Current Status of Microinsurance and Its Potentials

According to **The MicroInsurance Centre's** estimate, the microinsurance market could grow to 1 billion policyholders in the next ten years.

In developing countries, microinsurance already covered 135 million – only 5% of the potential market, estimated at 1.5 – 3 billion.

www.spixii.com. "What is Microinsurance and why it is important?"

What are the key challenges?

- Lack of trust and understanding of insurance
- Hard to reach communities
- Low retention levels
- Timely claims payments
- Appropriate regulatory environment
- Inadequate infrastructure
- Lack of established successful providers

CARD Microinsurance: An innovation in Microinsurance for the poor



We belong to the CARD Microinsurance Group

is an insurance arm of the CARD MRI that provide microinsurance products for members of the CARD MRI's financial institutions **CARD, Inc.**, **CARD Bank Inc.**, **CARD SME Bank Inc.**, and **CARD MRI Rizal Bank, Inc. (CMRBI)** and their families in times of sudden and unforeseen events such as accident, death, or disability.



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Insurance agency who manage the sales force of microinsurance products



The country's first non-life Microinsurance company specifically created to offer affordable life and non-life insurance products. It address the calamity, agriculture and income-loss insurance needs of the marginalized market at the microinsurance level.

CARD MRI MICROINSURANCE PRODUCTS AND SERVICES



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Financial Products

- Life Insurance Program
- Retirement Fund
- Loan Redemption Fund
- Golden Life Insurance
- Family Security Plan
- Remitter Protek Plan

Non-Financial Products

- CARD MRI Disaster Relief Assistance Program (CDRAP)
- Mass Wedding
- Build-Operate-And-Transfer Program



Financial Products

- Sagip Plan
- CARD Care
- Kabuklod Plan
- ER Care
- MediCash (Dengue Insurance)
- MediCash (Leptospirosis Insurance)
- Negosure
- ProteKita
- BINHI Crop Insurance
- Dakila

RESULTS AND IMPACT



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Total Insured Individuals: 27 M

Total Amount Paid for Insurance
Benefit: US\$291 M



Total Policies Sold: 93 M

Total Amount of Claims Paid:
US\$39 M



ICMIF 5-5-5 Mutual Microinsurance Strategy



0.74 USD per policy

Launched in June 2016 to scale up mutual microinsurance in five countries, its objectives are:

- Building insurable populations
- Building resilience
- An informed approach
- Focused on long-term sustainability
- Supported by like-minded organizations

www.icmifoundation.org/5-5-5/

Accomplishments to date



2,852,201 people insured

14,261,005 lives impacted

18 technical assignments undertaken

4 country diagnostics published

5 projects commenced

3 projects ongoing

USD 2,102,907 funding raised

30 cooperative and mutual insurers supporting

Figures accurate as of 31 March 2022
www.icmiffoundation.org

Building ownership and relevance for ICMIF members



Challenges

- Members and their Foundations primarily only give to local good causes
- Members only give to international reputable charities and/or in response to international disasters/events.
- Sense of ownership, interest or responsibility for the work of The Foundation
- Effectiveness of technical assistance

Opportunities

- Pandemic, climate change, refugee crisis – demonstrated the world is a small place and interlinked.
- Customers more connected and concerned with what is happening around the world
- Differentiation between commercial and mutual insurers are narrowing.
- The Foundation is a unique charity as it is in the same line of business as members (insurance)
- Track record now established

The ICMIF Foundation “Strengthening resilience against risk for low-income communities”. www.icmifoundation.org

The way forward



The ICMIF Foundation Strategic Goals 2022-2024

1. To reach more people with mutual microinsurance and impact the SDGs
2. Ensure the work of the Foundation supports the strategic objectives of ICMIF members
3. Building better knowledge on mutual microinsurance programs around the world
4. Develop partnerships with external organizations to support mutual microinsurance providers
5. Strengthen competencies and capabilities of The Foundation



The ICMIF Foundation “Strengthening resilience against risk for low-income communities”. www.icmiffoundation.org

Thank You!



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