

# AOA/ICMIF Mutual Microinsurance Webinar Achievements and Lessons of ICMIF 5-5-5 Strategy: The Philippines' Experience

29 June 2022

# Presentation Outline

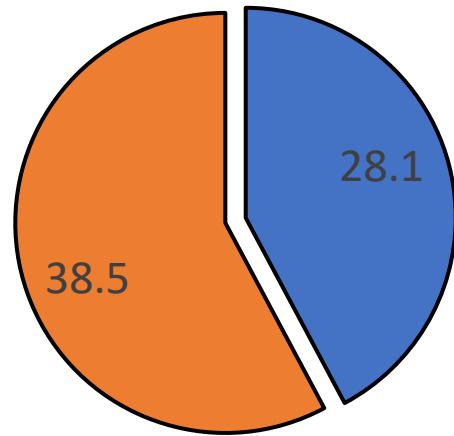
Country diagnostic

Country strategy

Intervention programs and  
results

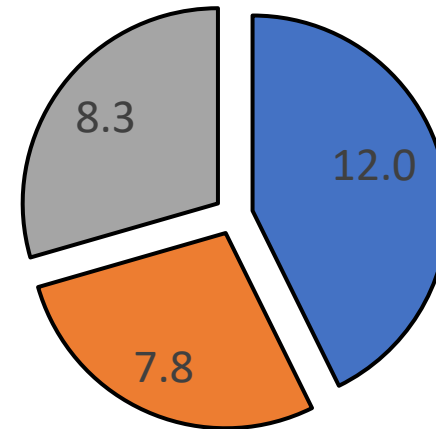
# THE SUPPLY OF MICROINSURANCE: LIVES COVERED (2014)

Lives covered versus potential market



■ Supply ■ Untapped

How many did the mutual organizations cover?



■ MBA coverage ■ CIS coverage ■ Non Mutual Coverage

# Diagnostic Study: Opportunities

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A large portion of the microinsurance market unserved

A favorable mutual microinsurance regulatory environment

A vibrant Mi-MBA sector with country-wide geographic reach

The presence of RIMANSI, the network association of Mi-MBAs

The initiative of government regulators to stop informal insurance-like operations

The availability of mobile technology applications in delivering microinsurance products

# Diagnostic Study: Challenges

- A geographical disperse population
- Low insurance awareness and financial literacy
- Increasing market competition
- Regulatory limitation product offering
- Uneven growth performance of Mi-MBAs
- Limited microinsurance data

# Strategic Decisions



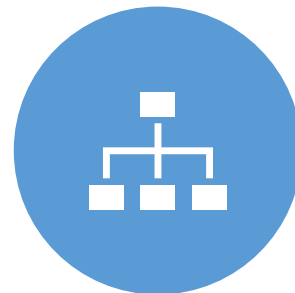
Focus on the Mi-MBAs




Adopt a sector approach



RIMANSI as overall  
program manager



Capacity building as the  
core program: operational  
assessment, TFA planning,  
implementation



# The Philippines' 1-5-5 Program Strategy

Program goal: 1-5-5

Program Output: Improved operational efficiency of Mi-MBAs

Program Activity Objectives:

- Assist Mi-MBAs explore new distribution channels to reach new markets
  - Help Mi-MBAs enhance existing products and develop new ones
  - Support Mi-MBAs to upgrade their data management technology and apply mobile technology apps
  - Provide Mi-MBAs with opportunities to enhance their technical, management and governance competencies
  - Assist Mi-MBAs improve their operational systems and processes
  - Help Mi-MBAs to expand their investment options and develop a mechanism to pool investments
  - Create new Mi-MBAs
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# Activities Supported

Performance evaluation and long-term planning support

New product development

Investment pool

Governance and management training programs

Pilot non-traditional distribution channels

Upgrading management information systems

Mi-MBA customized internal audit framework

Member-education strategy

Mobile application development

Enterprise risk management framework



# Results

## Key 5-5-5 Program Results

- Total new members: 1,978,272
- 9,891,358 currently impacted: insured individuals
- USD 534,483 provided in support of the program
- USD 0.27 funding cost per insured
- USD 0.05 funding cost per life impacted

## Financial Partners

- Citi Foundation
- CARD MRI (Philippines)
- Peace & Equity Foundation (Philippines)
- Folksam (Sweden)
- Thrivent (USA)
- Zenrosai (Japan)

# PH Mutual Microinsurer's Sectoral Performance

- In Q3 2021, Mi-MBAs account for about 60% of the 48.98 million lives covered by microinsurance based on the report of the Insurance Commission.

Key Indicators	2019	2020	2021
Mi-MBA members, partners	18	18	18*
Membership	6.86 m	6.81 m	7.68 m
Individuals insured	24.93 m	25.96 m	27.57 m
Contribution, premium	USD 96.2 m	USD 80.2 m	USD 113.4 m
Claims paid	USD 28.6 m	USD 34.4 m	USD 51.0 m
Equity value for the year	USD 19.1 m	USD 27.6 m	USD 32.2 m
Released amount of equity value	USD 8.9 m	USD 6.8 m	USD 10.9 m
Total number of claims paid	65,053	76,467	102,378
Ave. amount of benefits paid per day	USD 79,400	USD 95,600	USD 142,000
Ave. number of claims paid per day	180	212	284
*3 in pipeline			