

# **Braving the New Normal with Greater Social Protection Through Microinsurance**

By the Microinsurance MBA Association of the Philippines Inc.

In these challenging times brought on by the pandemic, microinsurance has become an important lifeline for Filipinos with low income and limited access to mainstream insurance services. Microinsurance has come a long way in the Philippines, from a coverage of less than three million low-income Filipinos in 2007, the number has surged to 40 million individuals in 2019. This is an average annual growth rate of 123%, just in the past decade. Much of this gain in financial inclusion can be attributed to the efforts of Microinsurance Mutual Benefit Associations (Mi-MBAs) spread all over the country. According to the Insurance Commission, Mi-MBAs account for 62% of the total microinsurance coverage up to the third quarter of 2019.

However, millions of low-income Filipinos are still uninsured and remain vulnerable to an uncertain economic future. A 2018 microinsurance landscape study estimated that there is still a potential market of 73 million individuals in 2020 that need to be reached by Mi-MBAs. The Microinsurance MBA Association of the Philippines (MiMAP) or RIMANSI, together with its eighteen Mi-MBA members, has taken on the challenge of reaching out to these millions of uninsured Filipinos and has committed to the goal of greater financial inclusion with a target coverage of 48 million poor and low-income Filipinos by 2024.

Citi Foundation, which works to promote economic progress and improve the lives of people in low-income communities, is supporting this endeavor and has partnered with MiMAP (RIMANSI) in a grant program that aims to strengthen the capacity of its Mi-MBA members through two key growth drivers: 1.) adoption of broader technology through enhancements of their members' management information system, and 2.) increase the awareness and appreciation of microinsurance through a comprehensive microinsurance literacy program.

## **Mobile Technology in Data Management**

What if there is a user-friendly mobile app that will allow Mi-MBAs to check on their members. The management information system enhancement project will allow Mi-MBAs to have access to relevant, accurate and timely data through the development of a mobile app. Among the functionalities that the app will need to cover include member application and information updating; processing of claims, payment and collection; tracking of lapsed insurance coverage; and member engagement.

Pelagia Mendones, General Manager of CARE MBA is excited with the promise of this new technology, "We are happy to know that the use of mobile technology, such as tablets or mobile phones, in data management will be possible even in our remote areas of operations like island communities. Staff of our partner cooperatives can encode the day's transactions in their phones while on field; such data can then be uploaded as soon as they reach the office at the end of the workday. Soon, we can update and consolidate our customer database with just one click."

## **Learning Sessions for Microinsurance Literacy**

The second and key phase of the program is to develop modules and tools for learning to increase awareness and build a better understanding of microinsurance, not only among existing members but to the broader populations who are still without insurance. MiMAP (RIMANSI) envisions making these modules and tools to members of their partner organizations and reaching out to various communities nationwide to share the knowledge about microinsurance and its benefits, especially for poor Filipinos. By increasing awareness, they are hoping to push for a faster rate of increase in membership.

As confirmed by Alice Cordero, President of TSPI MBA, "It fits the strategy we adopted last year which directs the MBA to take on a more active role in microinsurance promotion and marketing. Beginning 2020, our Insurance Officers have been given the task to promote and educate members on microinsurance. We are confident that as members gain full understanding and appreciation of the value of microinsurance, they will want to and provide microinsurance to all family members. As such, we have set a high outreach target of 400,000 insured individuals by the end of 2021."

## **Strategic Partnerships in Sustaining the Gains**

Amidst a year shrouded by fears and financial uncertainty because of the pandemic, MiMAP (RIMANSI) has shown that members can truly count on microinsurance to help them through these tough times. As of November 2020, MiMAP (RIMANSI) members have collectively paid a billion pesos (P1.12 billion) involving 51,203 claims during the year, more than a thousand of these claims are COVID-related.

The work to promote microinsurance continues with bigger and bolder plans for the year ahead. MiMAP (RIMANSI), with the support of Citi Foundation, will hold the National Microinsurance Forum on January 26 to 27, 2021 with the theme "Thriving in the New Normal." Distinguished speakers and guests who will join the virtual event include Philippine Insurance Commissioner Dennis Funa, DOF Undersecretary & Chief Economist Gil Beltran, DOH Undersecretary Maria Rosario S. Vergeire, Citi Philippines CEO Aftab Ahmed, and Chairman Emeritus of MiMAP (RIMANSI) Dr. Jaime Aristotle Alip.

Key updates and developments in the measures and strategies of the government, private sector, insurance industry and microinsurance sector in coping with the impacts and challenges brought about by the pandemic and natural calamities are lined up for discussion. As in past years, this annual networking event will keep the diverse stakeholders of the local microinsurance industry engaged, united, and more than ever driven, to achieve the goal of greater financial inclusion for Filipinos.

### **About Citi Foundation:**

*The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. We invest in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant cities. The Citi Foundation's "More than Philanthropy" approach*

*leverages the enormous expertise of Citi and its people to fulfill our mission and drive thought leadership and innovation.*

*About MiMAP (RIMANSI):*

*The Microinsurance MBA Association of the Philippines Inc. (MiMAP) or RIMANSI helps professionalize the management of microinsurance mutual benefit associations (Mi-MBAs) and microinsurance programs to provide affordable, comprehensive, and quality risk protection to millions of poor people in Asia and the Pacific. Towards this purpose, MiMAP assists Mi-MBAs in developing risk management solutions, building capacities, advocating for appropriate policy environment, and pursuing research & development agenda.*