

Compartamos *Banco*

## MFIs as Delivery Channels



November 2010

# Agenda

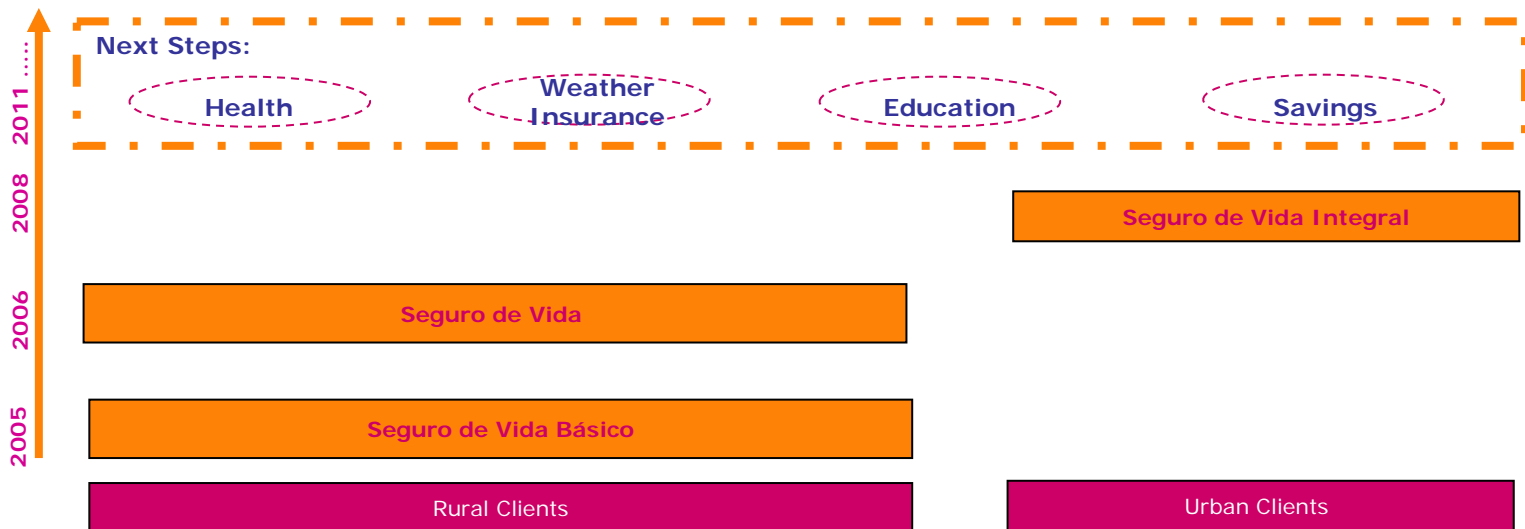


- Compartamos' MIS Model
- Challenges of being a delivery channel and the team work with the insurer
- Some of Compartamos' Results
- Major Compartamos' Learnings
- New Challenges
- Conclusion

# Compartamos' MIS Model



- Compartamos's microinsurance project started in 2004 and is based on the Partner – Agent Model:
  - Seguros Banamex (2004 – 2009)
  - Mapfre (2010)
- We have three life products

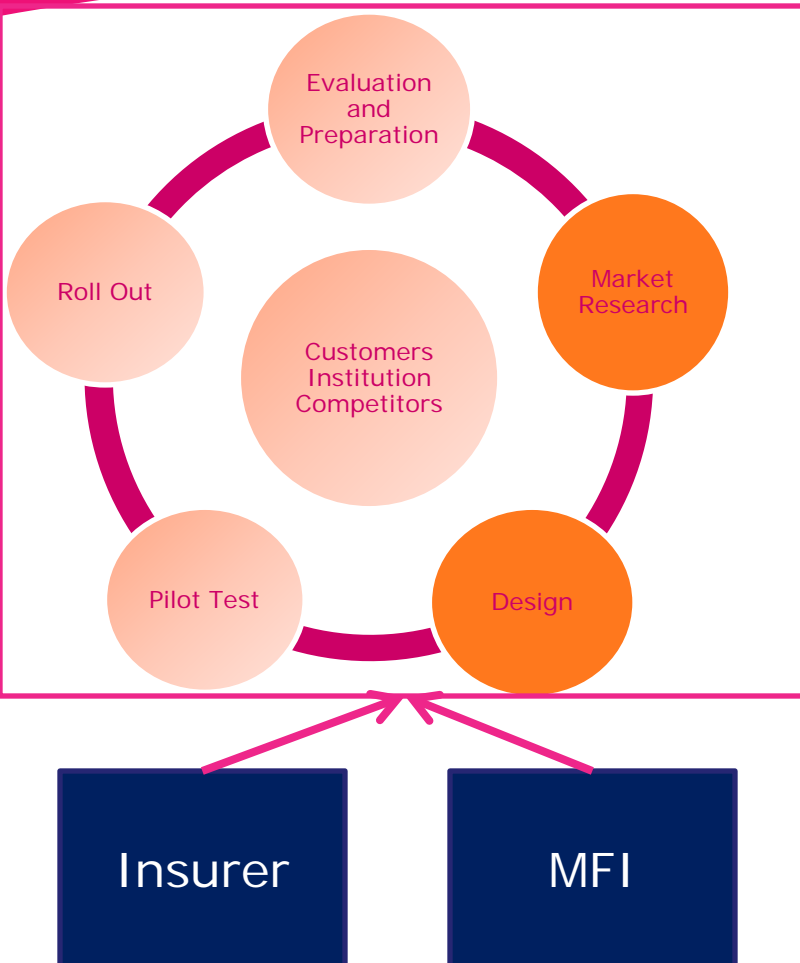
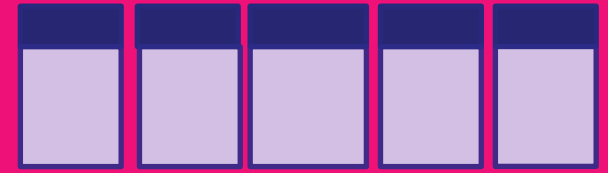


The insurer has worked with Compartamos to implement strategies to overcome the challenges we have as the delivery channel



MARKETING	SALES	PREMIUM COLLECTIONS	SERVICES	CLAIMS
<ul style="list-style-type: none"><li>• Simple Products</li><li>• Simple methodologies</li><li>• Right partner</li></ul>	<ul style="list-style-type: none"><li>• Training</li><li>• Prevention Culture</li><li>• Intangible service</li></ul>	<ul style="list-style-type: none"><li>• Finance for premiums</li><li>• Adapting to loan methodologies</li><li>• Operative costs</li></ul>	<ul style="list-style-type: none"><li>• Diversification</li><li>• Responding to client needs</li></ul>	<ul style="list-style-type: none"><li>• Simple Process</li><li>• Simple requisites</li><li>• Time of response</li></ul>

# To overcome any challenges as the delivery channel, we always rely on the Product Development Process



## MARKET RESEARCH

- Having the ability to **understand the clients' needs**
  - > FIELD FIELD FIELD
  - > T.D.U.F
- Having the ability to **speak the same language**
- Having the ability to **identify the key points to generate an MIS culture**

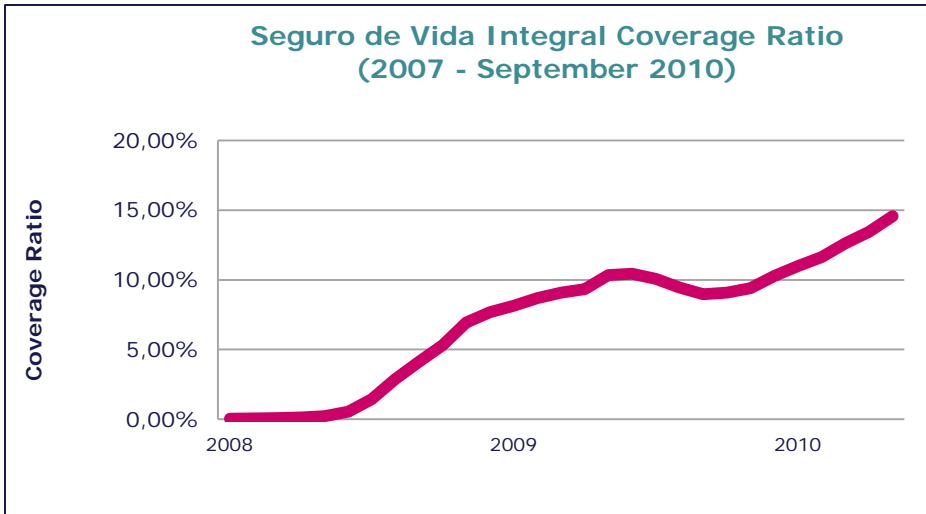
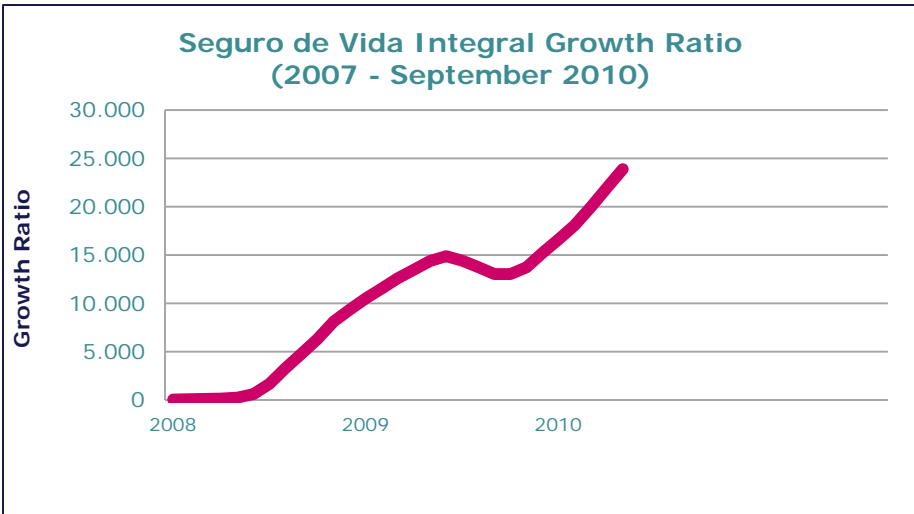
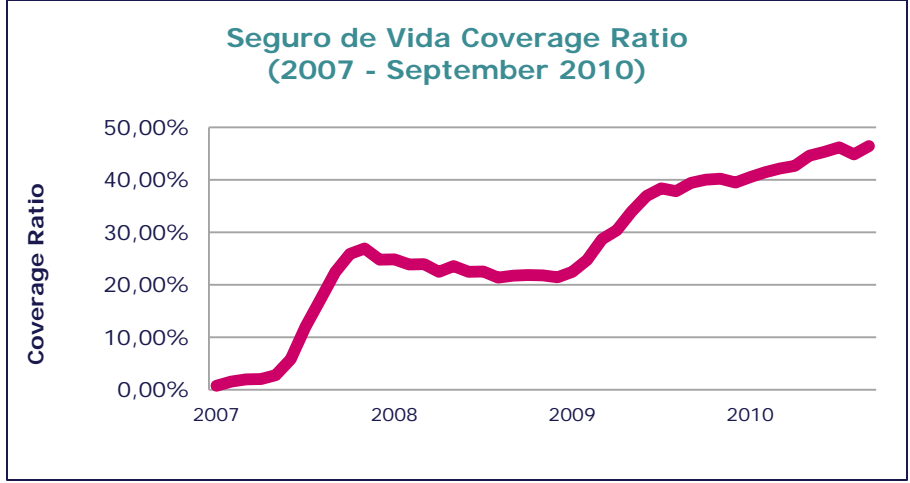
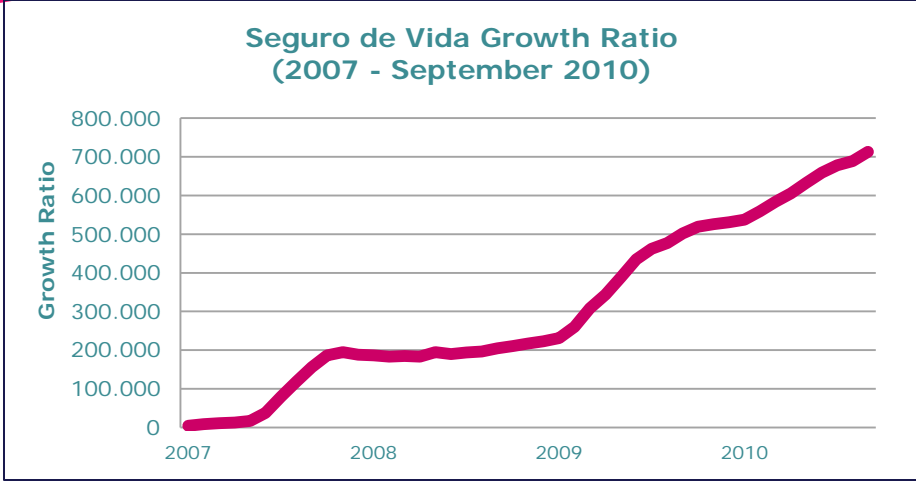
## DESIGN

- Having the ability to **transform the clients' product needs to REALITY...**
  - > Innovation
  - > Guidelines for Pricing
- Having **strong but adaptive controls** to help in the monitoring of an insurance operation
- Finding the **right partner**

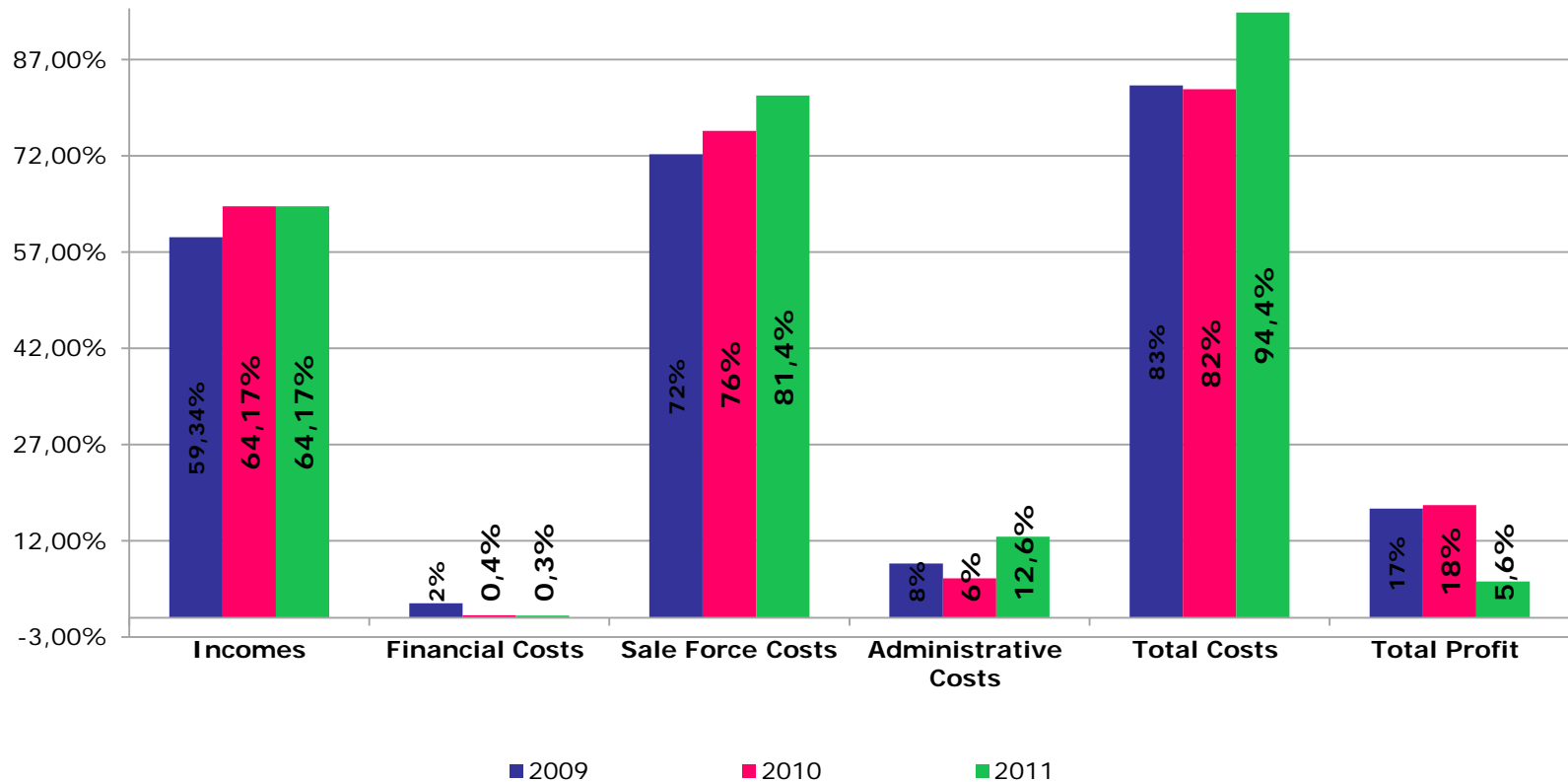
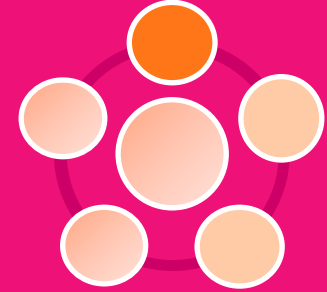


## SOME RESULTS

# Growth and coverage ratios from voluntary life products

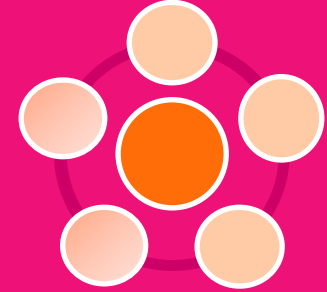


# The costs of being a delivery channel

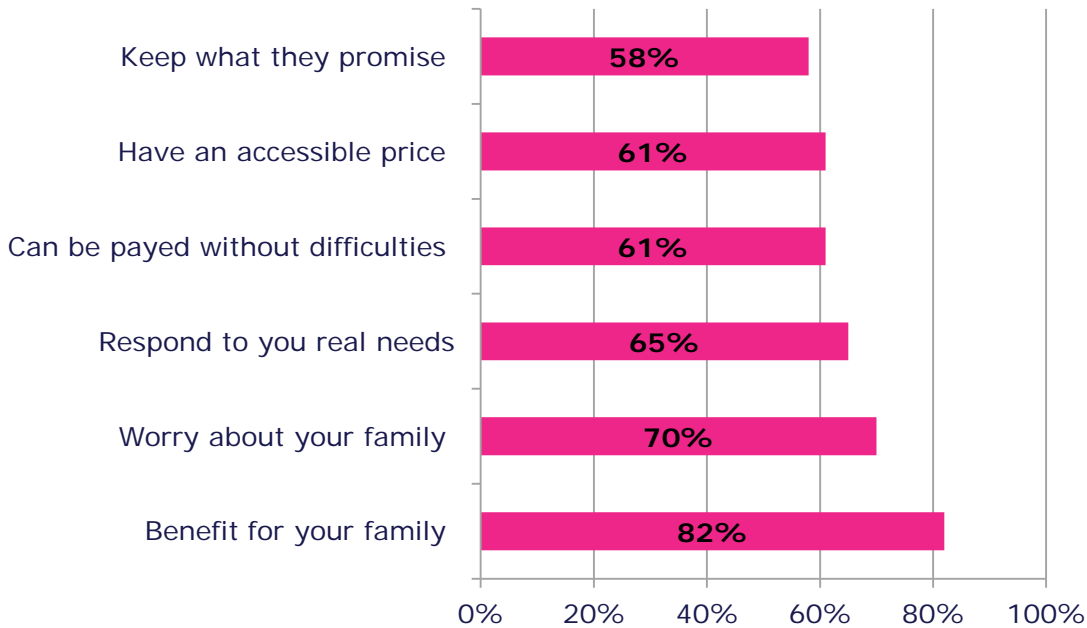


- With an average renewal ratio of 80% (SV\*) and 13.22% (SVI\*)
- The micro-insurance business represents 1% of Compartamos's profit

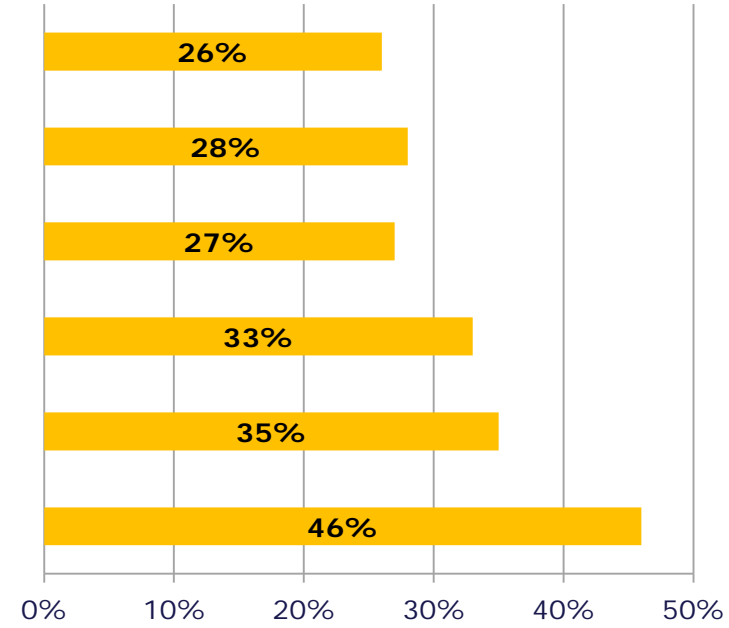
# Satisfaction indicators from clients



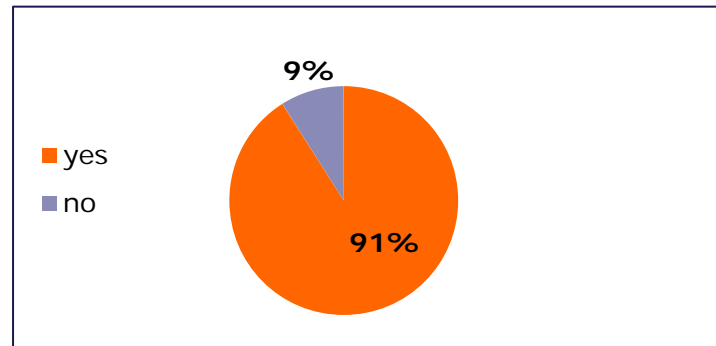
## Compartamos Clients



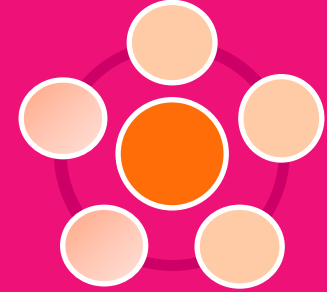
## No Clients



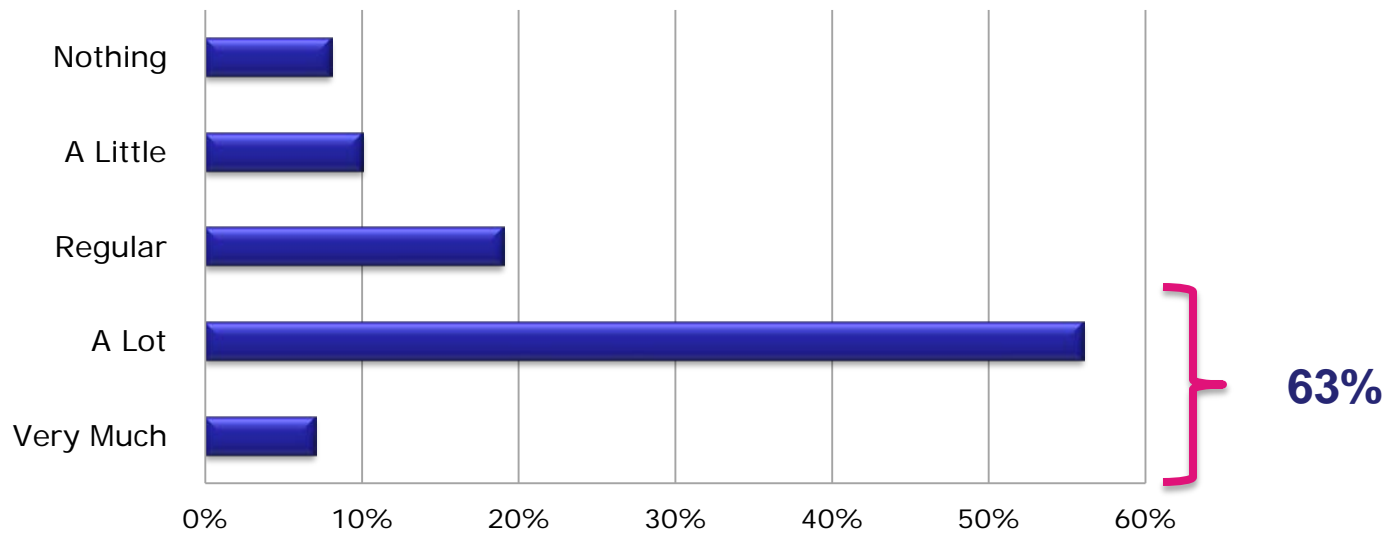
Would you recommend the life insurance to other Compartamos clients?



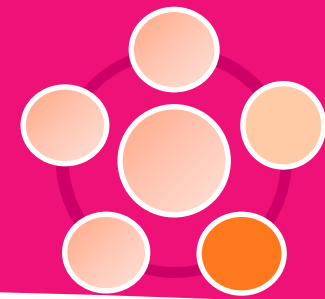
# Loyalty indicators from clients



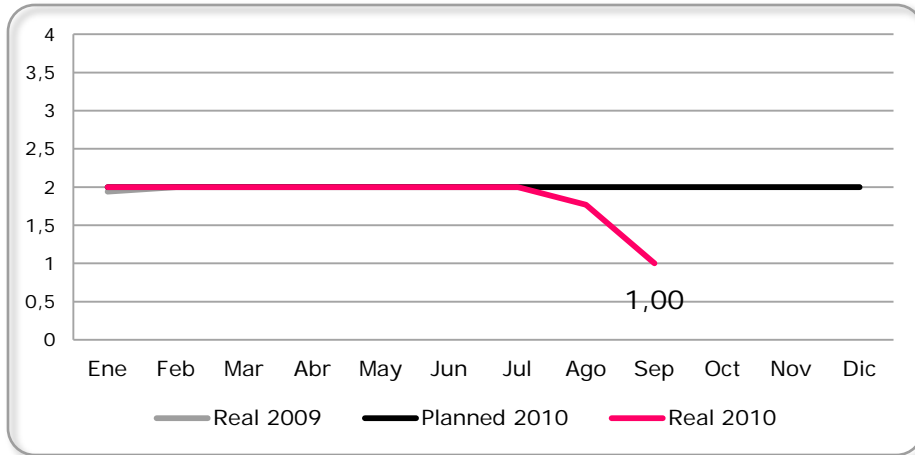
Does the life insurance motivate clients to stay with Compartamos?



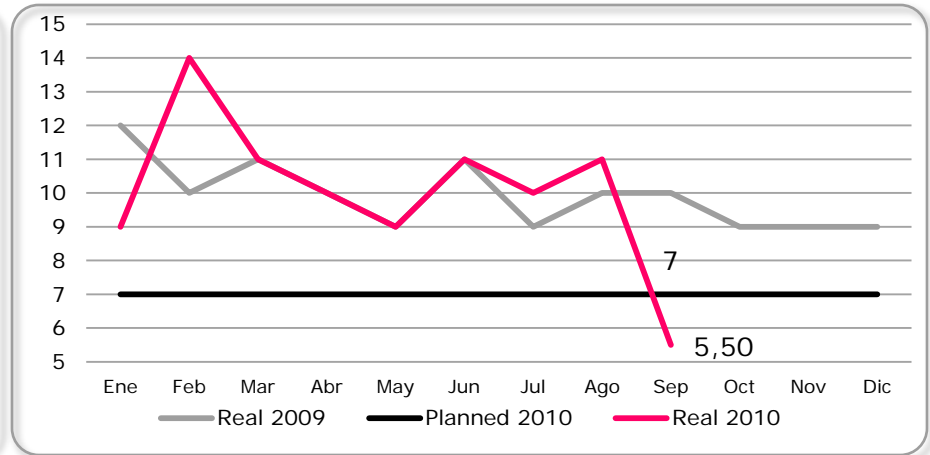
Having a simple claims process helps us keep the promise we made to our clients



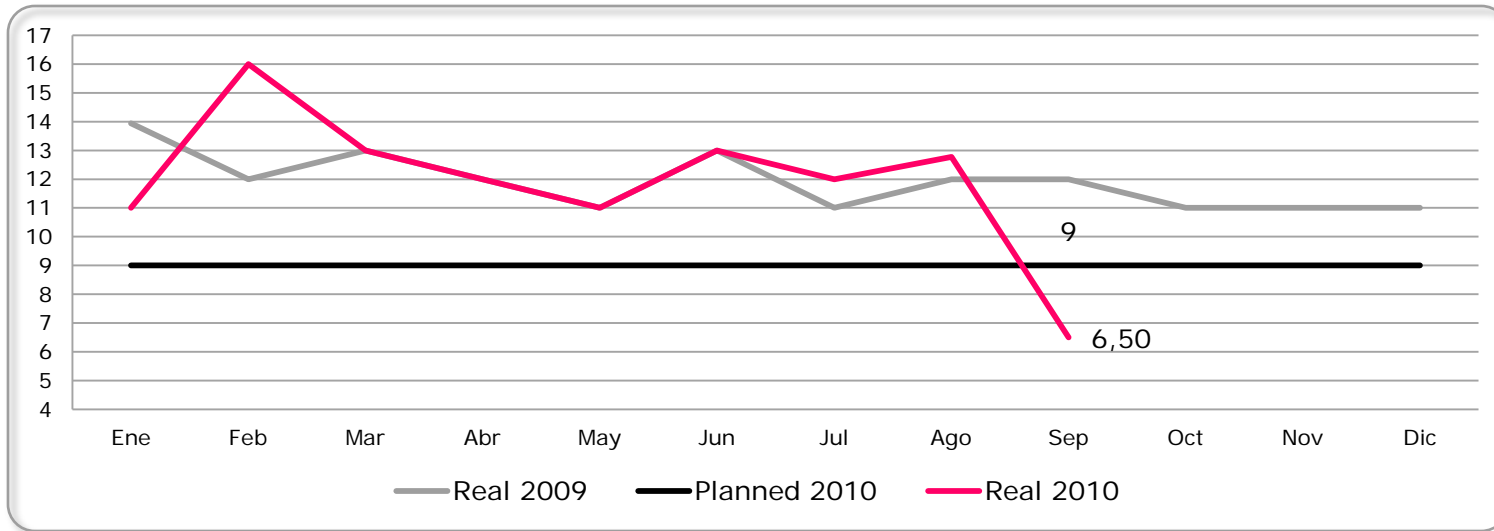
**Service Area Time of Response**



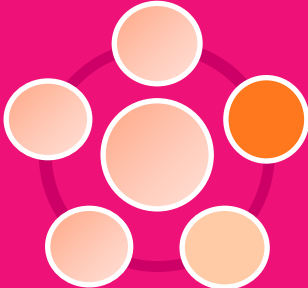
**Sales Force/ Beneficiary Time of Response**



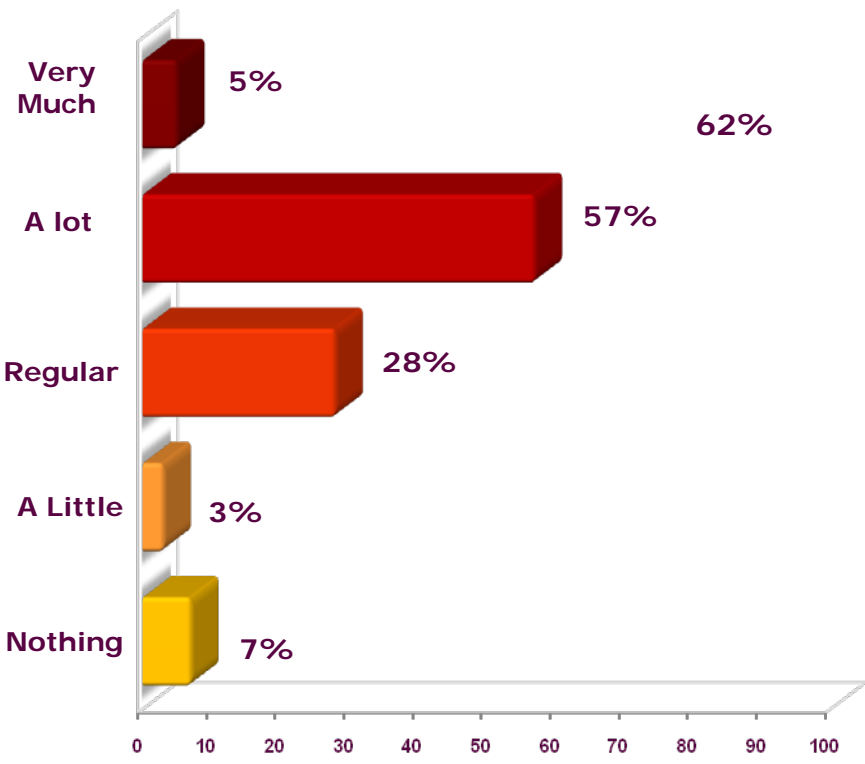
**Total Time of Response**



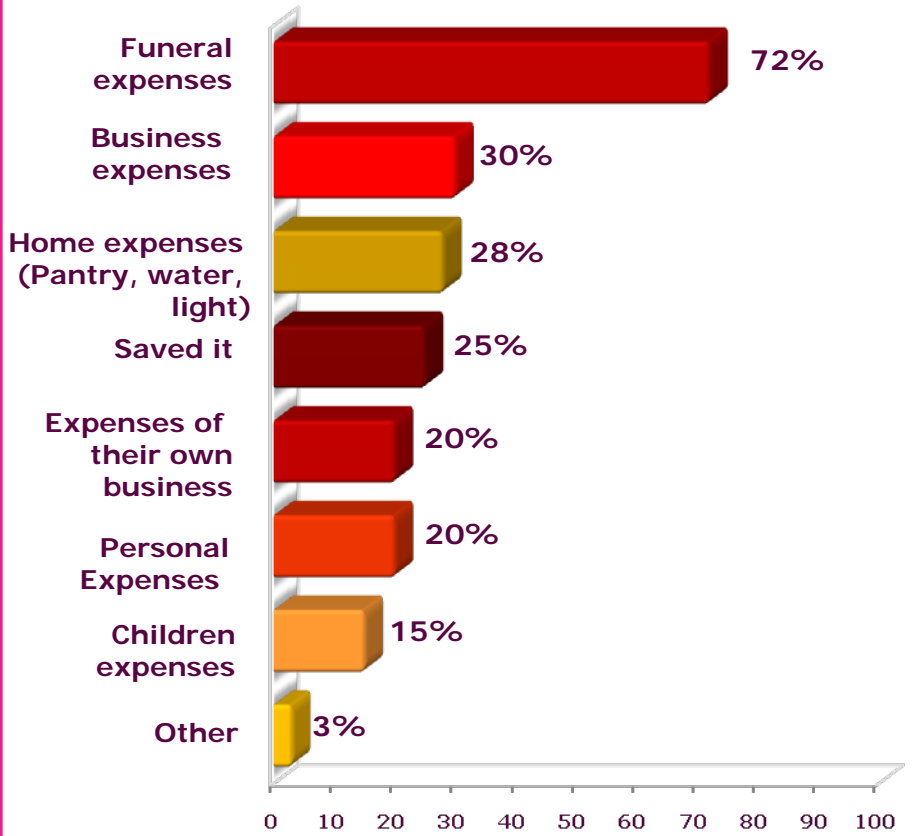
Some indicators of beneficiary satisfaction.  
41% of the beneficiaries, want to ask for a loan from Compartamos and 33% of them want it in order to buy a life insurance policy.



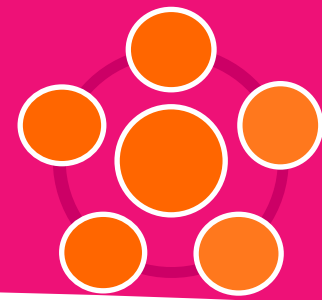
### How much you think the life insurance that your relative had with Compartamos helped your family?



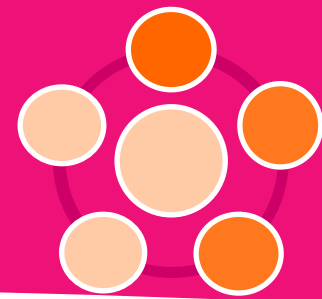
### How did you spend the benefit amount?



# Some things we have learned



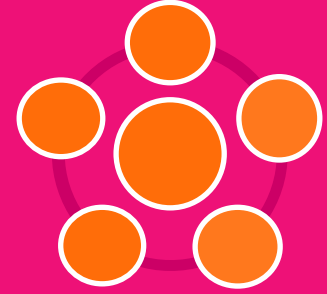
- Selecting the right operative model
  - > Invite the partner to the field (raise awareness)
  - > Outline responsibilities
  - > Special attention to the administrative costs and operative model
- Right Compensation model
  - > Incentive for sales force
- Training
  - > DOC methodology
- Defining a communication strategy
  - > Board
  - > Internal employees
  - > Partners
  - > Sale force
  - > Clients



## Some new challenges

- Right IT
  - > Technical capacity
  - > Separation of data
  - > Produce Financial Statements
- Being more efficient with operative and administrative costs
  - > Change our model
  - > Mapping microinsurance business processes
  - > Reports that help our sale force keep track of the MIS business
  - > Incentives for sales force
- New products
  - > Ability to respond to the real needs of clients

# Things to remember ...



- Highly Simplified Products
  - > An answer to the real needs
- Understand clients' product needs and transform them to reality
  - >  demand
- Never stop asking questions
  - > Always be near the clients, competitors, partners, etc. to add value to your products and be ready to respond to real needs
- The importance of innovation
  - > Typical insurance products are not microinsurance products
- The importance of a good communication strategy (clients, institution (at all levels), insurer, regulators, etc.)
  - > Raise awareness
- The importance of choosing the right model for the microinsurance operation





THANKS!