



VisionFund  
INTERNATIONAL

World Vision

Inclusive Insurance

# WHO ARE WE ?



VisionFund Zambia is part of the network of microfinance institutions within the VisionFund International network. Established in 2003, we impact the lives of children by providing small business owners with access to financial services (micro loans, micro insurance and savings). This enables them to expand their small businesses and use the additional income to feed their families and send their children to school. Working with World Vision, we are committed to long term change to unlock potential for future generations.

# PRODUCTS & SERVICES

- **Business loan(Pamodzi Group)**
- **Business loan(Chitukuko Individual )**
- **Agriculture loan (Lima input)**
- **Agriculture loan (Dairy Loan)**
- **Savings Group Linkage loan**
- **Asset Finance Loans**



# WHY INCLUSIVE INSURANCE

- Inclusive insurance reduces the vulnerability of customers and promotes their economic development
- To cover all our clients in case of any calamity
- Income line for the MFI as we receive commissions from our insurance partners
- Cover the risks associated to the products that we offer as an institution such as death, crop failure etc.
- Partner agent in distributing insurance to our clients for our clients benefit

# OUR ROLE AS AN MFI

- Channel Distributor of insurance on behalf of the insurance companies
- We partly manage the claim process of insurance for our clients
- We create partnerships with insurance firms
- We make it possible for clients in the remotest areas to have access to insurance
- To create impact by getting our clients out of poverty by ensuring that they have insurance cover

# CUSTOMER CENTRICITY

- We design through the insurance companies insurance solutions that are customer centric and which are inbeded in our products.
- We are in partnerships with Prudential, Hollard and Mayfair who have enabled us to sell customer centric insurance solutions to our clients
- We have strategic partners such as GLZ who offer the technical support and capacity building to our clients with regards to chosen insurance solutions under the agric sector

# OPPORTUNITIES

- We see the MFI creating an opportunity in enhancing the insurance sector
- We have seen the need to include to our portfolio more insurance products such as Livestock, Hospi-cash and Stock Insurance

# CHALLENGES

- Payouts are slow
- Knowledge gap among our customers-There is need to create more insurance awareness to clients to understand the need of insurance
- Costly- It is expensive to carry out consumer education



# PERFORMANCE YTD ACTUAL VS TARGET

	YTD as at March 2022 Actual	YTD March 2022 Target	Variance to March YTD Targets
Number of Clients	25,576	25,050	+525
Portfolio Local ZMW '000'	102,715	88,229	+14,486
Portfolio int USD '000'	6,110	5,248	+862

# Multi-sectoral approach in agricultural insurance

*Agricultural insurance reduces the vulnerability of smallholders and promotes their economic development.*

## Multi-sectoral approach



Agricultural sector:  
Insurance as a risk management tool  
to increase productivity



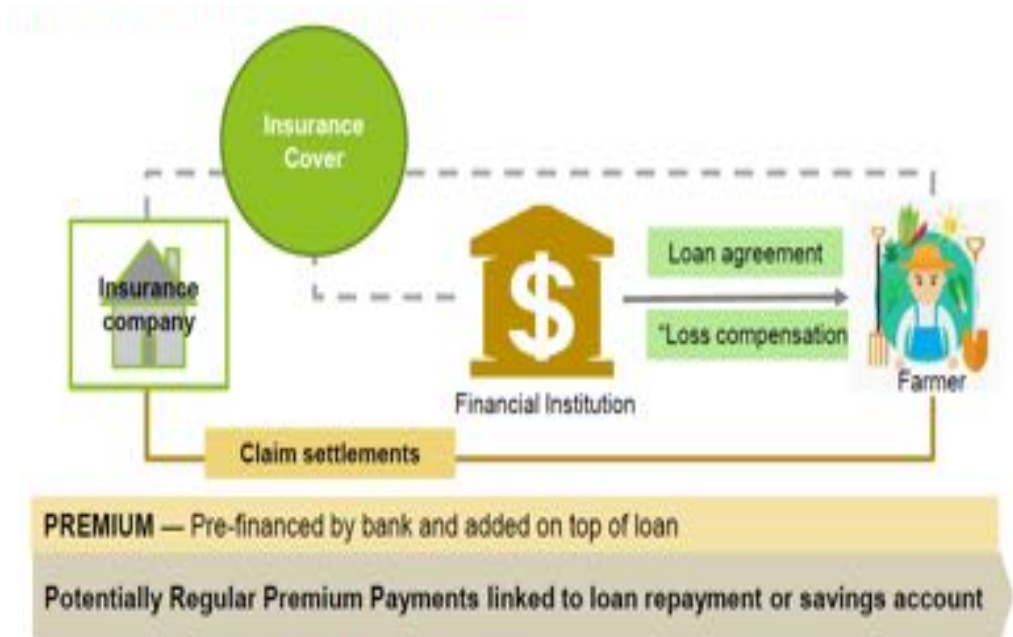
Social security:  
CRI as a means of providing  
protection in crisis situations



Adaptation:  
CRI as a measure to deal with the  
effects of climate change

# Credit-Linked Insurance Model – Vision Fund Zambia GIZ supported

- **Type of insurance:**
  - Indemnity cover for livestock (sum insured = value of animal). **Perils Covered:** Death due to disease/illness, calving risks, theft
  - Livestock cover is being reviewed by our partners GIZ for better performance
  - Weather index insurance for crops (sum insured = input costs). Perils Covered: Drought & excess rainfall
- **Premium Cost:** 6 % of sum insured (premium added to loan)
- **Target:** Smallholder beneficiaries applying for loans



# Micro-level and meso-level insurance covers in Zambia



## *Micro-level insurance for smallholders*

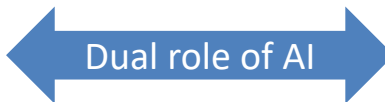
- Protect: ex-post compensation of income fluctuations  
→ Less negative risk coping



- Promote: Facilitate behavior change, better asset allocation, better access to credit

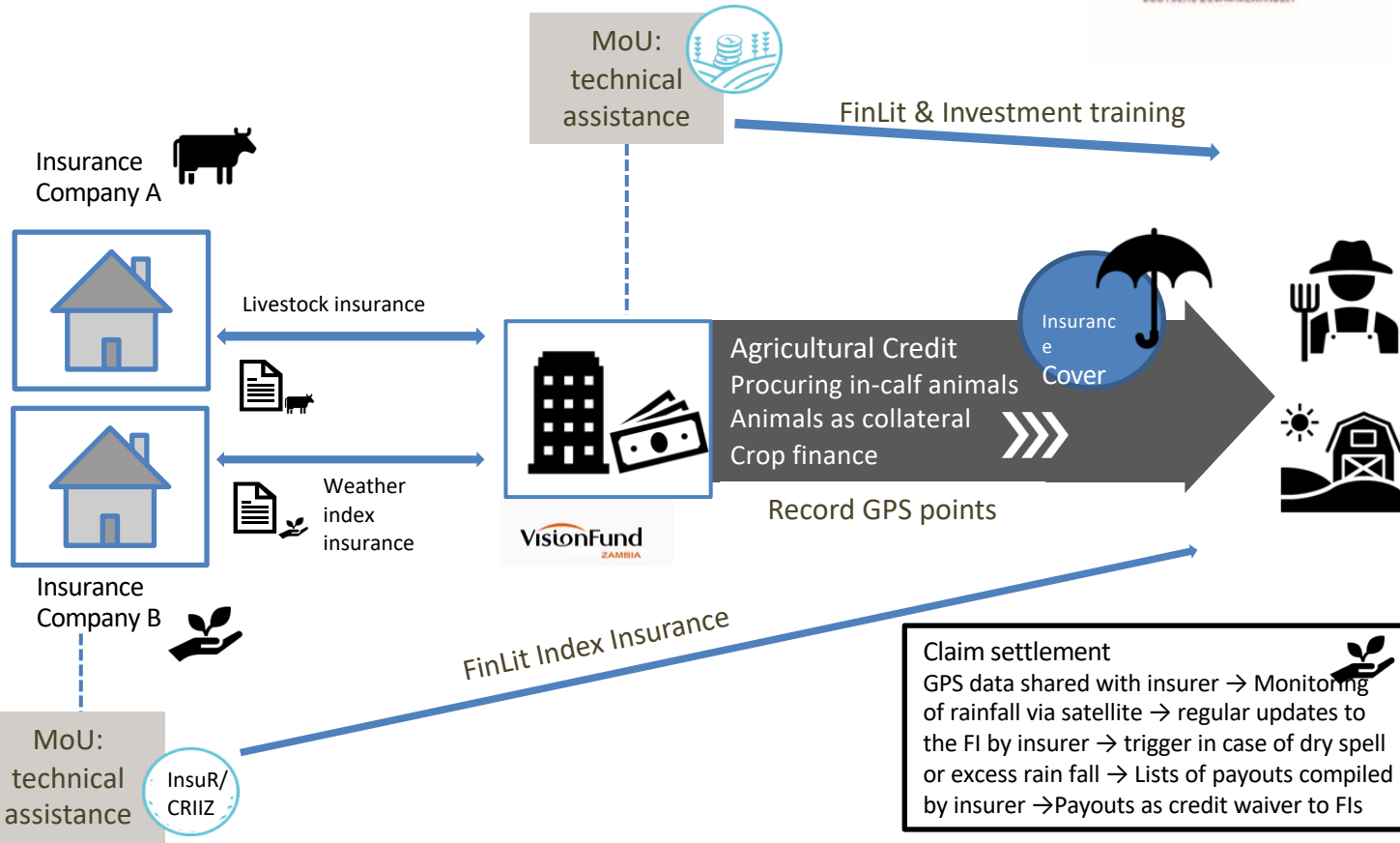
## *Meso-level portfolio cover for aggregators, e.g. agri-businesses, (M)FIs*


- Protect: Direct protection of company portfolio



- Promote: Facilitate business expansion to “riskier” regions, customers


# Case Study: Financial Institutions



**Claim settlement** 

Death of the animal (supplier to farm/transport, on the farm, cow and calf) → Vet certification → Farmer reports to FI → FI to insurer → Loan officer informs farmer about the process → Insurer pays VFZ → VFZ procures new animal to replace the dead animal from the designated and contracted supplier

Additionally the fetus is protected, in case the cow loses the calf, the insurer pays for the artificial insemination

**Claim settlement** 

GPS data shared with insurer → Monitoring of rainfall via satellite → regular updates to the FI by insurer → trigger in case of dry spell or excess rain fall → Lists of payouts compiled by insurer → Payouts as credit waiver to FIs

**THANK YOU**

