

Compartamos *Banco*

MFIs as Delivery Channels



November 2010

Agenda

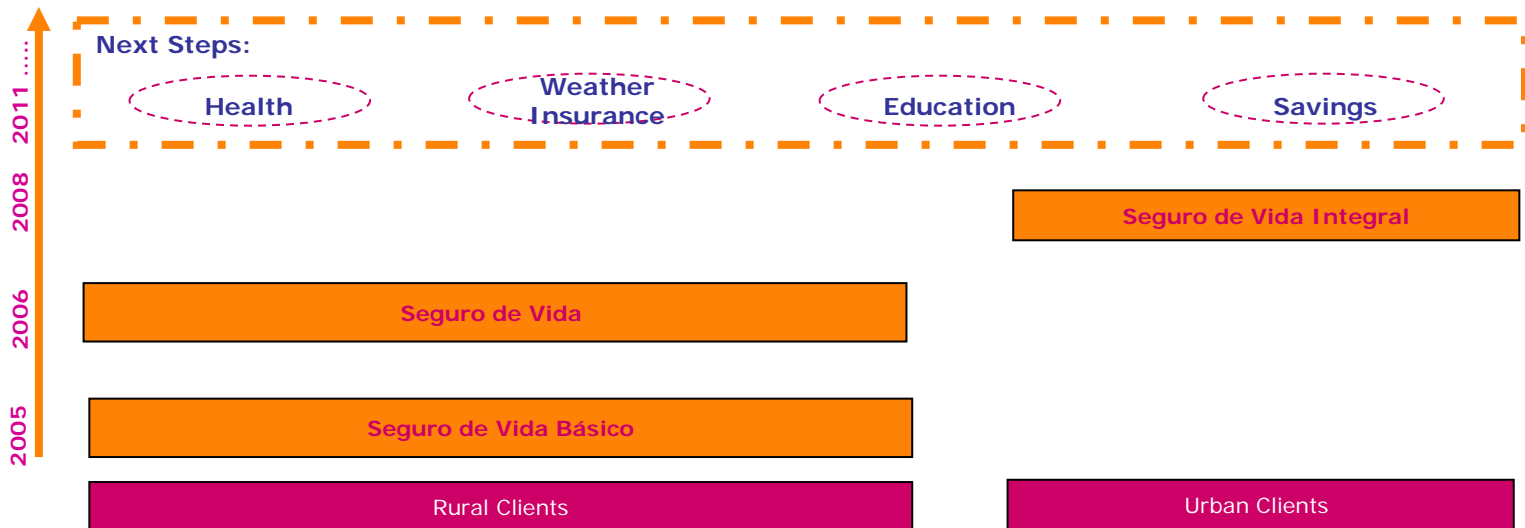


- Compartamos' MIS Model
- Challenges of being a delivery channel and the team work with the insurer
- Some of Compartamos' Results
- Major Compartamos' Learnings
- New Challenges
- Conclusion

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

- Simple Products
- Simple methodologies
- Right partner

SALES

- Training
- Prevention Culture
- Intangible service

PREMIUM COLLECTIONS

- Finance for premiums
- Adapting to loan methodologies
- Operative costs

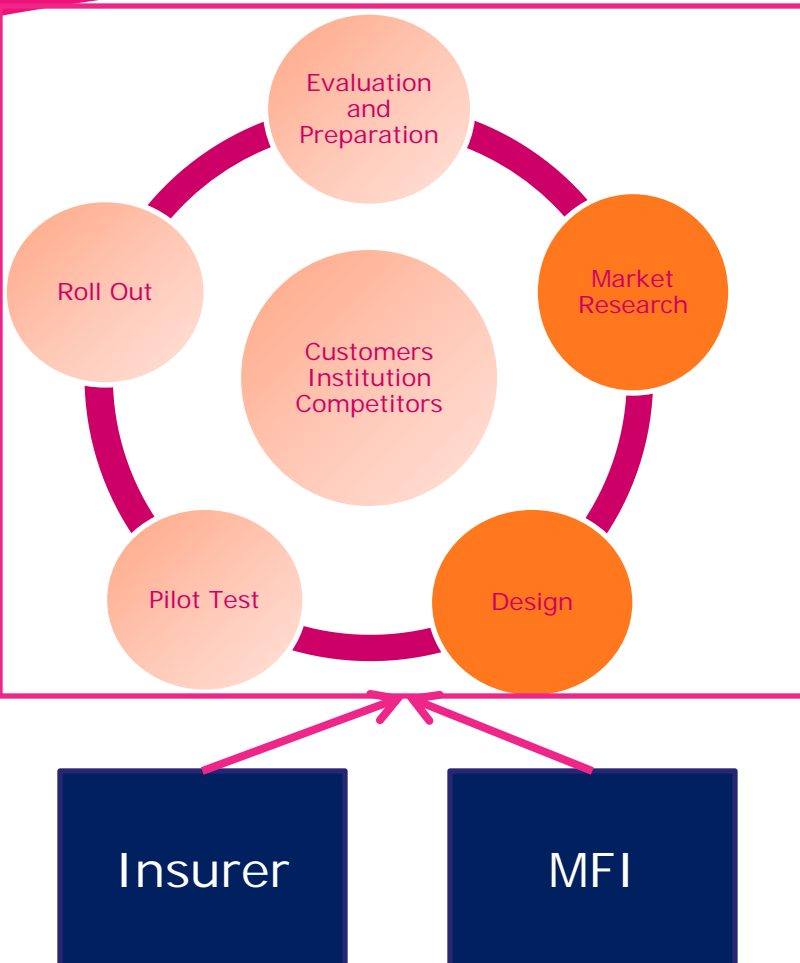
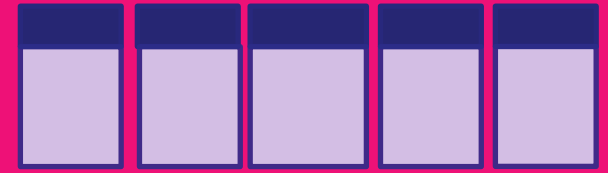
SERVICES

- Diversification
- Responding to client needs

CLAIMS

- Simple Process
- Simple requisites
- Time of response

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**

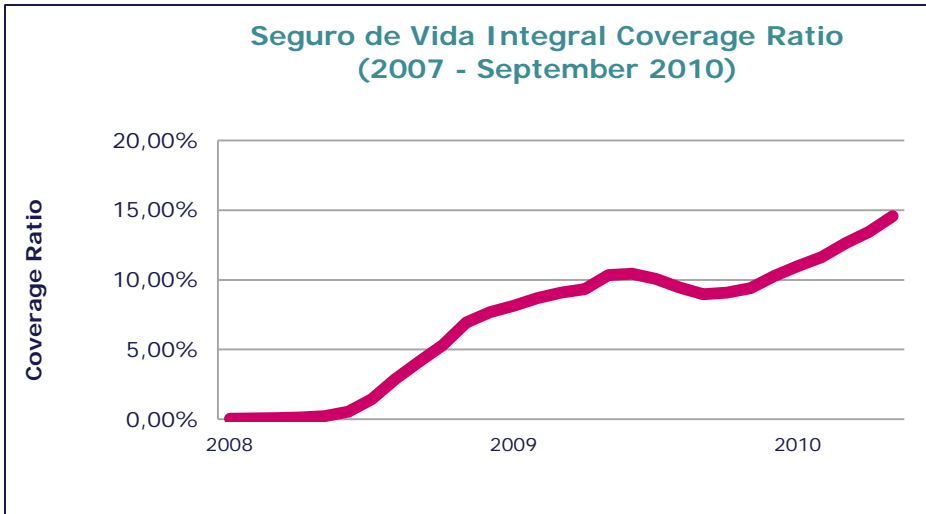
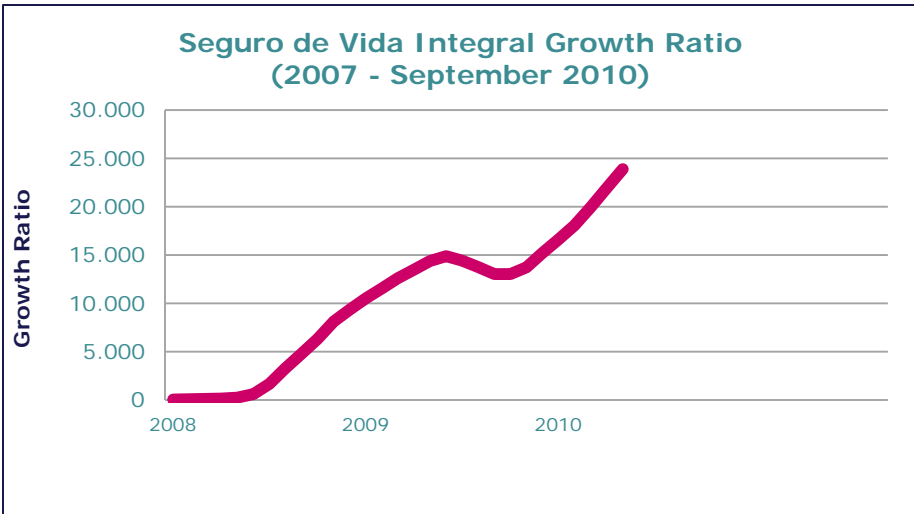
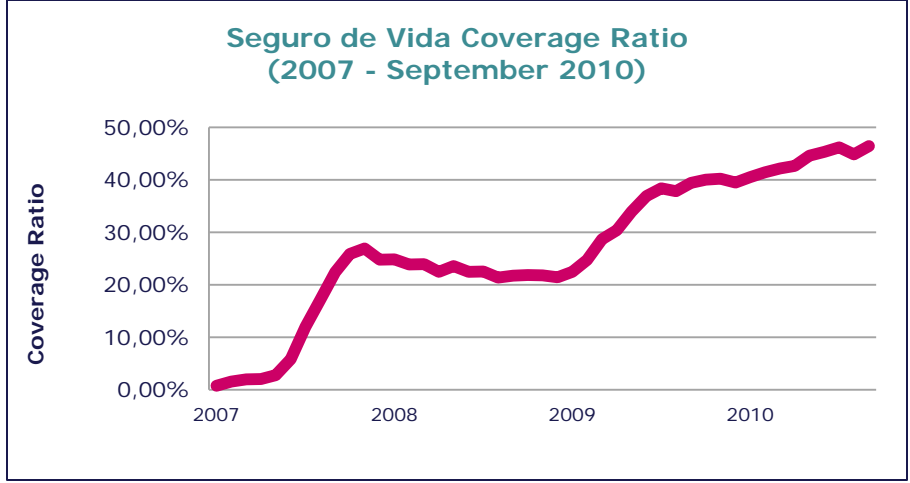
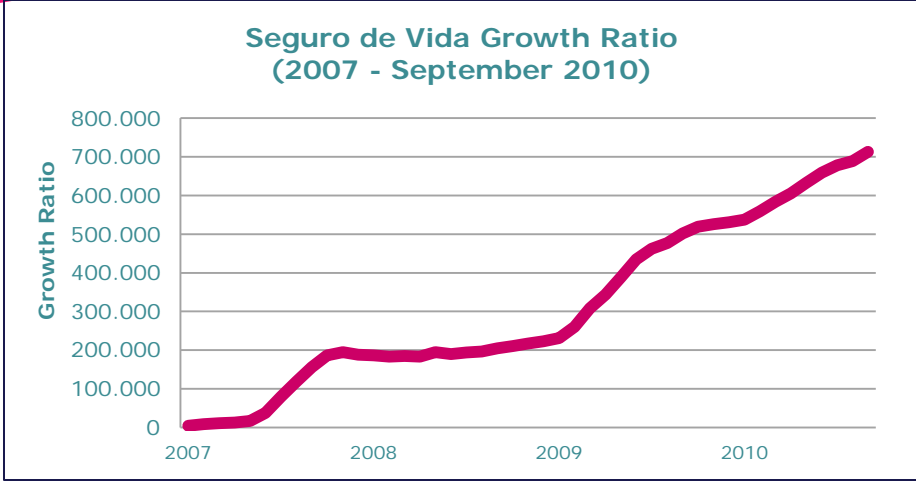
DESIGN

- 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**

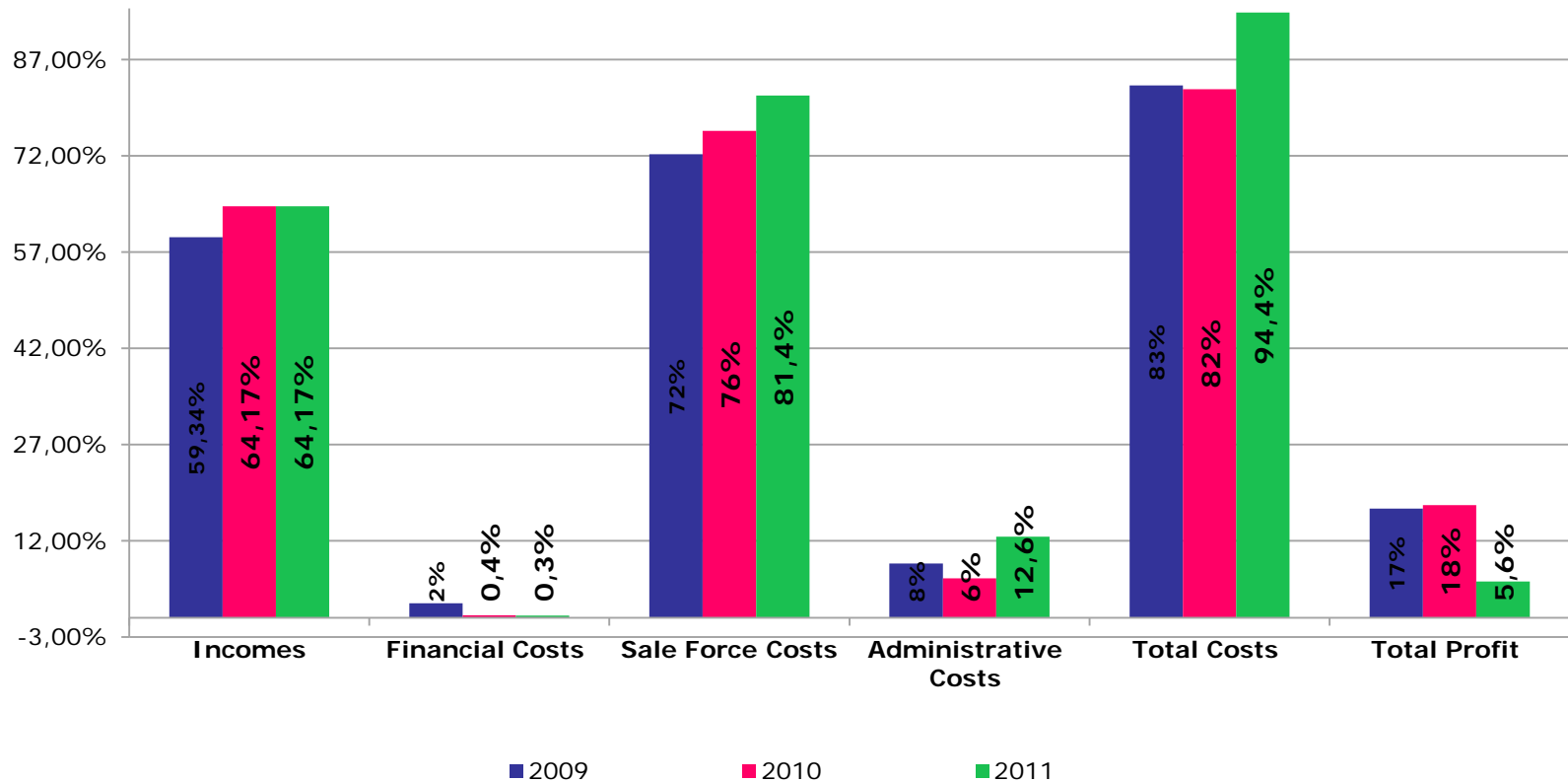
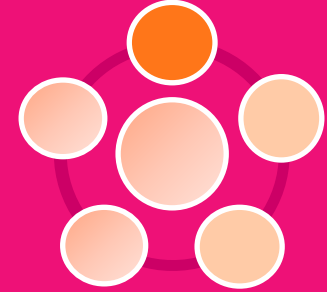


SOME RESULTS

Growth and coverage ratios from voluntary life products

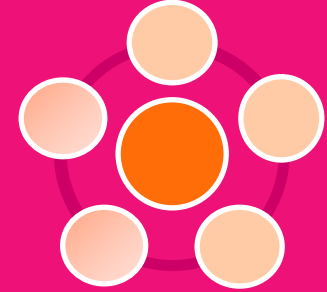


The costs of being a delivery channel

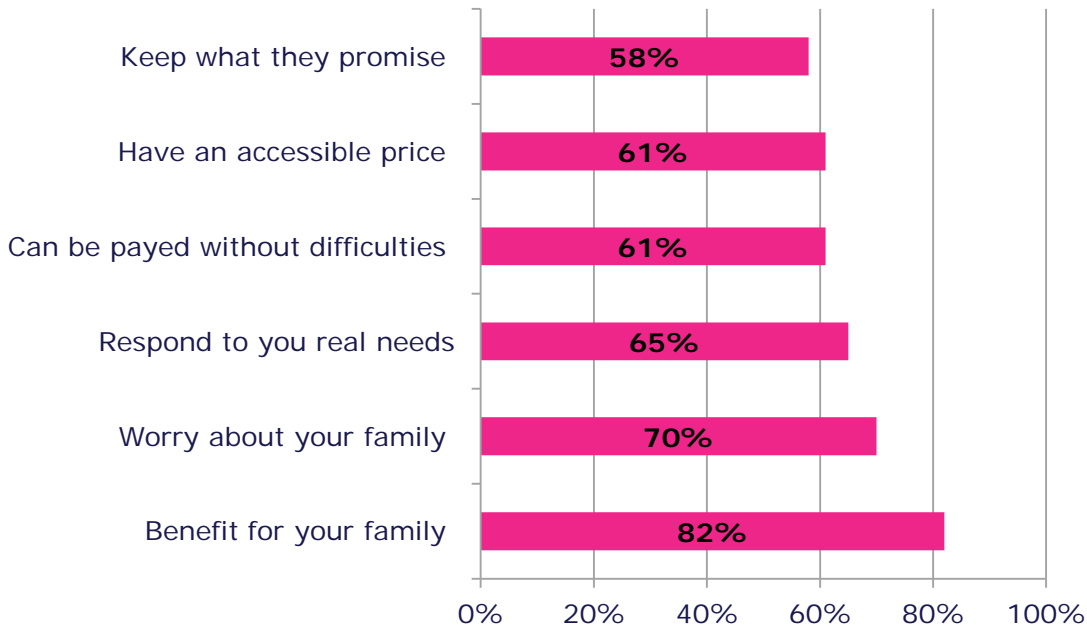


- With an average renewal ratio of 80% (SV*) and 13.22% (SVI*)
- The micro-insurance business represents 1% of Compartamos's profit

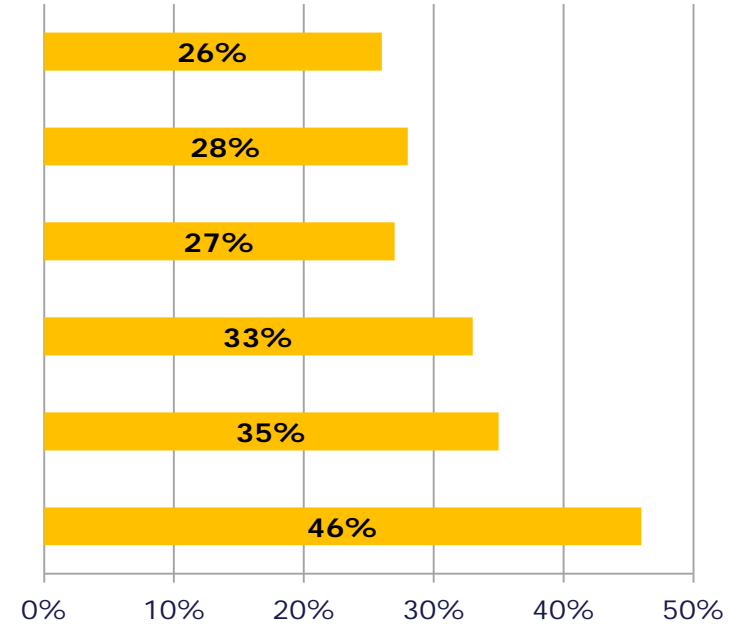
Satisfaction indicators from clients



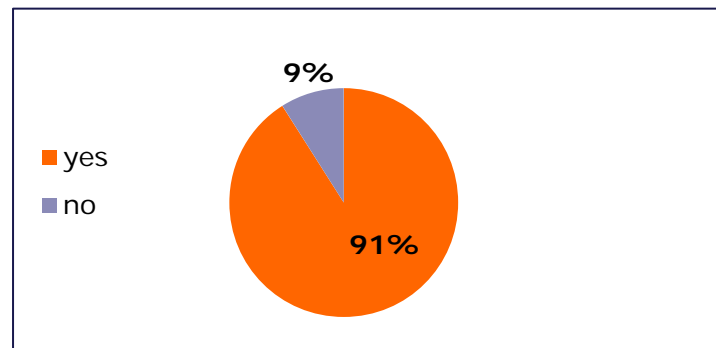
Compartamos Clients



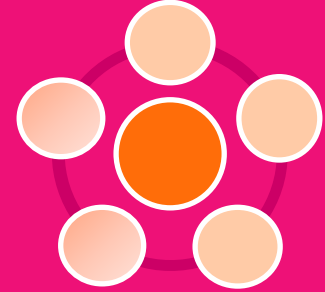
No Clients



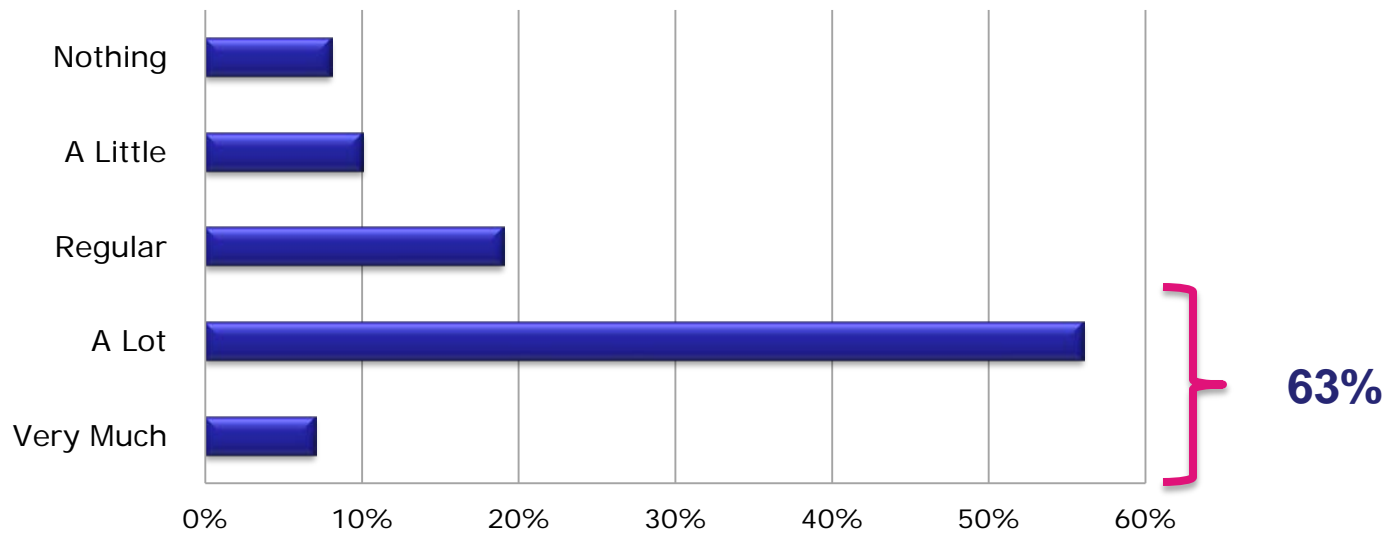
Would you recommend the life insurance to other Compartamos clients?



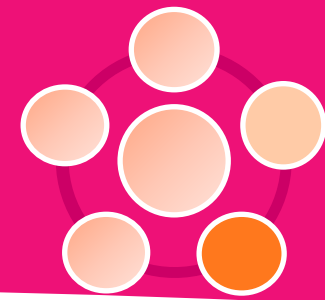
Loyalty indicators from clients



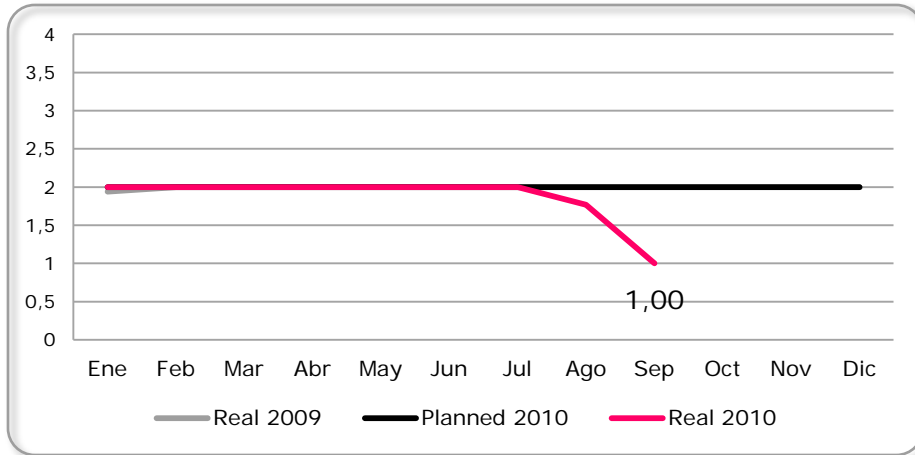
Does the life insurance motivate clients to stay with Compartamos?



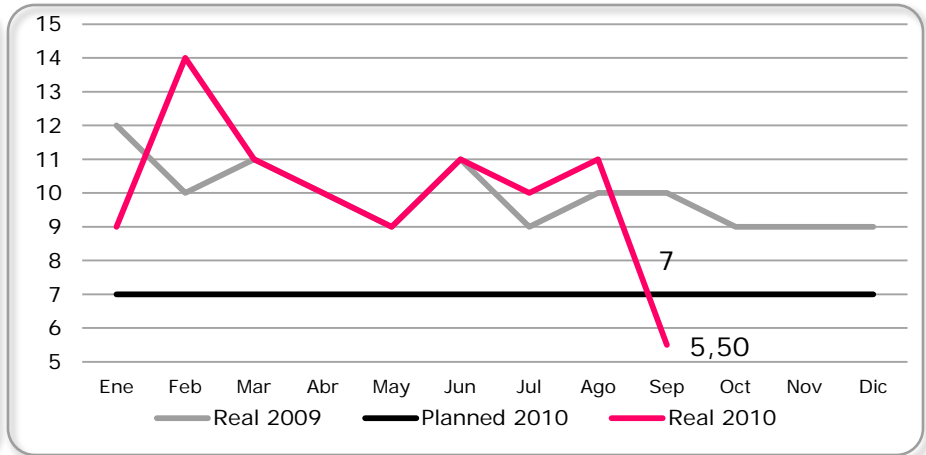
Having a simple claims process helps us keep the promise we made to our clients



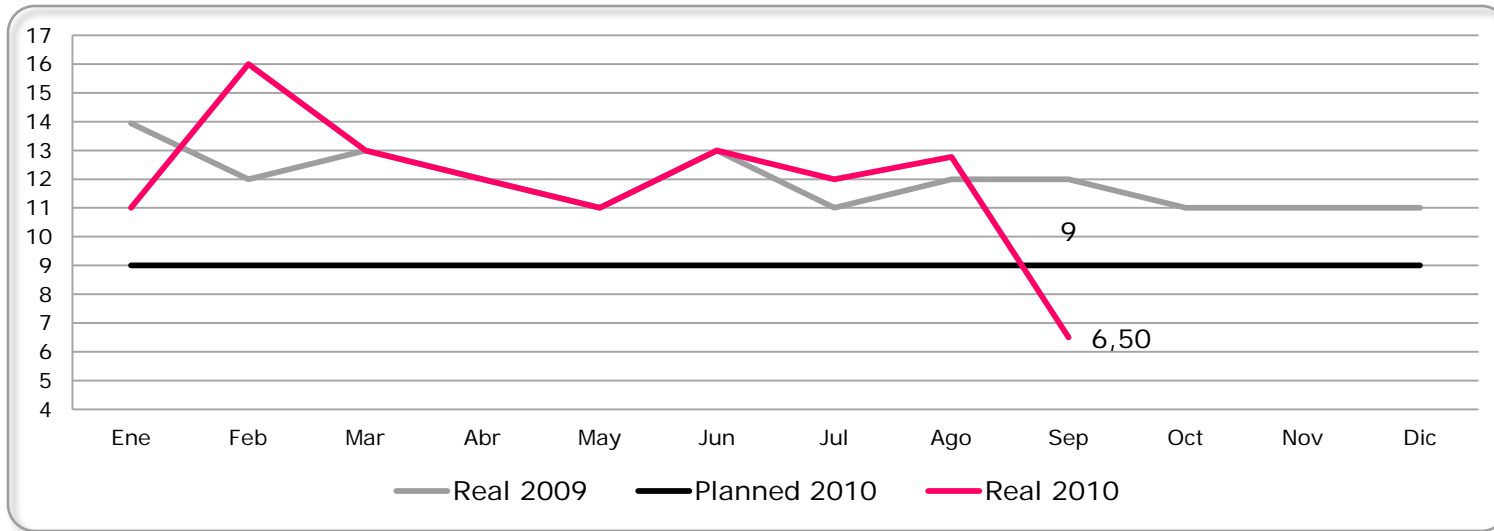
Service Area Time of Response



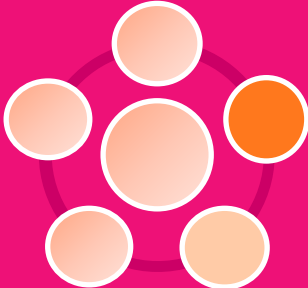
Sales Force/ Beneficiary Time of Response



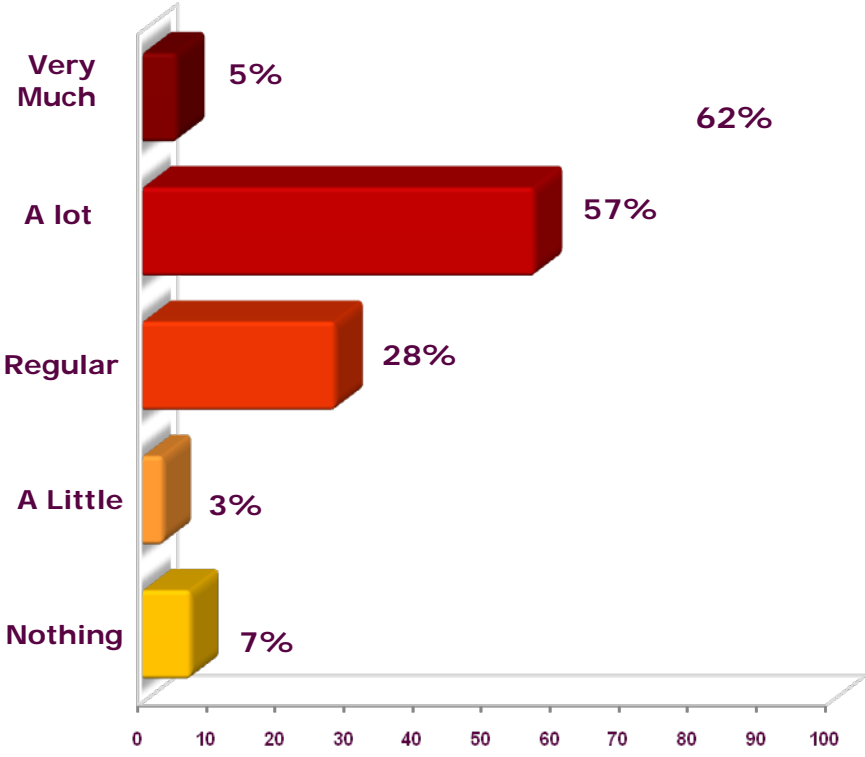
Total Time of Response



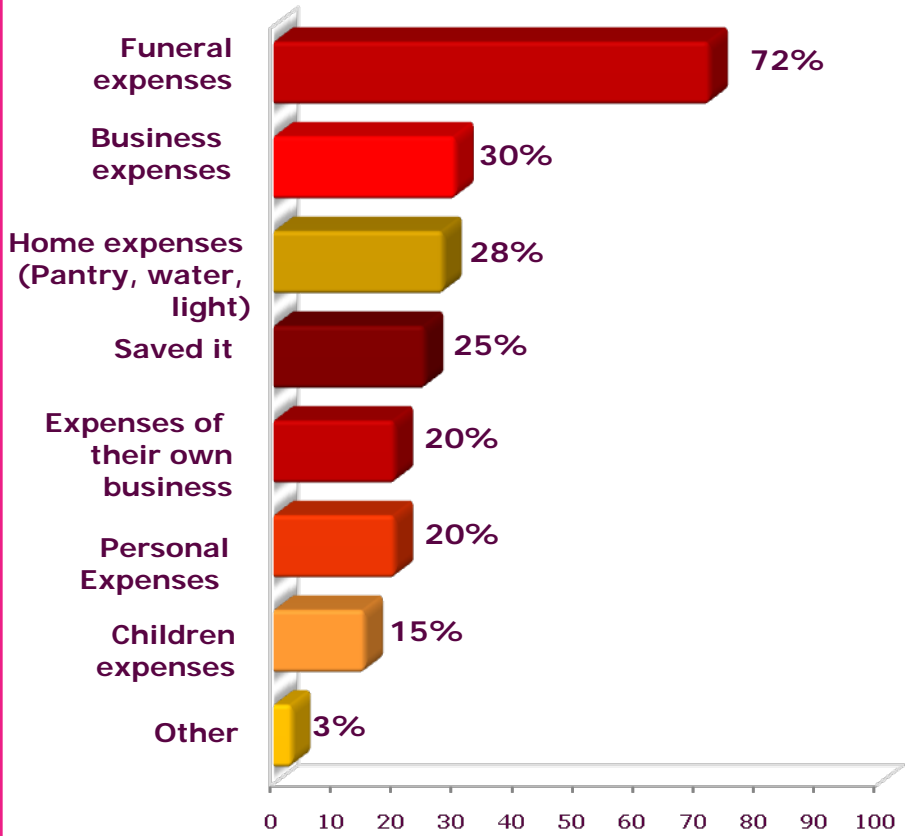
Some indicators of beneficiary satisfaction.
41% of the beneficiaries, want to ask for a loan from Compartamos and 33% of them want it in order to buy a life insurance policy.



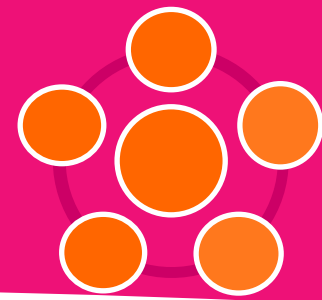
How much you think the life insurance that your relative had with Compartamos helped your family?



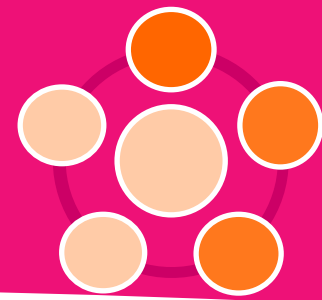
How did you spend the benefit amount?



Some things we have learned



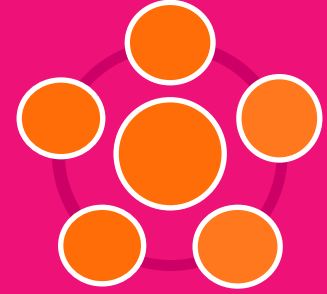
- Selecting the right operative model
 - > Invite the partner to the field (raise awareness)
 - > Outline responsibilities
 - > Special attention to the administrative costs and operative model
- Right Compensation model
 - > Incentive for sales force
- Training
 - > DOC methodology
- Defining a communication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