

UNDP ICMIF Insurance Innovation Challenge Fund – Winning Project



Providing health protection to rural communities in Malawi

Award recipient	Co-operative Life Assurance Ltd	Duration of project	1 April 2024 to 31 March 2026
Location	Malawi	Target population	Low-income rural communities
Product	Life and health	Projected total policies issued (including renewal)	50,000
CIC contribution	USD 100,000	Projected total lives covered	100,000
IIC contribution	USD 100,000	Projected total number of individuals educated/trained	100,000 households

What is the project and why is it needed?

The project is a partnership between CIC Life, MicroInsurance Services Ltd., and VisionFund Malawi that aims to provide health insurance to women and their families in rural areas of Malawi.

In Malawi's rural areas, access to healthcare is a significant challenge. Poor infrastructure makes rural areas hard to access and the perception that insurance is a luxury only applicable to well-off households, combined with limited financial resources, often deters individuals in these communities from seeking insurance services in urban areas. With 86% of Malawi's rural population (approximately 20 million people) living on less than \$3 per day, these communities are highly vulnerable to health-related risks with little to no financial safety net.

Lack of awareness and financial literacy are also major challenges. To address this, the project aims to enhance financial education as a precursor to introducing the Abwenzi Rural Health Insurance product. This comprehensive, hospital cash microinsurance product is designed to provide cash benefits to subscribers in the event of hospitalisation, personal accident injuries, maternity/childbirth, and outpatient visits.

The primary beneficiaries of this project are the residents of rural communities in Malawi who are currently underserved by traditional insurance offerings. The project targets women and their families residing in these areas, aiming to reach and provide coverage for 100,000 members of households through 50,000 policies.

Women in Malawi are responsible for nursing the sick, caring for the disabled, providing outpatient care for malaria cases, and collecting food assistance from their neighbours at the time of a funeral. Poor families also have limited resources to prepare for an oncoming baby. The product will provide the policyholder with financial assistance, easing the financial burden for women.

What is innovative about it?

The product embraces mobile phone technology which makes access to the product more accessible for rural communities. It is unique in that it bundles multiple risks under one cover, enables premiums to be paid in instalments and is delivered using local formed cooperatives and savings groups. In addition, the ability to quickly settle claims within 24 hours make it a unique and innovative offering.

How does it follow a value-orientated solution framework?

The project takes an innovative and value-oriented approach, intertwining economic empowerment, education, community resilience and gender inclusivity. As a cooperative, there will be constant engagement with the policyholder, starting with the product development and then throughout the project period to ensure the product meets the specific needs of its policyholders.

Gender equality	The project deliberately targets women, recognising their central role in rural communities in Malawi. For instance, the project includes a childbirth benefit, specifically designed to support women. Also, by providing cash benefits to women, who are often responsible for caring for the sick and managing funeral gatherings, this project provides women with additional financial security.
Education	The project proposes to provide financial education as a way of raising awareness prior to selling the rural health insurance product. This approach ensures that potential customers understand the importance and benefits of insurance, enhancing their financial literacy and risk management knowledge.
Community building and resilience	The project leverages community-based organisations like village savings and loan groups (VSLGs) and farmers' cooperatives for the delivery of the insurance coverage. This strategy not only aids in the distribution of the product but also strengthens community ties and resilience. When families have access to health insurance, they are less likely to face catastrophic healthcare expenses that can push them into poverty. Additionally, Abwenzi RHI can encourage people to seek medical care when they need it, leading to improved health outcomes and increased productivity.

What is the scaling up strategy?

The product is scalable as it is being sold at an affordable price and lower than traditional insurance products. It is sustainable and would be replicated beyond the project area through various approaches such as:

1. Using simple technology to bring awareness, enroll, collect premium and claims settlements to reduce operating costs while accessing difficult areas without physical presence.
2. Joining forces with other community-based organisations like cooperatives, savings and loan groups, farmer associations and micro-finance institutions for easy distribution.
3. Employing community facilitators who will act as peer leaders and will earn commission on every policy sold.
4. Enrolling customers for free and allowing them to pay in small and affordable premiums for up to six months.

Who is Co-operative Life Assurance Ltd?

[Cooperative Life Assurance Ltd.](#), a subsidiary of CIC Insurance Group, which is a leading cooperative insurer in Africa that provides insurance and related financial services in Kenya, Uganda, South Sudan, and Malawi. The company's mission is to enable people to achieve financial security, with a vision to be a world-class provider of innovative insurance and other financial services.

How to get involved?

Through the UNDP ICMIF Insurance Innovation Challenge (IIC), the United Nations Development Programme's (UNDP) [Insurance & Risk Finance Facility](#) and [The ICMIF Foundation](#) are helping mutual and cooperative insurers scale up innovative, affordable and inclusive insurance products which specifically serve the needs of underserved households and/or micro, small and medium-sized enterprises (MSMEs) in developing economies, with a particular focus on women.

For more information and how to get involved please contact the ICMIF Foundation foundation@icmif.org

About UNDP

UNDP is the leading United Nations organization fighting to end the injustice of poverty, inequality, and climate change. Working with our broad network of experts and partners in 170 countries, we help nations to build integrated, lasting solutions for people and planet.

About The ICMIF Foundation

ICMIF has been providing development support to its members in emerging markets for over sixty years and in 2015 established a charitable organisation called [The ICMIF Foundation](#) (registered charity in England and Wales No. 1179919) to take the work to the next level. To date, The ICMIF Foundation has as reached over three million low-income households in total with insurance and resilience building efforts, equating to over 16 million lives being impacted.