Developing insurance for MSMEs: The CARD MRI Experience

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Public-Private Dialogue (PPD): ‘Building Resilience through Climate Risk Insurance for MSMEs’
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### MSMEs Statistics in Asia

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<tbody>
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<td>Accounts with a formal financial institution:</td>
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<tr>
<td>• Overall</td>
<td>50%</td>
<td>55%</td>
<td>27%</td>
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<tr>
<td>• Female</td>
<td>47%</td>
<td>52%</td>
<td>34%</td>
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<tr>
<td>• Income, bottom 40%</td>
<td>41%</td>
<td>39%</td>
<td>10%</td>
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<td>Saved at a financial institution in the past year</td>
<td>22%</td>
<td>28%</td>
<td>15%</td>
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<td>Loan from a financial institution in the past year</td>
<td>9%</td>
<td>9%</td>
<td>11%</td>
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<tr>
<td>Loan from family and friends</td>
<td>-</td>
<td>27%</td>
<td>39%</td>
</tr>
<tr>
<td>With debit cards</td>
<td>-</td>
<td>35%</td>
<td>13%</td>
</tr>
<tr>
<td>With credit cards</td>
<td>-</td>
<td>7%</td>
<td>3%</td>
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Source: Demirguc-Kunt and Klapper, 2012 through wordbank.org/financialinclusiondata

60% of national labor forces in Asia and the Pacific from SMEs (ADB, 2018)

172 million lives and properties reached by microinsurance coverage in Asia and Oceania (Munich Re Foundation, GIZ, 2013)
MICRO INSURANCE CAN BREAK THE CYCLE OF PROVERTY CAUSED BY MISFORTUNE INCOME from Business REMAINS!
CARD MRI’s Effort to Develop Better Insurance Market for MSMEs

- Trail blazed the fastest processing of claims through the 8-24 Hour Claim Settlement Strategy
- Promotes member’s sense of ownership & involvement
- Delivers the Microinsurance program thru the Microfinance Network
- Shares technology thru BOAT Program
CARD MRI’s Effort to Develop Better Insurance Market for MSMEs

• Offering of competitive microinsurance products appropriate to MSMEs (i.e. Sagip Negosyo for sari-sari store owners, Sagip Plan, Katuparan Plan for savings, BINHI or agricultural insurance, among others)

• Provision of other non-financial services such as mass wedding and disaster response/relief efforts

• Automation of other processes (i.e. pilot testing use of Chatbot in insurance enrolment, claims payment thru mobile banking)
Innovative Structures that Can be Developed for Better Insurance Market

• Faster claim settlement thru the use of technology/digital banking

• Promotion of ease of premium payment

• Installation of a triad of risk managing financial services, i.e., calamity loan, emergency savings and life and non-life microinsurance
Innovative Structures that Can be Developed for Better Insurance Market

• Provision of more services that reduce vulnerability among the poor

• Embrace Digital Innovation/Transformation for other insurance processes
Thank you

CARD MRI
CARD Mutually Reinforcing Institutions

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