

## Morocco: medical assistance for micro-business owners

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**Al Amana is Morocco's leading microfinance institution, both in terms of customer base and the amount of credit provided. It operates throughout the country, supporting a vulnerable population by offering a broad range of products and financial services.**

In 2005, Al Amana created a first disaster relief fund, which pays any capital amounts remaining due on the beneficiary's death or in the event of disability. This fund, which made it possible to secure the organisation's portfolio, became a form of micro-insurance for beneficiaries and their families.

A few years later, in partnership with an insurer, the association carried out a research study on the insurance needs of micro-business owners. The findings showed that their primary concern was to protect the physical health of the head of the family and the family in general, followed by their children's future, and to prepare for their "old age", much more so than protecting against material damage. A relationship of trust is the other aspect highlighted by the study: this translates into the need to provide micro-business owners with simple procedures and a rapid response in the event of an insured loss.

In order to meet the needs of vulnerable populations, these findings led Al Amana to team up with an emergency assistance provider,<sup>1</sup> which specialises in providing emergency assistance packages and is capable of responding in realtime following a call from the customer. As a result of this cooperation, the "Tayssir Al Amana" package was developed, comprising a "medical assistance" policy section and a "death benefit" policy section. The fixed benefit consists of a call-back from a multilingual medical call centre, ambulance transport, a sliding scale of daily hospital allowances depending on the nature of the critical illness, a fixed funeral payment (including the completion of administrative formalities), a fixed disability benefit of MAD 2,500 (equivalent of the minimum monthly wage in Morocco), or even a fixed maternity benefit. The product costs MAD 6.50 per month for a single person and MAD 9.502 for a family.

At the start of 2016, Al Amana was insuring almost 320,000 micro-business owners and 1.1 million private individuals (including their families). Its position as a micro-credit agency has been key to delivering these results: the association has been able to market its insurance to its clientele of micro-borrowers through its countrywide retail network. Tailoring the product to poor customers was also an important factor. Finally, by providing a service at each "stage" (ambulance, burial, etc.), the association was able to mitigate any reputational risks that could be associated with a standard insurance service.

The "Tayssir Al Amana" product has successfully replicated the bank insurance model within a micro-finance institution. Its balanced approach and simple administration overcome cost constraints while delivering the requisite quality and responsiveness. Al Amana now aims to extend this offer beyond the circle of micro-borrowers and provide further benefits. Morocco: medical assistance for micro-business owners

Footnotes:

1 Insurance company specialising in emergency response: for example, medical repatriation for travellers.

2 Equivalent of €0.60 and €0.85.

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