Case Study: Extending Financial Inclusion
Insurance
CIC M-BIMA JIJENGE ENDOWMENT PLAN

IFC Mobile Money Toolkit
Motivation of Implementing M-Bima Jijenge

**Vision:** The need to address the issues of poverty, financial insecurity and dependency amongst the low income families in line with our corporate vision.

**Market Potential:** Low pension, insurance and savings penetration only at 15% of the adult population (about 2.5 m from a potential of 8-10m) people composed mostly in the formal employment, Government and Armed Forces sectors.

**Technology:** Internet and Mobile technology for interactive communication and money transfer has opened space for **retail distribution** of microinsurance products. Mobile penetration rate at more than 95% of adult population. High adoption of this technology has allowed the mobile phone to be a tool for all operations, marketing and customer services.

**MFI Partnerships:** MFI’s cover a huge portion of the Kenyan economy with over 7 million account holders, mostly in the informal sector, which constitutes our target market. Thus, this creates a suitable distribution model for the microinsurance.

**Favourable Regulation:** This has aided in product development and use of alternative distribution channels such as MFI’s, retail outlets, telecos-shops among others.
Product Description

• The M-BIMA Jijenge product being piloted is a 12 year savings plan with a life cover benefit in case of death.
• It is a hybrid product, providing flexibility to the customer.
• Funds locked in for 3 years but cash value attained after 6 months.
• Clients can save as little as a daily equivalent of Kshs. 20 (~$.23) and are encouraged to contribute on a weekly basis i.e. Kshs. 140 (~$1.60)
• There is a minimum life cover of Kshs 50,000 (~$590) on natural death claims subject to a 6 month waiting period but accident cover is immediate.
• The maximum commission is 5% for the first year, 2.5% for the second year and 1.25% for the subsequent years.
• Cash benefits are guaranteed.
## Basic Features and Premium Table

### Basic Features
- **Term:** 12 years
- **Base Maturity:** Kshs 100,000
- **Death & PTD Benefit:** Higher of Kshs 50,000 or Exit Benefit
- **Premium:** Kshs 600 p.m. (Kshs 20 per day)

### Table

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<tr>
<th>Year</th>
<th>Exit Benefits for Every 20Kshs</th>
<th>Accumulated Premium</th>
<th>Death &amp; PTD Benefit</th>
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- Exit benefits are not accessible before 36 months
- Life & Disability benefits payable from 6 months
Simple and Effective Customer Communication

**Basic Features**
- **Term**: 12 years
- **Base Maturity**: Kshs. 100,000
- **Death & PTD Benefit**: Max Kshs. 80,000 or Exit Benefit (whichever is higher)
- **Contributions**: Kshs. 600 p.m. (Kshs. 20 per day)

**Benefits**

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**M-bima Jijenge Savings Plan FAQs**

1. **What CIC M-BIMA Jijenge Savings Plan?**
   - It's a plan where, for as little as 20/= per day you can acquire a savings plan that starts giving cash benefits from the 3rd year. You can save up to 100,000/= from the contribution of 20/= per day. Contributions can be in 7 days cycles of Kshs. 140/= every seven days.

2. **Is there a life cover on M-BIMA?**
   - There is an immediate, automatic life insurance cover of 50,000/= on joining in the event of death or permanent total disability arising from an accident. Life insurance cover on natural death or permanent total disability from natural causes commences after 6 months from policy inception.

3. **What if I want to pay more than 20/= per day?**
   - You can pay as many units of 20/= per day as you can afford up to a maximum of 400/= per day. Remember the 20/= is just the minimum.

4. **How can I join M-BIMA Jijenge Saving Plan?**
   - Please go to our branch nearest to you or call our customer service numbers (0752165197/0721653213/0728795985/0777927520) for direction to our nationwide M-Bima distributors or visit our website www.cic.co.ke.

5. **How do I pay my contributions?**
   - You pay using M-PESA Paybill number 800114. Your Account Number is listed in your policy document which is given to you immediately on purchase. The steps for payment are outlined on the policy document form with the details of making subsequent payments to you M-BIMA Jijenge Savings Plan.

6. **How will I know my contributions have been received?**
   - Once you send your contributions, you will immediately receive a message confirming your contribution has been sent to CIC M-Bima.

7. **How much will it cost me to send my contribution?**
   - The cost to you is absolutely free.

8. **Is there a fine/penalty in case I fail to make my contribution on time?**
   - No, just endeavor to ‘top up’ as soon as funds are available. CIC will send you a reminder weekly to make your contributions.

9. **When can I start saving?**
   - You can start immediately.

10. **What if I use other mobile networks?**
    - The agreements with other networks are still pending; we will communicate once we finalize.

11. **How do I check my balance?**
    - We will constantly update you on your mobile phone via SMS, though you can still visit our branches or call our customer service numbers listed in (4) above.

**Kshs 5/- Optional Family Life Cover**

- Kshs 100,000 is paid in the event of death of any listed member of the family
- Premium is Kshs 5/- per day
- Maximum claim payable is Kshs 100,000 for any one event
Enrollment Process

Network agent meets clients in outlet or market

Agent explains benefits of M-Bima Jijenge from saving 20/= (~$.23) per day. (Same info can be acquired via USSD *547#)

Agent registers client on paper and on mobile phone using an application

CIC sends weekly and monthly SMS messages on policy status, financial update etc..

Client makes payment via Mobile Money which is automatically matched

Registration confirmed
Mobile Subscription and Web View