

# PROJECT STATUS REPORT

JANUARY 2015 - JUNE 2015

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Development and Implementation of Sustainable Microinsurance Solutions in Belize

Project Number: BL-M1008 - Project Num.: ATN/ME-14013-BL

**Purpose:** The expected RESULT or objective of the project is to provide affordable property/agricultural insurance coverage to the low-income population in Belize, specifically to those rural agricultural members of the CUs.

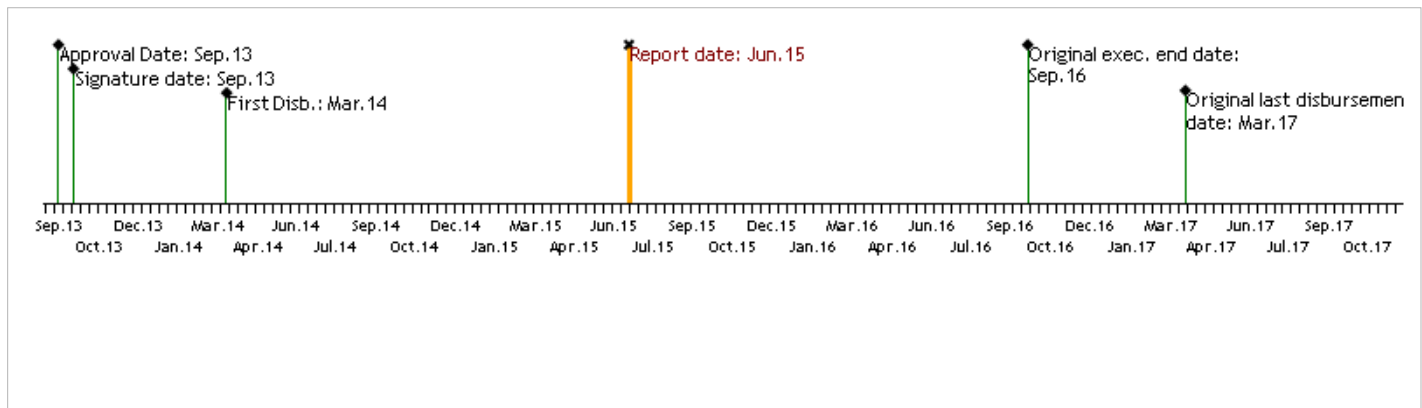
**Country Admin**  
BELIZE

**Country Beneficiary**  
BELIZE

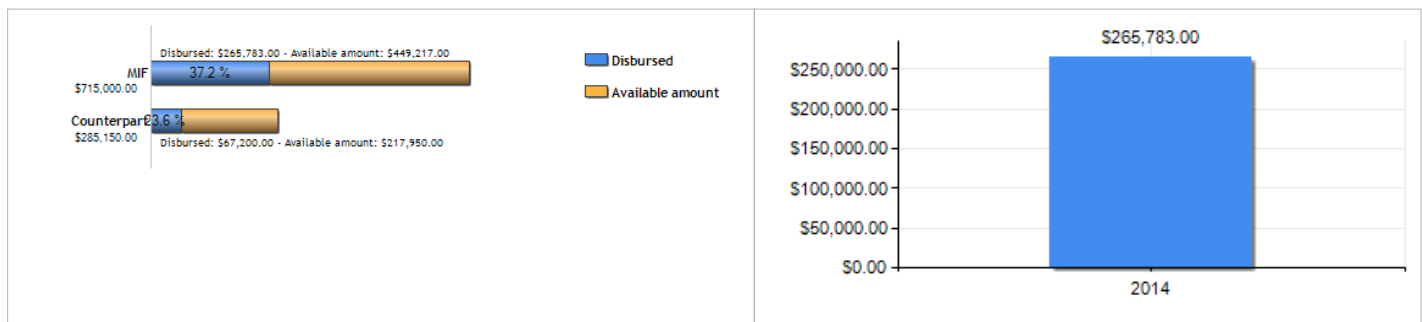
**Executing Agency:** INSURANCE CORPORATION OF BELIZE

**Design Team Leader:** MARIA VICTORIA SAENZ-SAMPER  
**Supervision Team Leader:** WAYNE BEECHER

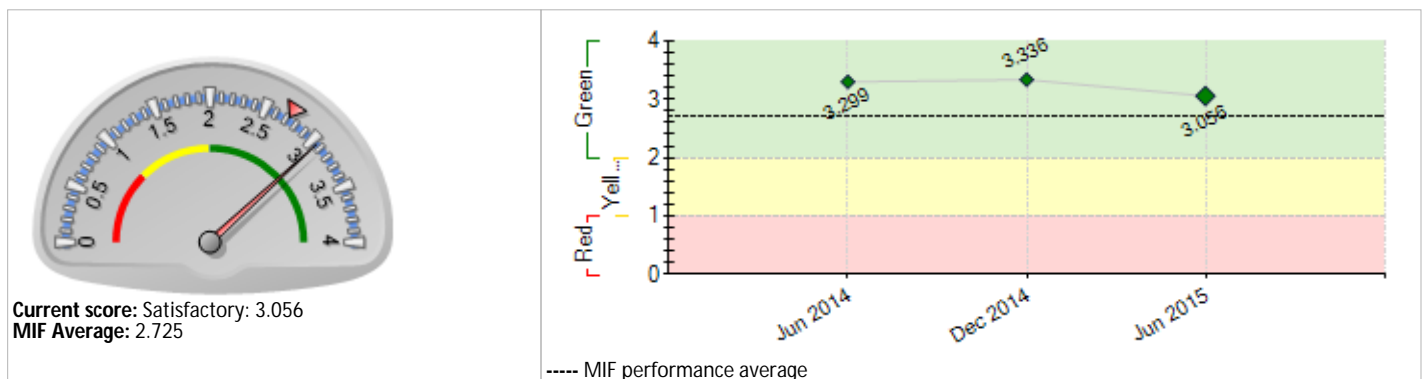
### PROJECT CYCLE



### FUNDS



### PERFORMANCE SCORE



### EXTERNAL RISKS

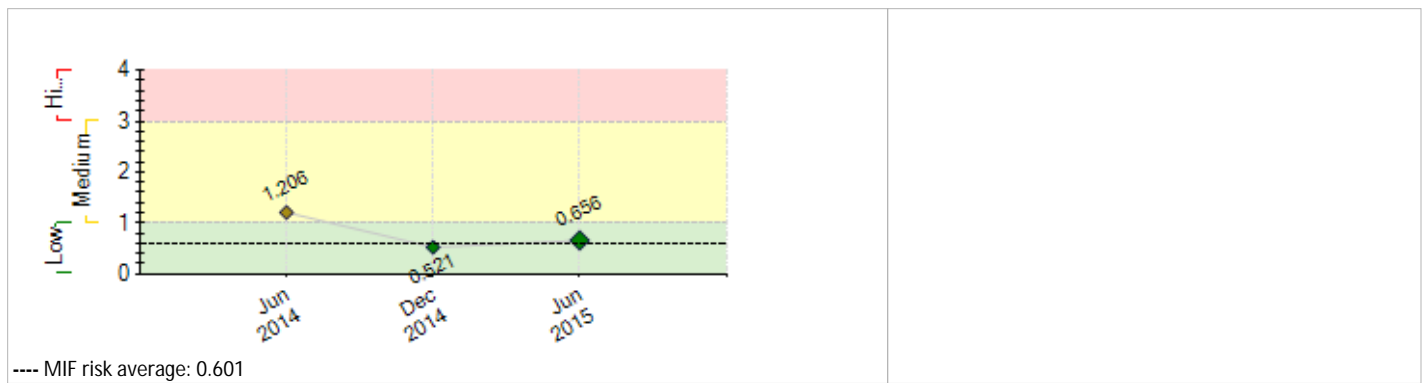
### INSTITUTIONAL CAPACITY

**Risk**

**Financial Management:** Medium

**Procurement:** Low

**Technical Capacity:** Low



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

Summary of project performance since inception

Main Project Results are:

- Compliance with conditions prior to first disbursement request
- Completion of market validation and baseline studies that show there is a need by low income people for insurance services
- Start installation of monitoring software
- Design of 3 microinsurance product concepts; submission of 1 to SOI
- Submission of recommendation of microinsurance regulations
- Conducted 2 MI sharing workshops

Difficult area - meeting M&E software installation requirements

Risk - Internal weaknesses with EA contributing to delays in all project areas especially software installation.

Mitigation - Continued lobby of key internal stakeholders and ensuring that the CEO is abreast of all activities and challenges.

Achieving final objectives are highly optimistic given diversity of products and potential distribution partners.

Execution Unit critical actions 1. Open dialogue with PMU 2. Open dialogue with product designers 3. Open dialogue with partners and Software provider

### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

### Summary of project performance in the last six months

Results of Semester 1 of the project's performance are:

Component 1 - Selected a Monitoring & Control system that is currently being installed. Submitted the first MI product to the Supervisor of Insurance (SOI); approval is pending. The study on financial solvency analysis and potential requirements for microinsurance activities has also been submitted to the SOI. No amendments to the regulations will be done however, waivers will be provided on a product by product basis.

Component 2 - MI Training manual is being developed. 6 MI Call Agents have been selected. Marketing firm has been shortlisted for developing marketing materials.

Component 3 - The PC presented MI lessons at Caribbean Confederation of Credit Unions Annual Convention in Cancun, Mexico.

Project Coordination - EA contracted Product Manager to manage the launch and implementation of the designed products. There has been improvement in the participation of key internal stakeholders (ICB) in the project.

Difficult area - Meeting software provider requirement timelines because it is contingent on information furnished by distributing partner.

Critical Focus areas 1. Contract with Telecom for distributing 1st product 2. Installation of IT software 3. Launch of Product 1 4. Finalize design of Product 2.

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

### SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status	
<b>Purpose:</b> The expected RESULT or objective of the project is to provide affordable property/agricultural insurance coverage to the low-income population in Belize, specifically to those rural agricultural members of the CUs.	R.1	Number of low-income people covered by a general insurance policy (CRF 210900)	540	4000			10000	1478	
			Sep 2013	Dec 2015		Sep 2016	Jun 2015		
	R.2	Percent of beneficiaries who are female-headed single-parent families, women entrepreneurs, rural farmers, or low-income urban families	0	30	30		30	0	
			Sep 2013	May 2015	Dec 2015	Sep 2016	Dec 2014		
	R.3	Percent of beneficiaries that report satisfaction with the price of the insurance product at project end.	0				75	0	
			Sep 2013			Sep 2016	Dec 2014		
<b>Component 1:</b> Microinsurance Product designed and commercialized  <b>Weight:</b> 35%  <b>Classification:</b>	C1.1	Market validation through focus groups, completed					Yes	Finished	
						Sep 2014	Jan 2015		
	C1.2	Basic insurance IT platform requirements and adaptations, bought and installed in participating CUs					No	Finished	
						Sep 2015	Jun 2015		
	C1.3	Product designed, adjusted to beneficiary needs and rolled out in a pilot					No	On Course	
C1.4	Monitoring and control system designed and implemented					No	Delayed		
					Jun 2015	Jun 2015			
<b>Component 2:</b> Training and Financial Education, implemented  <b>Weight:</b> 50%  <b>Classification:</b>	C2.1	Financial education methodology, tools and materials adapted to the product					No	Delayed	
						Jan 2015	Jun 2015		
	C2.2	Number of trainers of trainers trained in the microinsurance product	0				1	7	On Course
			Sep 2013			Sep 2014	Jun 2015		
	C2.3	Number of ICB and CUs' staff trained in the microinsurance product.	0	10	20		45	9	Delayed
C2.4	Number of credit union members trained in financial literacy and microinsurance. (CRF 110100)	0	500			2500	43	On Course	
		Sep 2013	Sep 2015		Sep 2016	Jun 2015			
<b>Component 3:</b> Knowledge developed and strategic communications implemented  <b>Weight:</b> 15%  <b>Classification:</b>	C3.1	Number of knowledge events with media and policy makers	0	1	6		11	1	On Course
			Sep 2013	Aug 2014	Jul 2015	Sep 2016	Sep 2014		
	C3.2	Number of international experts on microinsurance presented at a Belize Chamber of Commerce and Industry business mixer	0	1			2	0	On Course
			Sep 2013	Jul 2015		Sep 2016	Dec 2014		
	C3.3	Number of case studies completed on the project's experience	0				1	0	On Course
			Sep 2013			Sep 2016	Dec 2014		
C3.4	Number of credit union members trained in financial literacy and microinsurance who can explain the concept of microinsurance and the specific product in simple language (CRF 110100)	0	250			2250	43	On Course	
		Sep 2013	Sep 2015		Sep 2016	May 2015			

Milestones		Planned	Due Date	Achieved	Date of achievement	Status
M0	Conditions Prior	8	Mar 2014	8	Mar 2014	Achieved
M1	Validation of demand for catastrophe product received.	1	Sep 2014	1	Aug 2014	Achieved
M2	[*] Design and implementation of a monitoring and control system.	1	Aug 2015	0	Jun 2015	
M3	[*] At least 5 information sharing workshops with different stakeholders.	5	Oct 2015	2	Jun 2015	
M4	Product designed to clients' needs & at least 7,500 policies sold.	1	Mar 2016	0	Jun 2015	
M5	At least 18 training sessions and 1,000 persons trained on financial education.	18	Sep 2016	2	Jun 2015	
M6	Production of a knowledge report on the experience and results of the project	1	Nov 2016	0	Jun 2015	

[\*] Indicate that the milestone has been reformulated

#### CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

[X] Purchase difficulties

### SECTION 4: RISKS

#### MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE

	Level	Mitigation action	Responsible
1. Belize's market is proven too small for formal property insurance to be viable through local credit unions.	Medium	There remains an opportunity for property insurance, however the actuarial numbers need to be worked out. Also, the project team is currently liaising with re-insurance to determine the feasibility of offering such a product	Project Coordinator
2. Additional Cost for monitoring system based on required needs for distribution	Medium	Negotiation with distribution partner to increase their participation in the product management cycle	Project Coordinator

3. Additional Cost for monitoring system based on required needs for distribution	Medium	Negotiation with distribution partner to increase their participation in the product management cycle	Project Coordinator
4. Credit union members do not understand the benefits of property insurance and are uninterested in receiving education on or obtaining the product.	Medium	Financial education/ training activities.	Project Guest
5. Training and education is not an effective mechanism for marketing property microinsurance or stimulating demand.	Medium	Selected and design proper training. (refer to project activities)	Project Guest
<b>PROJECT RISK LEVEL: Low    TOTAL NUMBER OF RISKS: 18    IN EFFECT RISKS: 16    NOT IN EFFECT RISKS: 1    MITIGATED RISKS: 1</b>			

## SECTION 5: SUSTAINABILITY

**Likelihood of project sustainability after project completion:** P - Probable

### CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

*[None reported in this period]*

### Actions related to sustainability which have been taken in the reporting period:

Actions which will impact project sustainability include:

1. Establishing a business case for microinsurance and sharing the information with distribution partners. (On-going)
2. Continued training of ICB personnel in the processes involved in the provision of microinsurance. (On-going)
3. Education outreach targeting low income people about the benefits of insurance and the affordability of microinsurance. (To be done)

## SECTION 6: PRACTICAL LESSONS

	Relative to	Author
1. The door-to-door sales approach is very risky in new markets with clients who are not familiar with microinsurance or the sales agent. Other sales approaches and channels should be explored before door-to-door is selected.	Implementation	Usher, Miguel Alexander
2. The door-to-door sales approach is very risky in new markets with clients who are not familiar with microinsurance or the sales agent. Other sales approaches and channels should be explored before door-to-door is selected.	Implementation	Usher, Miguel Alexander
3. MI solutions are limited and costly. The search for an appropriate solution should commence from the project's inception to increase options of buying a pre prepared solution or building one. The increase options will also enhance leverage in negotiations.	Implementation	Usher, Miguel Alexander
4. Automation is necessary for the efficient and effective roll-out of MI products. A thorough IT analysis of the IT requirements must be done.	Implementation	Usher, Miguel Alexander
5. Nacent microinsurance markets or countries with unique characteristics (such as extreme weather patterns, low population density, etc) should take extra caution when preparing the budget for the market research and product design phase of the project, as the costs for hiring international experts with sufficient knowledge can be much higher than anticipated, and additional financing maybe needed.	Design	Usher, Miguel Alexander
6. In small populated countries, demand studies should be focused on the entire population and identify the most important risks faced by the population. These risks are what your product should be designed to mitigate.	Design	Usher, Miguel Alexander
7. MI product design experts should be involved either in directly conducting or providing guidance for the collection of demand and baseline data.	Implementation	Usher, Miguel Alexander