International Labour Organization

CASE BRIEF:

ALM SEGUROS

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Impact Insurance

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Description: ALM Seguros was registered as one of the first microinsurance companies in Brazil in 2016

Products offered: 20 microinsurance products, largely funeral products as well as life and accident products

Distribution channels: Insurance brokers and non-traditional distribution partners including a local radio station

Number of clients: Approximately 250,000 in 2019

DISTRIBUTING MICROINSURANCE THROUGH NON-TRADITIONAL CHANNELS

ALM Seguros is a company specialized in offering insurance products for emerging customers, with a focus on covering funeral assistance and funeral expenses. Its products are currently available in one region of Brazil and it aims to expand its operations nationally. The company is growing rapidly, and in 2018 it was the fastest growing insurer in Brazil.

It is a major challenge for insurers to offer insurance on a mass basis, especially with the small premiums available for microinsurance. An important part of the solution is to offer products through intermediaries who are physically close to the clients, know their needs and have established trust with them. ALM Seguros therefore adopted a strategy to sell microinsurance through intermediaries including brokers and non-traditional channels.

DIGITALIZING SALES

For ALM Seguros to be able to sell its microinsurance products to a mass market, technology was vital to allow its partners to issue insurance policies themselves. In order to address this need, the insurer initially developed a mobile application called Roboerta (Roberta the robot), which enabled intermediaries to issue ALM Seguros microinsurance products in just one minute.

However, while it was being implemented, ALM Seguros encountered several problems with the mobile application. The insurer realized that intermediaries often had difficulty downloading and accessing the application because they were using relatively basic mobile phones with low memory capacity. Therefore, ALM Seguros decided to convert the mobile application into a web platform that can be accessed by brokers and partners to issue and manage insurance policies. The Roboerta platform can be accessed through a web browser on a mobile phone, or on any device connected to the internet, and requires much less memory than an application. As a result, ALM Seguros created a fast and entirely digital sales process for its partners.

SELLING INSURANCE THROUGH A LOCAL RADIO STATION

One particularly successful partnership has been with a local radio station, "Radio Tupi", in Rio de Janeiro, which combines the communication expertise of a mass media channel with ALM Seguros' experience in mass insurance sales. Through this partnership, it has been possible to promote microinsurance to a large number of people.


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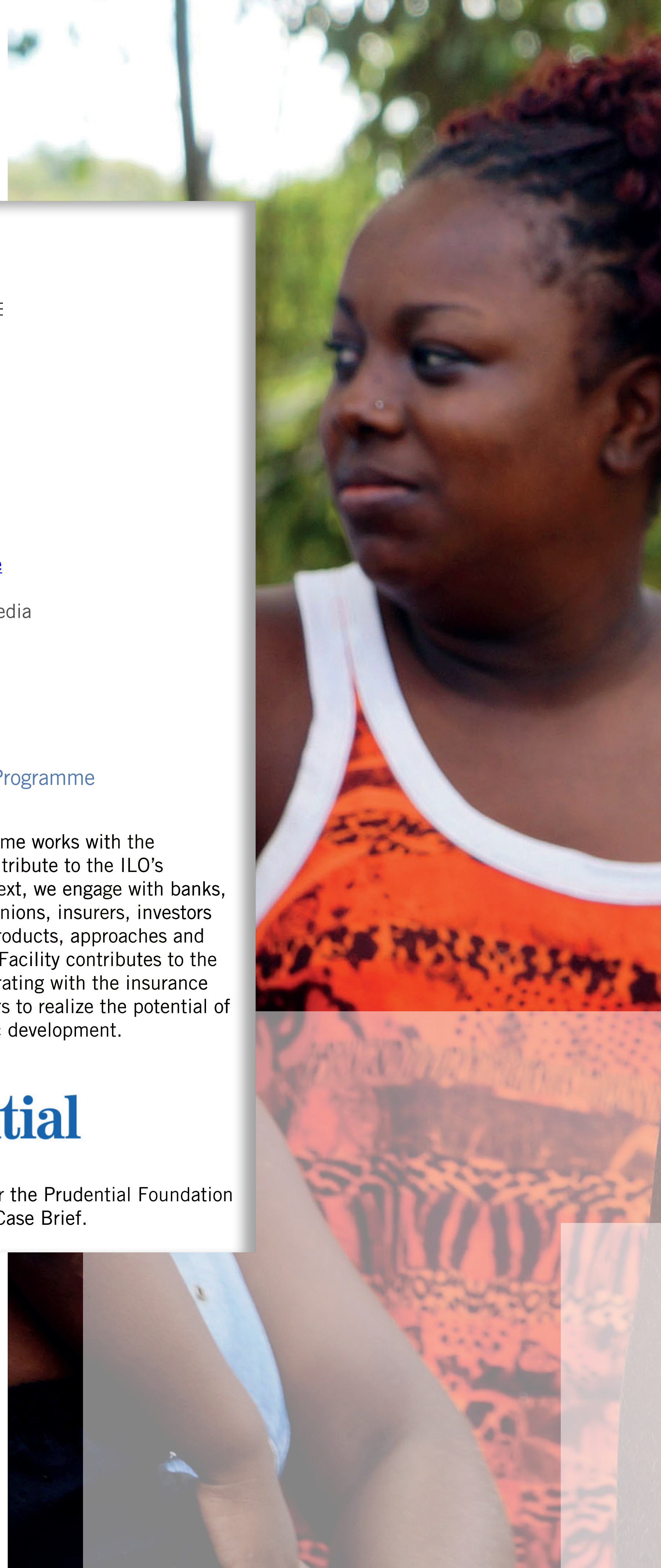
Radio Tupi's communication method combines financial education aimed at emerging customers and the promotion of microinsurance products. The educational part includes discussions about managing personal risks, such as death, unemployment and accidents. An important part of the product promotion and education strategy is airing testimonials from customers, allowing listeners to learn about the benefits of insurance and building trust in the product.

In addition, the radio station has taken on a broader role and also sells the products directly to listeners. Once they have received information about insurance and its benefits through the Tupi Radio station, clients can purchase products through a web link or by calling the station.

ALM Seguros' microinsurance products have been popular among the radio's listeners. Once clients purchase insurance, they become members of a benefit club called "Clube Família Tupi". This benefit club is an attractive aspect of the product as it allows clients to access various additional services, including medical advisory services and discounts on medicines. Through this package of benefits, ALM Seguros has succeeded in making microinsurance tangible for its clients.



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The ILO’s Social Finance Programme

The ILO’s Social Finance Programme works with the financial sector to enable it to contribute to the ILO’s Decent Work Agenda. In this context, we engage with banks, microfinance institutions, credit unions, insurers, investors and others to test new financial products, approaches and processes. The Impact Insurance Facility contributes to the Social Finance agenda by collaborating with the insurance industry, governments and partners to realize the potential of insurance for social and economic development.

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