



International
Labour
Office

CASE BRIEF: **ASEGURADORA RURAL**

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A woman with dark hair, wearing a colorful patterned blouse, is holding a baby wrapped in a blue and white patterned cloth. She has a serious expression. The background is a textured wall.

CASE BRIEF:

ASEGURADORA RURAL

Product name: Vivo Segura

Location: Guatemala

Description: Vivo Segura is a voluntary insurance product with life and health components for rural microfinance clients. Additional preventative health benefits aim to promote a culture of prevention and make the product more tangible for clients.

Benefits:

- Payment made in the case of cancer diagnosis: US\$ 2,875
- Payment made to beneficiary in the case of the client's death, regardless of the cause: US\$ 750
- Additional [value-added services](#) bundled with the product: preventive health package, discounts on medicines in selected pharmacies, discounts on consultations and examinations in the health provider network for procedures not covered by the policy.

(Exclusions include suicide in the first two years, HIV, and war.)

Premium: US\$ 3.75 monthly or US\$ 40 annually

Number of policies: Over 12,000 by January 2013

Scaling up through a large, trusted bank network; and its flipside

In April 2012 Aseguradora Rural registered the first approved health microinsurance product in Guatemala. The product was piloted and refined over six months, before it was launched nationally. In the first two months after the national launch it sold 8,000 policies.

LEVERAGING A LARGE, TRUSTED DISTRIBUTION NETWORK

Aseguradora Rural was able to achieve this growth through its relationship with a large, trusted distribution network: Banrural, the largest microfinance bank in Guatemala. Banrural has worked with the rural low-income population in Guatemala for almost 15 years, and over 80 per cent of the company is owned by groups such as women's organizations and agricultural cooperatives. The two companies are part of the same group, providing Aseguradora Rural with a closely aligned distribution partner, and a large potential client base for the product.

USING CLIENT DATA IN PRODUCT AND MARKETING DESIGN

The bank's relationship with the rural low-income population influenced its product design. Using results from market research,

the bank and Aseguradora Rural were able to incorporate clients' most pressing concerns into the product design. For example, as surveys revealed that cancer was the top health concern for 71 per cent of the bank's female savings clients, risks related to cancer were included in the policy. Maternity coverage, on the other hand, was removed from the policy after a survey and focus groups demonstrated that clients were not interested in paying for this cover.

Aseguradora Rural also leveraged Banrural's existing IT systems. Banrural adapted its system to collect additional socio-economic data about new clients on behalf of Aseguradora Rural. Collecting this data from the very beginning of the project allowed Aseguradora Rural to monitor its client base and to design and adapt its product and promotion to speak to the right audience. For example, it selected images for its marketing material that reflected the full range of its client demographics (with the majority of its clients aged between 25 and 38).

MAKING THE PRODUCT A PRIORITY

Despite its access to the target market, a large bank network also presents challenges for distributing insurance. Banrural offers a range of products, including credit cards, other insurance products, and savings products.



Aseguradora Rural has struggled to ensure that its product is not lost among sales staff's many tasks. It found that targets were vital to make the product a priority, but that managerial support also made a big difference; when the regional manager personally asked branch managers to focus on Vivo Segura sales for a week, branches sold more policies in one week than in the entire previous month.

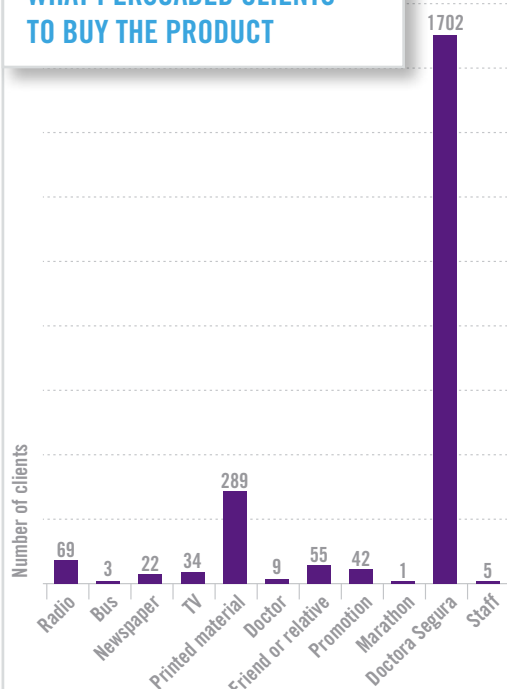
THE FLIPSIDE

It is far easier to persuade satisfied existing clients to try insurance, than it is to win the trust of those who are completely new to both insurance and the provider. However, there is a risk that clients are buying a product based on trust, and not necessarily understanding of the product.

This is an important concern for Aseguradora Rural. Since the start of the pilot it has carefully monitored uptake of the product and use of the preventative health benefits. At the end of 2012, only 346 clients had used the preventative health benefits, despite the fact that they are free for policyholders. No claims had been received for the life or cancer cover.

It is not yet clear whether clients will eventually take advantage of these benefits, or whether they do not know or want what they are entitled to. Aseguradora Rural believes that clients may

WHAT PERSUADED CLIENTS TO BUY THE PRODUCT



not fully understand what they are buying. Focus groups with clients have shown that this is true in some cases. The product is complex, and during the pilot phase some staff members were uncomfortable explaining the product, even with significant time devoted to training. As the product scales up, time for training has had to be reduced, and staff understanding has suffered.

Aseguradora Rural is combatting this by increasing promotion activities, developing an e-learning module for staff, and providing more information to doctors so that they can also inform clients about the benefits. It is also developing a plan for improving contact with clients after they have purchased the policy. The plan includes welcome calls to remind clients about the preventative health benefits and monitoring the quality of information given by sales staff.

SCALING UP UNDERSTANDING

Banrural has a particularly strong relationship with its clients, and Aseguradora Rural has been able to capitalize on this to grow rapidly. However, sales based on trust in an organization may mask a lack of understanding of the product. The next challenge for Aseguradora Rural is to leverage this relationship to promote real understanding and use of the product on an equally large scale.

"DOCTORA SEGURA"

Aseguradora Rural's marketing aims to make its services more tangible and more human to prospective clients. It does so through the character "Doctora Segura", who is included in marketing materials. The character helps to personalize the process of calling a helpline and to humanize messages around sensitive topics like cancer.

This has been very effective, with the vast majority of new clients citing promotion with "Doctora Segura" as both the way that they found out about the product and what convinced them to buy it.



Housed at the International Labour Organization's Social Finance Programme, **the Microinsurance Innovation Facility** seeks to increase the availability of quality insurance for the developing world's low income families to help them guard against risk and overcome poverty. The Facility was launched in 2008 with generous support from **the Bill & Melinda Gates Foundation** to learn and promote how to extend better insurance to the working poor. Additional funding has gratefully been received from several donors, including the **Z Zurich Foundation** and **AusAID**.

See more at
www.ilo.org/microinsurance

