



SUCCESS STORY

AIC AND FONKOZE INVEST IN THE MICROINSURANCE SECTOR IN HAITI

AN INNOVATIVE PARTNERSHIP TO OFFER MICROINSURANCE THROUGHOUT HAITI



AIC

Yvonne Exile is a Fonkoze client in Mirebalais, a rural town in Haiti's Central Plateau, who is covered by the AIC microinsurance product. Ms. Exile says, "I love this insurance so much that I consider it my husband. Normally, it is your husband's responsibility to repay your loan in the case of death, but with AIC, the insurance takes this responsibility. For me, that is huge."



AIC

Isabelle Delpeche, AIC Microinsurance Director, explains microinsurance product to Fonkoze loan clients in a rural area outside of Jacmel, Haiti. According to Ms. Delpeche, "the mere fact of living exposes us to risk. In the case of developing countries, this risk is particularly great. Microinsurance can be considered one of the best tools to fight poverty".

USAID/Haiti supports microfinance product development to meet the diverse needs of the poor in Haiti. To decrease the poor's vulnerability to risk, USAID/Haiti and the Support to Haiti's Microfinance, Small and Medium Enterprise Sectors Project, (HAITI/MSME), encourage the expansion of microinsurance options for Haitian microentrepreneurs. In April 2007, Alternative Insurance Company, (AIC - a professional, diversified Haitian insurance company), entered into partnership with Fonkoze, (a leading microfinance institution in Haiti) for the design and development of microinsurance for Fonkoze's credit clients. This new microinsurance product covers any outstanding loan balance in the case of a loan client death, and provides an indemnity payment to the client's family. AIC and Fonkoze designed the product, conducted and analyzed a pilot test, trained Fonkoze credit officers, and have launched the product in all Fonkoze branches. USAID/Haiti is facilitating the remaining phases of the implementation of the program, including its evaluation by a micro insurance expert; educational outreach and marketing covering topics such as household finance, savings, insurance, credit, and the accumulation of assets; and the installation of an identification system for Fonkoze's clients. As of Sept 2008, more than 55,000 Fonkoze clients were covered with AIC microinsurance.

Now a recognized leader in the international effort to design effective microinsurance products for the poor, AIC presented its product for Fonkoze at the Microinsurance Conference in Cartagena, Colombia in early November 2008. According to Olivier Barrau, President of AIC, "Introducing a financial tool to a market that could not be reached before, managed by trained professionals, improves the microentrepreneurs' lives and helps expand the insurance market. Previously, only certain classes of individuals and businesses had access to traditional insurance products. Microfinance is becoming more important in Haiti's economy, where it has proven to be a good tool for creating wealth. With microinsurance, there is a possibility to protect that wealth".