Digital and Innovative Financial Products and Services for MSMEs Beyond Credit

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH RFPI Asia III

Cebuana Lhuillier Insurance Brokers
• The Philippines leading and largest non-bank financial services provider
• Over 2,500 branches nationwide
• Over 25,000 partners
The Payong app
(A Multi-Peril Resistance Management and Learning Platform for MSMEs)
Payong (Umbrella) is a web- and mobile-based application designed to improve the operational readiness and resilience of MSMEs in the face of pandemics and natural disasters by enabling them to:

• Assess the various hazards they face in their operations and create measures to address them;
• Have access to on-line trainings on various aspects of entrepreneurship that will enhance the sustainability of their operations including disaster risk reduction;
• Understand the importance of insurance to address residual risks brought about by natural disasters and pandemics, and be introduced to insurance products for MSMEs including parametric business interruption insurance products that can contribute to their sustainable and continuous operations.
Main Functionalities of the Payong App

- MSME users find out the risks they face through a location-based Risk Assessment using the GeoHazardPH platform of DOST
  - Seismic
  - Hydro
  - Meteorological

- Simplified Business Continuity Planning (BCP) feature to enable users to continuously provide products & service despite disruptive events
- Unique BCPs provided for every user that completes the process

- E-Learning Module on Integrated Risk Management and Insurance
- Certificates awarded for course completion
- Links to other training modules of PTTC and PDRF

- Provides access to MSMEs to insurance products appropriate for the risks they face
- To include 2 parametric business interruption products developed under the project – one for excess rains and another for excess winds due to typhoons

Increased awareness and development of an effective contingency system

Reduced risk exposure complemented by transfer or residual risks
Product Marketing

The Insurance Products Hub

- To date 2 insurance entities, CLIB and 1CISP have joined the hub and have featured indemnity-based products.
- The parametric business interruption products on excess wind and excess rain developed by Celsius Pro and carried by 1CISP will be included in the hub upon approval of the products.
- Given regulations governing the host, PTTC and also those provided by the IC, purchasing and selling cannot be done in the hub.

What Can Payong Offer MSMEs

- A convenient, accessible, and holistic tool that can enhance their resilience and sustainability through learning and access to risk transfer mechanisms such as insurance for their risk protection needs.

What Can Payong Offer the Insurance Industry

- Through the Insurance Products Hub, Payong offers an additional tool to insurance providers for accessing and marketing their products to the MSME market (est. 995,000+ in 2019)
Accessing the Payong App

- Web-based: payong.traxiontech.net
- Mobile based:

Lessons Learned:

Payong is a capacity development app for MSMEs to enhance their resiliency to natural disasters and pandemics. Its visibility will be crucial to ensure its sustainability. To this, positioning the app as one of the primary initiatives in the over-all efforts of government to support the development of MSMES will be very important.

Potential Impacts for Women:

The Payong app is being considered as one of the capacity development tools to empower women entrepreneurs who are members of cooperatives under the Koop4HER initiative of 1CISP, an insurance provider which works with cooperatives.
Providing solutions to Climate Change and Disaster Risks
Microinsurance Disaster Risk Insurance for MSMEs
(in partnership with AXA and Cebuana-Lhuillier Insurance Brokers)
Easy to access

Microbiz Protek will be available thru these channels
## Affordable Premiums

### Protecting the Small Business Owners

**Property Insurance Premiums for SMEs**

<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>PLAN &amp; ANNUAL PREMIUMS</th>
<th>ANNUAL PREMIUMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Assistance for Property Damage</td>
<td>Plan 10,000</td>
<td>Php 172.00 for Regular MSMEs</td>
</tr>
<tr>
<td></td>
<td>Plan 25,000</td>
<td>Php 385.00 for Regular MSMEs</td>
</tr>
<tr>
<td></td>
<td>Plan 50,000</td>
<td>Php 739.00 for Regular MSMEs</td>
</tr>
<tr>
<td>Fire &amp; Lightning Cover</td>
<td>Php 10,000</td>
<td>Php 182.00 for Class A public markets</td>
</tr>
<tr>
<td>Earthquake Cover</td>
<td>Php 10,000</td>
<td>Php 455.00 for Class A public markets</td>
</tr>
<tr>
<td>Flood Cover</td>
<td>Php 10,000</td>
<td>Php 910.00 for Class A public markets</td>
</tr>
<tr>
<td>Typhoon Cover</td>
<td>Php 10,000</td>
<td></td>
</tr>
<tr>
<td>Accidental Death &amp; Disablement</td>
<td>Php 1,000</td>
<td></td>
</tr>
<tr>
<td>Burglary &amp; Robbery</td>
<td>Php 1,000</td>
<td></td>
</tr>
<tr>
<td>Emergency Assistance</td>
<td>Included</td>
<td></td>
</tr>
</tbody>
</table>

### Cash Assistance for Property Damage

<table>
<thead>
<tr>
<th>Damage Incurred</th>
<th>Amount of Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>70% or less of Property insured</td>
<td>50% of Sum Insured</td>
</tr>
<tr>
<td>More than 70% of property insured</td>
<td>100% of Sum Insured</td>
</tr>
</tbody>
</table>

- Multiple claims allowed provided annual aggregate claims do not exceed policy limit
- PA: Retained even if Property cover has been exhausted
- Robbery: Terminated once property cover has been exhausted
Impact to Women
Regulatory Framework Promotion of Pro-Poor Insurance Markets in Asia (RFPI Asia III)

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

10F Bank of Makati Building, Ayala Avenue near corner Metropolitan Avenue, 1209 Makati City, Philippines
T: +63 2 651 5100
F: +63 2 753 1441
E: giz-philippinen@giz.de
I: www.giz.de

Cebuana Lhuillier Insurance Brokers, Inc.

Ground Floor, Cebuana Lhuillier Building Metropolitan corner Pasong Tamo Streets Makati City
T: +63 8895 10 93
F: +63 8895 10 93
E: jbatangan@pjluhullier.com jonathan.batangan@gmail.com
I: www.cebuanalhuillier.com