



SUCCESS STORY

Micro Insurance Product “Protecta” Gives Haitians the Tools to Plan for Their Future.

“Being a client of *Protecta* makes me proud because I will be able to take care of my funeral when I am gone,” says Yverose Casimir, a client in Léogâne.



Photo credit -- HIFIVE

After the Banque Nationale de Credit (BNC), a distributor of *Protecta*, in Léogâne was destroyed by the earthquake, it was re-opened at a new location in July, 2010.



Photo credit — HIFIVE

Mme. Yverose Casimir (top row, middle) and other *Protecta* clients after a group discussion with AIC staff at the BNC in Léogâne.

Disclaimer: This “Success Story” is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of AED and do not necessarily reflect the views of USAID or the United States Government.

From a cultural perspective, funerals are very important in Haiti. They carry tremendous significance but can be an impossible financial burden for low income families. Until now, there has been no affordable safeguard for these families. Typical funeral expenses of \$1,250.00 are roughly equivalent to 11 months of income for the average Haitian, which can have a devastating economic impact on the family. Traditional insurance products have been available to only a small percentage of Haitians (200,000 of 9 million), and no micro insurance products were available for the poor.

From USAID Haiti’s perspective, the development of financial products to address the economic vulnerability of the poor is of key importance to reducing poverty in Haiti. USAID’s HIFIVE¹ is working with Alternative Insurance Company (AIC) to expand penetration of an innovative product called *Protecta*, a micro insurance product, to help families meet the burden of funeral expenses. *Protecta* policies cost for as little as \$2.08 per month. HIFIVE provided grant assistance to AIC to help them to take *Protecta* nationwide. Grant funds support public education programs and the training of teams working within finance institutions that distribute *Protecta*, one of which is Banque Nationale de Crédit (BNC).

Léogâne, a small town an hour from Port-au-Prince was the epicenter of the January 12th earthquake. Over 80% of the buildings were destroyed, including a branch of BNC. Clients were then forced to manage their accounts elsewhere, the closest distributor being 90 minutes away. Fortunately, the Léogâne BNC re-opened at its new location on July 10th and AIC was there to re-launch *Protecta*. The USAID grant will help AIC to meet the expanding demand for the product in Léogâne and elsewhere. *Protecta* clients in Léogâne now have local service restored and no longer face a three hour trip to manage their accounts.

Mme. Yverose Casimir, a *Protecta* client since August 2009, spoke for many when she said, “I am happy that *Protecta* will continue to work with us after January 12th. Being a client of *Protecta* makes me proud because I will be able to take care of my funeral when I am gone, and my family will not have to pay.” For clients like her, their ability to tailor their coverage to meet their needs enhances the value of the insurance. Products like *Protecta* will ultimately reinforce a culture of planning and responsibility for low income families and will improve their ability to manage their resources to reduce economic vulnerability.

¹ HIFIVE, a USAID-funded project implemented by World Council of Credit Unions (WOCCU) and AED, empowers Haitians by providing access to innovative financial products and services with a focus on rural areas, value chains, remittances, and use of technology to expand financial inclusion.