



Interested parties can obtain an electronic application pack from:

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Bima Challenge Brochure





THE BIMA CHALLENGE

The Bima Challenge (BC) is a co-financing facility that aims to contribute to the business models and distribution channels of the development of an inclusive insurance market in Tanzania. Through the provision of financial assistance, BC supports product design, experimentation and roll-out of innovative and customer centric insurance products that are affordable, accessible and responsive to the management of risks for Tanzania's low-income market. The BC is one of the market facilitation tools aimed at strengthening the supply of inclusive insurance in Tanzania. It is also a part of prioritised interventions in the microinsurance development process for Tanzania, currently spearheaded by the Microinsurance Technical Working Group (TWG).

The BC is fully financed by the Financial Sector Deepening Trust and is a supply- strengthening tool within the ongoing microinsurance development process for Tanzania. Through the provision of financial and technical assistance, BC business models and distribution channels support product design, experimentation and roll-out of innovative and customer centric insurance products, processes, business models and distribution channels that will make insurance services affordable, accessible and responsive to the risk management needs of Tanzanians especially those in the low-income market segments.

MOTIVATION

Insurance can be an important risk management financial service that can help people manage shocks and protect their assets. Unfortunately in many countries, it is one of least consumed financial services. In Tanzania, FinScope Tanzania 2013 revealed that only 13% of adults have insurance. Innovations in product and delivery methods, particularly aimed at making insurance appropriate, accessible and responsive to the risk management needs of the low-income people, have led to millions of low-income people being covered for various risks around the world. Some strategies employed by insurers and other market players to make insurance accessible to the low-income market include:



Simple coverage of essential risks faced by low-income people to make insurance more appropriate;



use of diverse distribution channels to make insurance more accessible;



bundling benefits or embedding insurance in other financial services to make insurance more affordable and accessible.



- The support aims to:
- help insurance companies develop products that offer better risk management solutions for the low-income market;
 - help insurance companies improve offerings of existing insurance products through improvements in scale, efficiency and client value;
 - help market players strengthen viable models through greater investment in research and development;
 - support investments from market players venturing into unfamiliar areas and hence requiring cost-sharing in their research and development phase or pilot testing of products and business models;
 - build the capacity of insurers and distribution channels in product design and delivery.



- ELIGIBILITY**
- The following local and international organisations are eligible to submit applications:
- Insurance brokers and agents
 - Non-insurance companies
 - Mobile Network Operators
 - Microfinance institutions, banks and other financial service providers
 - SACCOs and other community based organisations
 - Aggregators
 - Cooperatives
 - Payment service providers/ platform developers
 - Non-government organisations
 - Industry associations

FOCUS SUPPORT AREAS

The BC is intended to contribute to scale, client value and sustainability of microinsurance products and business models.

Scale Strategies to achieve viable scale

Value Strategies to create customer value

Sustainability Strategies to sustainable business models



FINANCING

The BC will provide co-financing support for activities and technical assistance up to US\$ 100,000 and applicants will be required to request within this ceiling. Applicants proposing financial support beyond the ceiling will be required to make a compelling case for exception. Applicants are required to provide co-financing ideally 50% or as mutually agreed between the BC and the applicant. The support under BC should be targeted specifically towards microinsurance activities that aim to address any or all the focus areas.



The BC will not fund:

- general operating costs of the organisation or its partner(s);
- salaries for existing or new staff required to implement the project;
- purchase of fixed assets such as computers furniture, printers, vehicles;
- premiums or transaction fees or license fees.

The complete proposal submission pack comprises the following:

- Proposal - template provided by the BC
- Work plan - template provided by the BC
- Project budget - template provided by the BC
- Copies of licenses
- Capability statement or company profile
- Financial statements at least for 2 years
- Other supporting documents including product brochures, market research studies, business plans, product feasibility plans or reports etc.