

# The Bima Challenge

## 28 June 2016

# Outline

1. About the Bima Challenge (BC)
2. Eligibility and proposal content
3. Proposal submission and evaluation
4. Financing guidelines
5. FAQs



# 1: About BC

# What is The Bima Challenge?

is a **challenge fund** to accelerate development of the microinsurance sector in Tanzania

co-invests with insurers and other market players in the **design, experimentation** and **roll-out** of appropriate, accessible and responsive insurance services for low-income people

contributes to **knowledge** on **viable business models and customer centric insurance products** appropriate for low-income market segment

A photograph of two stacks of gold-colored coins on a wooden surface, with a blurred background of green foliage. The image is partially obscured by a large yellow triangle that serves as a background for the text.

Financed by FSDT. Endorsed and supported by TIRA and TWG

Implemented alongside other market development interventions

Proposals can include:

- Products
- Processes
- Business models
- Technology
- Distribution

**Catalyst** for private sector investment  
in inclusive insurance for Tanzanians

**Stimulant** for innovations required to  
develop and deliver appropriate risk  
management solutions

**Support** for investments in unfamiliar  
territories

**Promoter** of profitable business  
models that extend insuranceservices to  
under-served or un-served population segments

**Contributor** to knowledge of viable models  
for inclusive insurance services for Tanzania

**Making  
Insurance  
Work for all  
Tanzanians**

# BC seeks to support initiatives that provides:

## *Scale*

*projects that  
increase  
low-income  
market  
penetration.*

## *Value*

*projects that  
provide  
good value  
propositions  
for low-income  
consumers.*

## *Sustainability*

*development  
of viable and  
sustainable  
business models.*

## 2. Eligibility & proposal content

# Who is eligible?

*Insurance and  
Reinsurance  
companies*

*Non-insurance  
companies*

*SACCOs  
and other  
community based  
organisations*

*Payment service  
providers/  
platform  
developers*

*Insurance brokers  
and agents*

*Mobile Network  
Operators*

*Aggregators*

*Non-government  
organisations*

*Residential and  
international  
organisations*

*Microfinance  
institutions  
and Financial  
institutions*

*Cooperatives*

*Industry  
associations*

Letters of intent or agreements  
are required as evidence of  
partnerships Consortiums

Successful pitches from  
FinDisrupt can be considered  
and progressed to the BC



# Who is eligible?

The key ingredients of good proposals are indicated below:

## 6Cs

*Consumer  
Centric*

*Clear*

*Complete*

*Commitment*

*Capacity*

*Consistent*

- Applications must follow all guidelines
- Application forms and templates must be completed in full
- Strong demonstration of the business case; client and business perspective
- Strong demonstration of applicant ownership, investment and commitment
- Strong demonstration of capacity or organisational structure to effectively manage the project

# 3. Proposal submission & evaluation

# Proposal submission and evaluation

*Standard  
application*

All proposals should be submitted using a standard application template provided by BC

*Complete  
submission*

Application form (proposal)

- Budget
- Work plan
- Company licenses
- Annexes – other supporting documents (e.g. agreements with partners, product specifications, market research report, product brochures).

*Evaluation*

All proposals will be evaluated by a dedicated panel of professionals

# Evaluation criteria

*Innovation*

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*Market orientation*

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*Feasibility*

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*Viability and Sustainability*

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*Applicant's capabilities*

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*Applicant's commitment*

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# Evaluation criteria

## *Innovation*

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What innovative features are being proposed in the project to ensure alignment to the characteristics, needs and preferences of the low-income market segment?

- *How creative is the proposed concept, idea, product or process?*
- *How unique is the proposed concept, idea, product or process?*
- *How relevant is the proposed innovation?*
- *How applicable is the proposed innovation to the Tanzania market?*

# Evaluation criteria

## Market orientation

Does the project consider the needs, preferences and characteristics of the target market?

- *Is the applicant committed to reducing the vulnerability of people in the low-income market segment?*
- *Does the project aim to ensure that clients understand what they are buying?*
- *Does the project provide better risk management solutions?*
- *Are there proposed strategies to ensure simplicity in the product and processes?*

# Evaluation criteria

## *Feasibility*

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Is the proposed project feasible?

- *Does the project have the potential to serve a large number of people?*
- *Can the project be implemented within the governing regulatory environment?*
- *Does the project have a realistic work plan and timelines?*
- *Does the project have appropriate and clear deliverables?*



# Evaluation criteria

## *Viability and Sustainability*

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What are the prospects for potential scale up and replication of the business model?

- *Does the project have realistic financial projections and appropriate assumptions?*
- *Is the proposed idea or model consistent with good microinsurance business practice?*
- *Are the proposed partners committed to long-term engagement in the implementation of the proposed project?*
- *Are there concrete expansion strategies?*

# Evaluation criteria

## Applicant's capabilities

How is the applicant's demonstrated commitment to ensuring ownership and success of the proposed project?

- *What is the proposed level of financial investment by the applicant to the proposed project?*
- *What is the track record of the applicant in implementing similar projects?*
- *In case of partnerships, do the partners have a good track record in implementing similar projects?*
- *Does the proposed project align with the applicant's vision, mission, value and goals?*

# 4. Financing guidelines

# Financing

## US\$ 100,000

- *Up to US\$ 100,000 in funding and technical support*
- *Financing on a cost-sharing.*
- *Cost-sharing proportions split as mutually agreed between FSDT and supported organisation.*
- *Financing based on a signed partnership agreement.*

# What will the BC fund?

Research and development aimed at consolidating the business case, business model or assessing client value



Market research aimed at improving understanding of client needs or enhancing client value and product offerings

Pilot-related activity costs in a product development cycle including but not limited to piloting new products, sales, marketing and customer care strategies and tools

# What will the BC fund?



Activity costs relating to roll-out of a product or service

Technical assistance support (short-term or long-term, specific to initiative)

Capacity building activities (e.g. training of staff of insurance company or distribution partner)



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

# 5. FAQs



# 10 FAQs

Can one organisation submit proposals for more than one initiative?

*Yes, there is no limit to the number of proposals that can be submitted by an organisation. However the proposed concepts must be completely different in each proposal.*

Can an organisation seek clarifications as they write the concept note or full proposal?

*Yes, BC Managers will be available to address clarifications. completely different in each proposal.*

What currency should be used for the project budget?

*United States Dollars*

How much can we apply for?

*Up to US\$ 100,000*

# 10 FAQs

Will applications seeking BC funding beyond the ceiling be considered?

*Yes, however, such proposal will have present a strong and compelling case.*

What can be considered as co-financing by the applicant?

*Financial & in-kind contributions based on the agreed terms*

Is there funding for premium subsidies?

*No, all core transaction aspects of the services are covered to ensure sustainability.*

What currency should be used for financial projections?

*Tanzania shillings*

# 10 FAQs

What level of confidentiality will be provided in information supplied?

*All information remains confidential between applicant*

How long is the evaluation process?

*Ideally within 8- 10 weeks if it is good and clear proposal.*

# For more information

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# Thank You