MiCRO is a reinsurance company that specializes in sustainably providing natural catastrophe protection for the vulnerable and low-income segments of the population by applying cutting edge technology to expand traditional insurability boundaries and unlock new possibilities for distribution and payouts. MiCRO has developed an innovative and holistic risk management set of strategies against natural disasters, based on a risk transfer solution and a value-added program that makes the solution appealing, affordable, sustainable and profitable.

What makes MiCRO so “special”? 

- MiCRO is a fully focused “micro-reinsurer”
- MiCRO fills the gaps between global and local markets
- MiCRO offers solutions for a broad target market, not limited agro clients
- MiCRO applies cutting-edge technology to expand insurability boundaries
- MiCRO developed its own calculation platform (MiCAPP)

1. How does MiCRO make it happen?

MiCRO has developed an innovative and holistic risk management set of strategies against natural disasters, based on a risk transfer solution and a value-added program that makes the solution:

- **Appealing**: through coverage for relevant perils, tailored payouts, value-added services and financial education
- **Affordable**: through an index-based system using remote sensing and a proprietary IT Platform (MiCAPP)
- **Profitable**: through scalable channels and insurable interest, in addition to strategic distribution and product bundling
2. How does MiCRO’s ‘innovative’ product look like?

Esfuerzo Seguro, the first natural catastrophe index insurance product in Central America covering business interruption, was officially launched in November 2016. It covers the clients’ business interruption caused by drought, excess rain and earthquake. Esfuerzo Seguro is currently being offered by Aseguradora Rural to clients of Banrural in Guatemala. For more information on Esfuerzo Seguro watch this video.

In addition to the index insurance, clients receive information and incentives to help them adopt measures that reduce risk and strengthen resilience against natural disasters. This is possible with the support of several organizations, especially the Coordinadora Nacional para la Reducción de Desastres de Guatemala (CONRED), with whom MiCRO partners to promote resilience to natural hazards in the country.

Esfuerzo Seguro was designed and implemented in the context of the Central American Disaster Microinsurance Expansion (CADME), a program executed by MiCRO with the support of the Swiss Development Agency (SDC), the Multilateral Investment Fund (MIF) managed by the Inter-American Development Bank (IADB), the Australian Aid, Swiss Re, Mercy Corps, and KfW through its Climate Adaptation Platform (CAP), a truly public-private partnership.

After a 12-month pilot, clients already had a first experience with their insurance product. Although it was designed to protect clients against severe natural hazards, it also makes rather small payouts for moderate events. As such, almost 50% of the total clients have already received at least one payout, due to events triggered by drought and excess rain. Most of Esfuerzo Seguro clientes are women and small holder farmers.

### Clients by credit line

<table>
<thead>
<tr>
<th>Non-agricultural</th>
<th>Agricultural</th>
</tr>
</thead>
<tbody>
<tr>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

### Clients by gender

<table>
<thead>
<tr>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>42%</td>
<td>58%</td>
</tr>
</tbody>
</table>
Additionally, by providing direct technical assistance and product development to a wide range of partners, MiCRO is building and developing local capacity at different levels, a key element that will enable the offer of different index-insurance products in the market over time, and allow consumers to choose the products that fit the most to their needs and particularities.

MiCRO’s calculation platform (“MiCAPP”) continuously monitors and extracts data from predetermined scientific sources (e.g. NASA, USGS), unpacks the scientific data files and calculates them using complex algorithms to match the readings against predetermined levels, and issues a loss report when a triggering event is detected, which is accepted by all stakeholders as the undisputable base for payouts.

This loss report is then matched by the insurance company with the local specific client’s data in the affected location(s), which determines the individual and total loss amounts for the event.

MiCAPP’s processes are done automatically, with no human hand involved. It is an independent software platform that can also be accessed via a web-graphic interface to download all the reports generated in each policy period duration. MiCRO has registered MiCAPP in Guatemala with the Intellectual Property authorities and provides access to it to all involved stakeholders.

3. How does MiCAPP work? How do partners and clients know when a covered event occurred?
By being a proprietary software platform, MiCAPP offers constant scalability by the way its architecture is designed, allowing MiCRO to adjust the calculations procedures based on third party inputs to make the readings more accurate at the level of calculating each productive location using georeferenced technologies.

MiCAPP’s team is constantly searching for new technologies to improve performance, transparency, accuracy and costs. One of these projects is to implement blockchain technology within MiCAPP to improve transparency and traceability for the entire claims processes, and therefore open unlimited integration possibilities to improve operation, regulatory and client experience. MiCRO is currently looking for partners interested to participate in the expansion projects for MiCAPP.

4. What comes next for MiCAPP?

Blockchain-enabled MiCAPP automates claims from event detection to determining list of payments due

### Potential for new partnerships
- Instantaneous payouts through payments providers also utilising blockchain technology. Eg. mobile wallets
- Potential partnerships in FinTech sector with others using blockchain (eg. remittance providers)

### Automate other product processes
- Other processes, like enrollment, are also 100% automated and blockchain validated
- MiCRO reinsurance processes utilising blockchain – a fully “Digital Reinsurer”

### Automate institutional processes

Visit our website ([www.microrisk.org](http://www.microrisk.org)) and social networks to keep informed of news on how MiCRO will unlock new possibilities for distribution and payouts using technology!

---

Partners: [Mercy Corps](https://mercy.org) Co-founder of MiCRO