



International
Labour
Organization

CASE BRIEF: **TUNAJALI**

Nicolas Morales

CASE BRIEF:

TUNAJALI

Description: “Tunajali” is a Swahili word that means, “we care about you”. It is an e-commerce initiative that seeks to develop and provide inclusive insurance in all countries in Latin American and the Caribbean.

Products offered: Hospital protection insurance and cancer protection

Distribution channel: Digital platform

Vulnerable populations in the different countries of Latin America and the Caribbean have similar needs, which offers the insurance industry the possibility of developing and expanding the inclusive insurance market at a regional level. Still, to take advantage of this opportunity, it is important for companies to focus their efforts on designing customer-centric products that adapt quickly to the environment and using alternative channels that facilitate massive outreach.

In this context, and motivated by the small number of insurers dedicated to developing products for underserved segments, the reinsurance company [BarentsRe](#) joined forces with a media company with a presence in approximately 14 countries in the region, to develop [Tunajali](#). Taking advantage of the high mobile phone penetration and growth of internet coverage in the region, Tunajali has developed a unique and fully digital business model to offer insurance solutions based on the design-thinking methodology approach that has allowed Tunajali to identify opportunities, understand the needs of their customers and implement innovative solutions that [add value](#) to their products.



THE PRODUCT DEVELOPMENT PROCESS

Tunajali wanted to develop an insurance cover that would be useful for the entire population, easily implemented and that would meet real needs in the most vulnerable segments. Tunajali carried out a number of market studies yielding the following insights:

- The population in the region does not consider purchasing insurance a priority, but they do care about risks, especially in terms of health, income, crime and job security.
- Indemnification products are very convenient for vulnerable populations since they enable, in a prompt and timely manner, policyholders to amortize direct and indirect expenses that other types of insurance do not usually cover.
- Integrating complementary value-added services gives the opportunity to provide more comprehensive customer care and increases the value of the insurance offer.
- To promote insurance, registration processes need to be more efficient and simple.
- Technology offers a great opportunity to the industry to develop affordable, simple and inclusive mass products.

These findings gave Tunajali an action plan to develop its first portfolio of compensation products for hospital protection and oncological protection. It redesigned the entire digital purchasing process to improve the customer experience and provide product information clearly and easily. For example, Tunajali presents both products to the client on its website in clear and direct language. Additionally, in order to increase the value of its products, both policies include assistance services such as a second medical opinion as well as remote nutritional and psychological counselling. At the same time, Tunajali has managed to simplify the registration process by reducing the amount of data requested from the client, limiting it to only the contact information of the insured and his or her beneficiary.

Once the product is purchased, the company makes a courtesy call to the customer to resolve concerns about the product and complete the information required by the regulator for issuing the policy. This strategy allows the platform to verify customer information, while at the same time educating the population about Tunajali's products and insurance more generally.

THE FIRST PILOT IN PARAGUAY

After carefully structuring its products and deciding on television as the promotional channel for the target population, in February 2020, Tunajali launched the first pilot to digitally market its insurance in Paraguay. According to its studies, 80% of the people in this country have access to the Internet from their cell phone. There are also approximately 1.2 million users with electronic wallets and another 1.2 million with credit cards, although the level of financial exclusion still stands close to 50%. Additionally, Tunajali products offer a unique value offer in a market where there is a latent demand, since cancer is one of the major causes of death, while at the same time there is very low insurance penetration, especially in the areas of health and life.



Despite the public distrust of the insurance industry, Tunajali expects to reach more than 10,000 people in twelve months through their strategy and affordable premiums (one dollar a month). Since the launch of its model, more than 25,000 people have visited the Tunajali website. They have received more than 3,700 requests for its products with a closure rate close to 5%. The hospital indemnity insurance appears to be most popular.

Tunajali's digital marketing model has allowed it to reduce costs, facilitate the purchase process and compensate customers within 48 to 72 hours. In addition, it has shown its ability to quickly adapt its products and processes to the needs and barriers that have been emerging. For example, Tunajali managed to reach more customers since the outbreak of the COVID-19 pandemic: as soon as the emergency was declared, the hospital product was quickly adapted to include compensation for coronavirus contagion, becoming the only product of this type in the Paraguayan market.

THE WAY FORWARD

Looking forward, Tunajali is working to include a life product and incorporate the educational component as part of the strategy to promote its product portfolio. It is developing a work plan that includes the deployment of educational campaigns with audio and animations that clearly explain the importance of insurance. Additionally, Tunajali is working on strengthening trust towards insurance and digital media. For this, it is developing digital initiatives that allow it to guarantee the availability and support of the client throughout the life cycle of the insurance and thereby change their perception of insecurity and mistrust. On the other hand, Tunajali is looking at strategic allies that allow it to adapt and take its products to other countries in the region.

Tunajali used the ILO's PACE methodology (Product, Access, Cost and Experience) to develop its products. [Click here](#) to find out more.



**Social Finance Programme
Enterprises Department
International Labour Organization**
4, route des Morillons
CH-1211 Geneva 22
Switzerland
Tel.: +41 22 799 6478
Fax: +41 22 799 6896
Email: impactinsurance@ilo.org
Web: www.ilo.org/impactinsurance

Connect with us through social media



[/impactinsuranceFacility](https://www.facebook.com/impactinsuranceFacility)



[@IIFacility](https://twitter.com/IIFacility)



[Social Finance & Impact Insurance](https://www.linkedin.com/company/social-finance-impact-insurance)

The ILO's Social Finance Programme works with the financial sector to enable it to contribute to the ILO's Decent Work Agenda. In this context, we engage with banks, microfinance institutions, credit unions, insurers, investors and others to test new financial products, approaches and processes. The Impact Insurance Facility contributes to the Social Finance agenda by collaborating with the insurance industry, governments and partners to realize the potential of insurance for social and economic development.



Prudential



FIDES
Federación Interamericana
de Empresas de Seguros

We would like to thank our partners, the Prudential Foundation, the Microinsurance Network and FIDES (Inter-American Federation of Insurance Companies), for supporting the release of this Case Brief.

Activities undertaken by the ILO's Social Finance Programme on financial risk management associated with health-related risks are intended to complement the ILO's position on social health protection and universal health coverage, which are the responsibility of the public sector. These innovation projects are aimed at testing new financial products and processes to extend health cover to unserved population groups and/or provide complementary benefits. The basis for such financial risk management innovation is captured in ILO Recommendation 189, which states the freedom "of Members to determine whether there is a need for supplementary measures as regards social protection, such as voluntary schemes, cooperative initiatives and others".