

FCMB's Hospital Cash Insurance Model

First City Monument Bank (FCMB), one of Nigeria's leading financial institutions, has prioritized financial inclusion for low-income women, who make up a large share of its micro lending portfolio. In 2022, FCMB partnered with Women's World Banking to design a health microinsurance solution tailored to these customers.

The Caregiver product addresses major health financing gaps that disproportionately affect women. It provides income protection during medical emergencies, reducing reliance on out-of-pocket spending and enabling timely care without destabilizing household finances. Customer research highlighted the need: 90% of women interviewed were self-employed and lost income when hospitalized; many saved primarily for health expenses, including childbirth; more than half had delivered at least one child at home; and nearly half were unfamiliar with insurance. In Nigeria, where 70.5% of healthcare costs are paid out-of-pocket and 52% of women cite cost as the main barrier to care, these risks are acute.

The intervention introduced a women-centered insurance package comprising two components: an embedded hospital cash product and a voluntary malaria outpatient plan. The hospital cash product provides fixed benefits for hospital stays, with higher payouts for facility-based births to encourage safer delivery. It also includes a childbirth benefit and a 20% premium refund for no claims. The malaria plan, later discontinued due to low uptake, covered basic outpatient care. Together, these products reduce financial strain during health shocks and promote use of formal healthcare.

Quick facts

Barriers addressed



Product & Market Design

Poor understanding of women's financial needs
Low scalability of products



Consumer Protection

Non-transparent product information



Entry and Capability Barriers

Low digital financial capability

Segment focus

1 2 3 4

Geography

Nigeria

Customer Journey Relevance



Key stakeholders involved

First City Monument Bank (FCMB)

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Overview (cont.)

The solution was designed for both customer and business viability. Actuarial pricing balanced affordability with sustainability, and financial projections were refined during the pilot. With microinsurance penetration in Nigeria at just 0.3% and most workers in informal employment, the opportunity for scale is significant.

Research identified four core constraints: poor product fit, affordability barriers, low awareness of insurance, and operational inefficiencies within the bank. The solution addressed these through targeted product design, simplified communication, and investments in delivery systems, including automation.

During the nine-month pilot (May 2023–January 2024), the program enrolled 3,696 clients and reached 5,063 beneficiaries including family members. Results show the product improved women’s ability to manage health expenses and increased confidence in handling future shocks. Customers cited affordability, convenience, and peace of mind as key benefits. Operational improvements, including automated premium transfers, strengthened delivery and scalability. The pilot confirms strong demand and clear potential for expansion.

Key activities

The Caregiver solution co-designed with FCMB combined a women-centered insurance product with operational, delivery, and capacity-building initiatives to support adoption and scale.

Insurance package:

A hospital cash product, embedded in the E-DON-BETA loan, provided income replacement during hospitalization, with flexible coverage (including pre-existing conditions and childbirth), a childbirth incentive, and a 20% premium refund for no claims. A voluntary malaria outpatient plan covered basic treatment needs but was later discontinued due to low uptake.

Operational enhancements:

FCMB addressed delays from manual premium transfers by introducing an automated system, improving efficiency and enabling scale.

Integrated delivery:

Insurance was embedded into loan processes and training sessions. Loan officers, agents, and call centers reinforced awareness and trust through customer engagement and claims storytelling.

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Capacity building:

A training-of-trainers model and standardized materials equipped staff to communicate product features, support enrollment, and manage claims.

Customer education and outreach:

Tailored, simple communications helped first-time users understand insurance, with targeted outreach in lower-literacy regions using clear messaging and testimonials.

Outcomes/results

Outcomes-driven evaluation: The project embedded outcomes research from the outset to assess whether the solution reduced financial vulnerability, improved women's confidence in seeking care, and demonstrated potential for scale. Findings were used to validate impact and refine the product ahead of broader rollout.

Progress toward scale during pilot: While long-term targets remain ambitious (83,000 lives by end-2024; 150,000 by 2025), the nine-month pilot (May 2023–January 2024) showed strong early traction. The program enrolled 3,696 clients and reached 5,063 beneficiaries, with expansion to 21,492 women by Q2 2024. Staff capacity was also strengthened, with 14 trainers and 76 frontline staff trained across eight branches.

Demonstrated product functionality and claims use: Clients were able to navigate the claims process and receive payouts as intended, most commonly for childbirth-related hospitalizations. Payouts were used to manage financial shocks—repaying debt, replacing lost income, covering medical expenses, and supporting households. The 20% premium refund for non-claimants was also delivered as designed.

Strong customer value and uptake: For many women, this was their first experience with insurance. The hospital cash benefit made the product tangible and understandable, contributing to high levels of satisfaction. Customers consistently highlighted affordability, ease of use, and the “peace of mind” the product provided.

Improved financial resilience and confidence: Women described the product as a critical safety net, enabling them to maintain household stability during illness or hospitalization. Many reported increased confidence in their ability to manage future health expenses and avoid financial distress.

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Key enabling environment factors for the intervention

Beyond design, operations, and user testing, the success of this intervention also hinged on the environment in which it was introduced. Several external and institutional factors worked together to make implementation possible.

One was the sheer size of the opportunity. With microinsurance penetration in Nigeria still extremely low, there was space for a product that spoke directly to women's needs. The absence of existing solutions created both urgency and potential for a health-focused product to gain traction.

Another factor was FCMB itself. The bank's lean microfinance processes, already embedded in its branch network, and its long-standing experience with women clients meant that the institution had both the infrastructure and the motivation to take on something new. The responsiveness of its team helped translate design ideas into practice.

Finally, the project had the benefit of reliable funding. Support from the Swiss Re Foundation, joined by the European Investment Bank, ensured that there were resources not just to test an idea but also to refine and scale it. That financial commitment gave the team room to take risks and learn, rather than limit the work to a small pilot.

Potential for scale/replicability

The Caregiver–FCMB project has demonstrated that a well-designed product can meet both women's needs and institutional goals, laying a strong foundation for growth in Nigeria and for replication in other markets. Its focus on women's health financing fills a gap that is common across many countries.

- A model built on women's real priorities: Because women consistently ranked health costs and income protection as top concerns, the product's design resonates broadly making it transferable to markets where women face similar vulnerabilities.
- An opportunity to unlock underserved markets: With many women working in the informal economy and lacking social protection, the environment offers space for financial institutions to grow outreach with affordable, gender-intentional products.
- A business case that supports growth: By generating revenue for both bank and insurer while remaining affordable, the product offers a sustainable model that providers can replicate as they diversify portfolios.
- Features that stand out in any market: No exclusions, a childbirth benefit, and a premium refund for no-claims make the product distinctive, providing clear incentives that can drive adoption elsewhere.

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Potential for scale/replicability (cont.)

- Customer value that fuels long-term scale: By protecting women's savings, helping them keep up with loan repayments, and supporting family well-being, the product builds loyalty—an essential ingredient for scaling within Nigeria and beyond.

Challenges encountered during the program

The project achieved notable progress, but it also ran into hurdles that shaped its trajectory. One persistent issue was uneven communication. Not all clients received the same information about the insurance product, leaving some women confident about its features while others remained unsure. This inconsistency weakened trust and slowed uptake.

The family policy posed another challenge. Although many women expressed enthusiasm about extending coverage to their spouses and children, few ultimately enrolled. Costs and limited awareness appeared to play a role, suggesting that the product's positioning did not make family coverage feel accessible or worthwhile.

Staff capacity also emerged as a barrier. FCMB's loan officers and frontline staff were experienced in lending but had little background in selling insurance. Without that foundation, it was difficult for them to explain the value proposition with confidence, which affected how clients perceived the product.

Exemplars

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Recommendations from the research

Several important lessons emerged from the project that will be useful for future advisory work and for scaling similar solutions.

Reaching clients with consistent information proved harder than expected. Women often heard different things about the insurance, and some never fully understood what it offered. That experience made it clear that communication has to be simple, repeated, and reliable if it is going to build trust.

The way the product was designed also taught us something important. Many women worried they would “lose money” if they stayed healthy and never made a claim. The premium payback feature helped ease that concern, showing how even small design choices can shift perceptions and build confidence in a product.

Training for staff was another area where we saw both successes and shortcomings. Loan officers and frontline staff were new to insurance, and although training gave them a foundation, they asked for regular refreshers to feel more confident. Their feedback was a reminder that a good product is only as strong as the people explaining it to clients.

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Many women face significant health risks due to limited access to formal healthcare, especially during childbirth, and lack social security coverage.