

# A friend in need



**THIS IS A SMALL TOWN CALLED NADDU. IT IS ABOUT 70 KM FROM THE NEAREST BIG CITY AND HAS A SMALL POPULATION OF HARD WORKING PEOPLE WHO ALL WANT TO BE SUCCESSFUL.**



**STEVEN**

Young and healthy. He is a teacher at the local primary school. He is popular with his students and fellow staff. Youthful and energetic, he feels he has nothing in the world to be afraid of.

**JESSICA**

Hard working and has her own tailoring shop. She is a single parent with a son called Paulo. Paulo is 9 years old and goes to the school where Steven teaches.



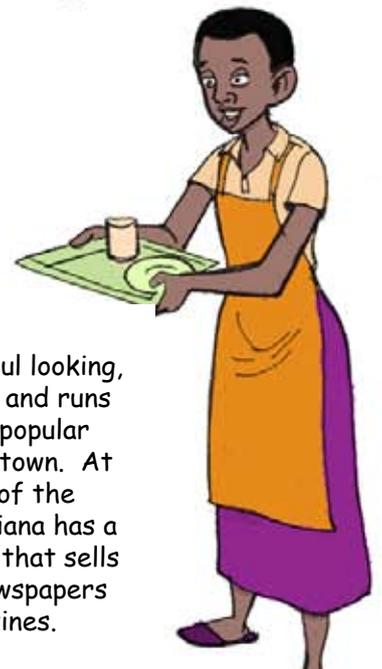
**JOHN:**

Works for the local microfinance company. He is well known in Naddu town by the local population due to the nature of this work-always soliciting for clients and educating people about the importance of insurance. Many times his efforts are not successful! He is sometimes not very popular (especially with those who see him as someone coming to take their money without quick returns). They do not see the immediate benefit of insurance i.e. why should some one pay in advance to prepare for "a risk" in the future that may or may not happen?



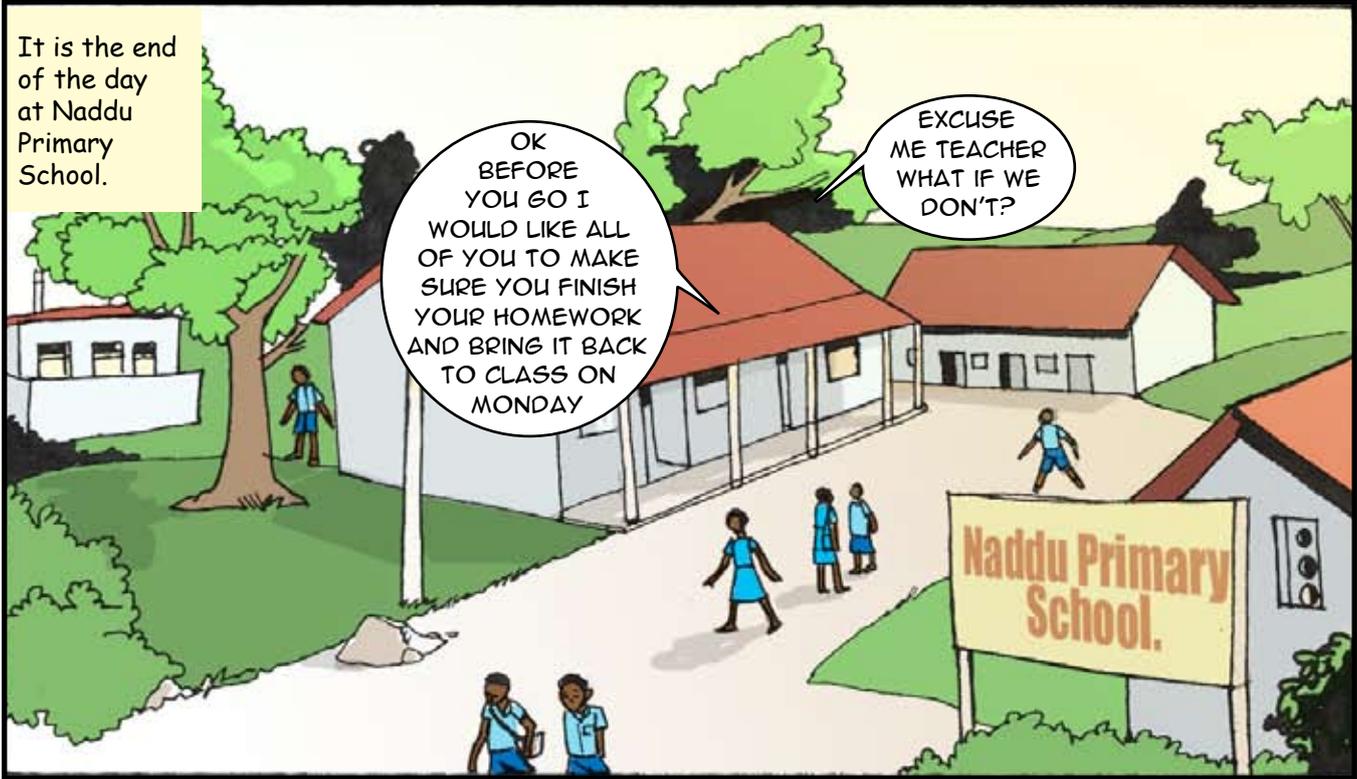
**DIANA:**

Young beautiful looking, full of energy and runs the small but popular restaurant in town. At the entrance of the restaurant, Diana has a small counter that sells some daily newspapers and old magazines.



**PETERO**

Petero is a family man, married to Rose. Rose is in charge of their accounts and they have 2 children (James and Mary) both in their late teens and preparing to enter University. They run the local carpentry shop together and own a pickup truck that is used to deliver goods to their customers.



It is the end of the day at Naddu Primary School.

OK BEFORE YOU GO I WOULD LIKE ALL OF YOU TO MAKE SURE YOU FINISH YOUR HOMEWORK AND BRING IT BACK TO CLASS ON MONDAY

EXCUSE ME TEACHER WHAT IF WE DON'T?



JUST REMEMBER I KNOW YOUR MOTHER YOUNG BOY AND YOU WILL BE IN A LOT OF TROUBLE IF YOU DON'T FINISH THE WORK.

NOW CLASS DISMISSED!

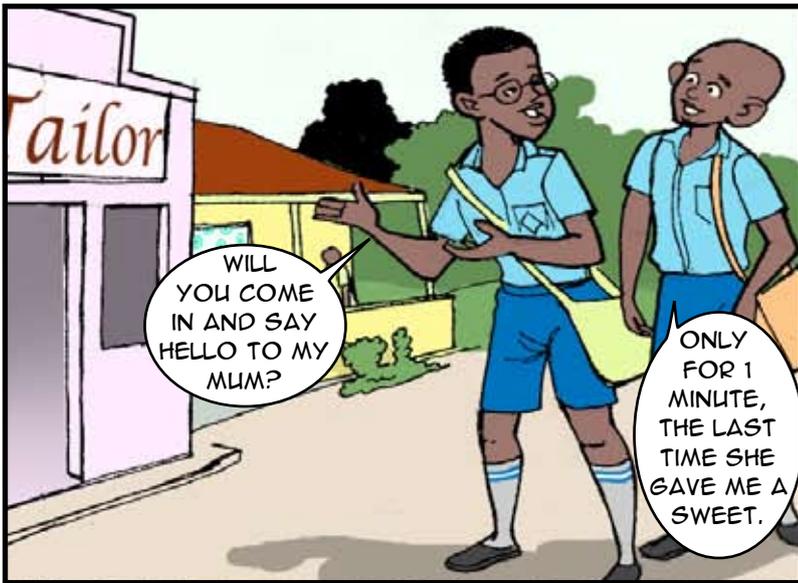


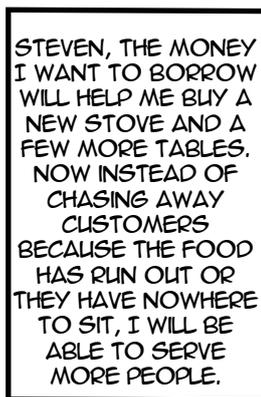
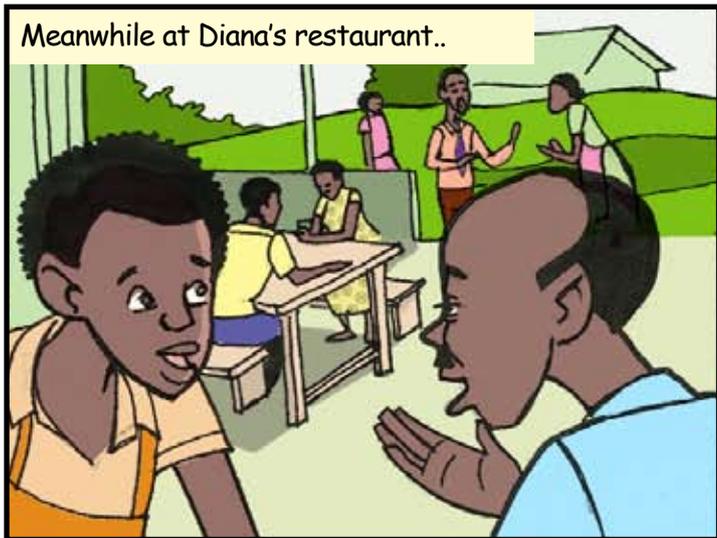
BYE TEACHER STEVEN

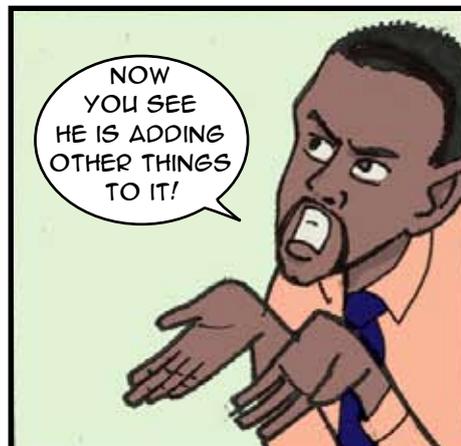
SEE YOU ON MONDAY



I THINK I WILL PASS BY DIANA'S RESTAURANT BEFORE GOING HOME

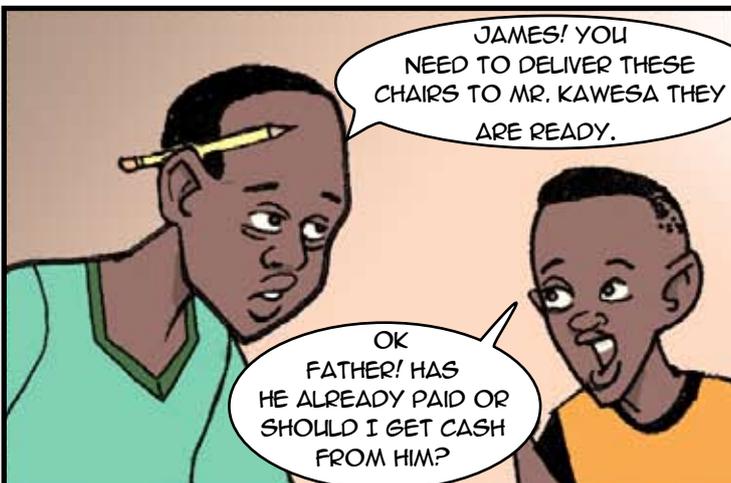
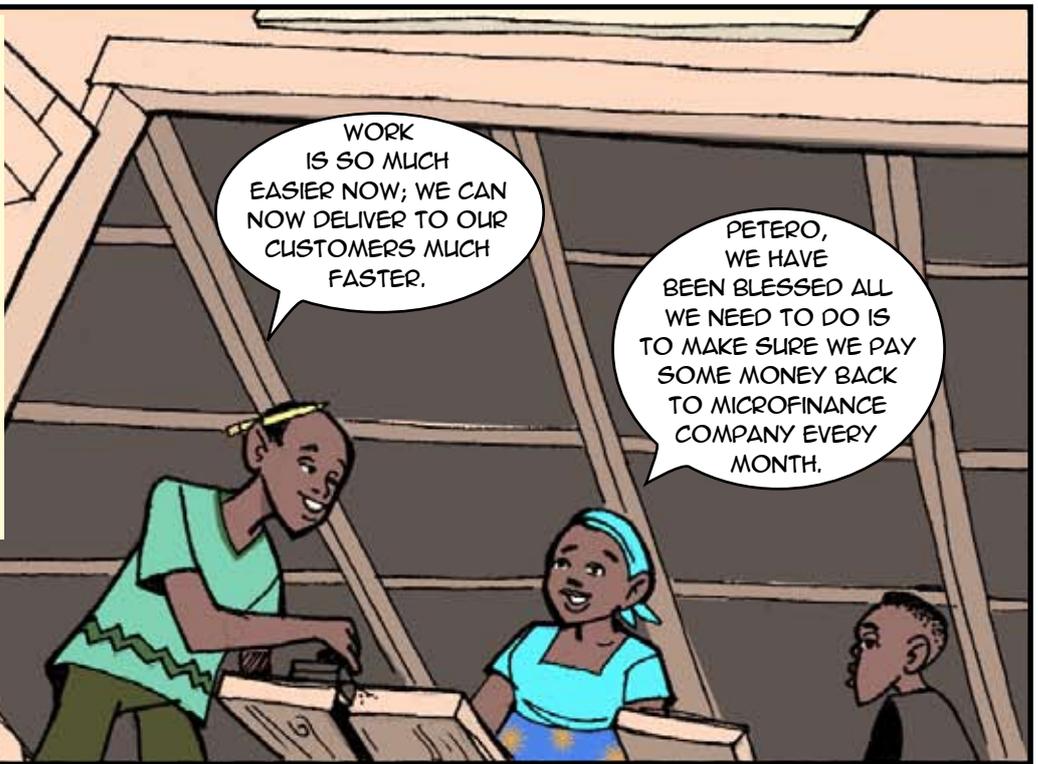






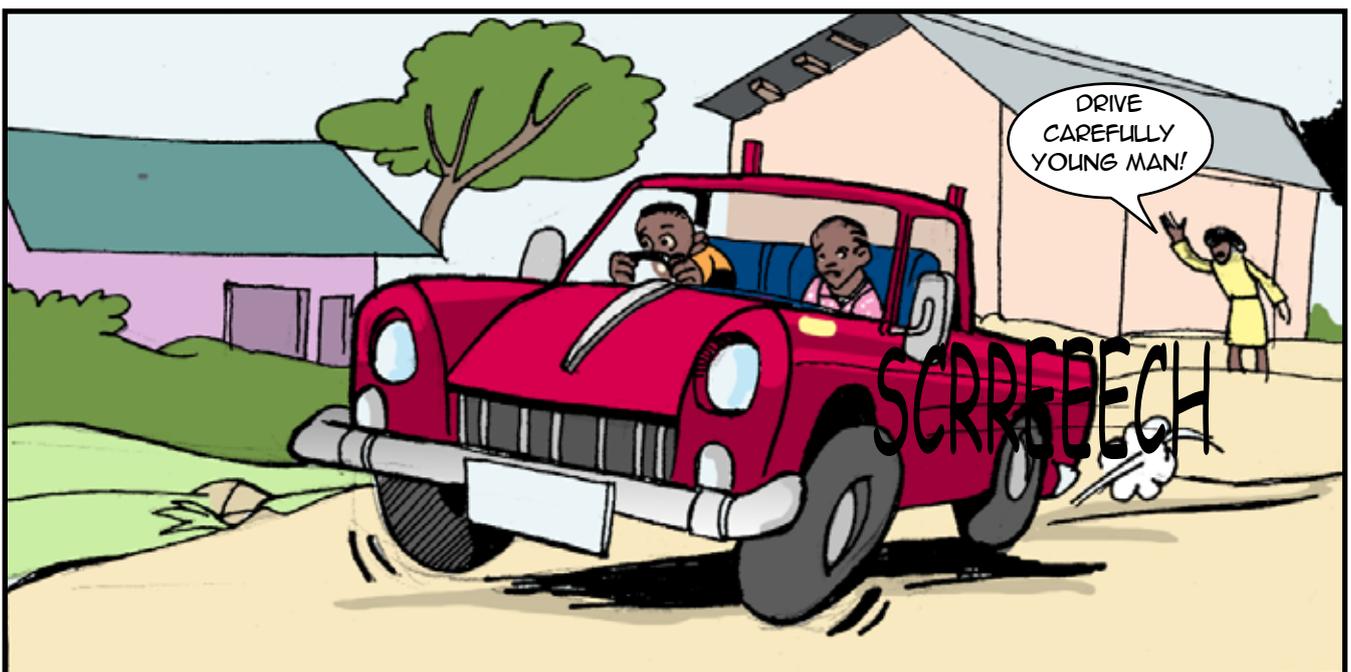
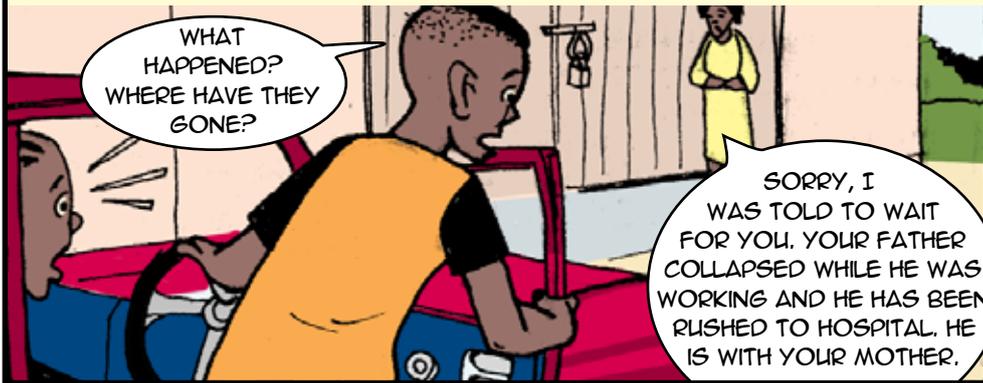


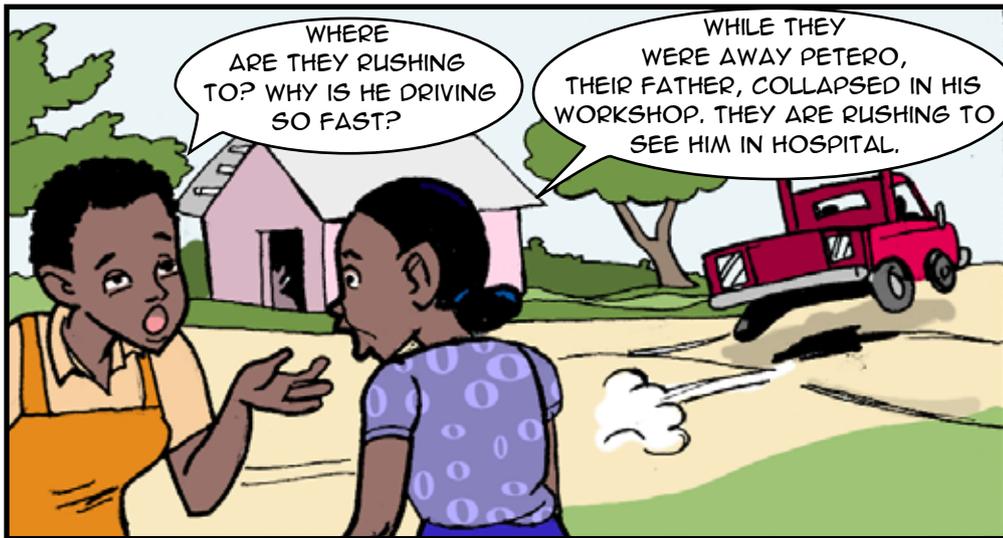
Meanwhile the next day at the carpentry Petero is having a discussion with his wife about the loan they took from the local microfinance company. They have been able to buy a new drill and a new wood plane and have built a bigger store for their goods.





Mary and her brother James come back to the shop but found no one there except a neighbour. The shop has been closed and the neighbour had been left with a message for the children.....





WHERE ARE THEY RUSHING TO? WHY IS HE DRIVING SO FAST?

WHILE THEY WERE AWAY PETERO, THEIR FATHER, COLLAPSED IN HIS WORKSHOP. THEY ARE RUSHING TO SEE HIM IN HOSPITAL.



OH MY GOD! I HOPE PETERO WILL BE FINE.



SORRY MOTHER. HOW IS FATHER?

WHAT HAPPENED?



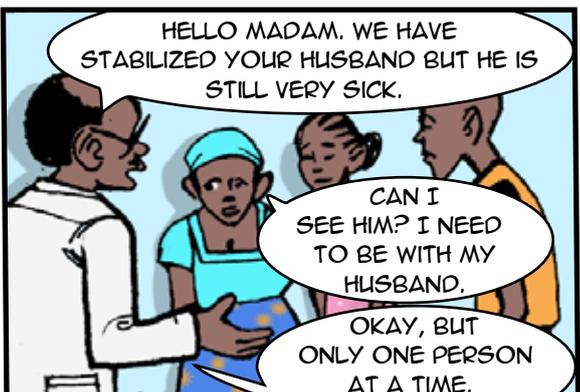
HE JUST COLLAPSED SUDDENLY AND PASSED OUT!



THE NEIGHBOURS HELPED ME GET HIM TO HOSPITAL.



DON'T WORRY MOTHER, WE ARE HERE WITH YOU.



HELLO MADAM. WE HAVE STABILIZED YOUR HUSBAND BUT HE IS STILL VERY SICK.

CAN I SEE HIM? I NEED TO BE WITH MY HUSBAND.

OKAY, BUT ONLY ONE PERSON AT A TIME.



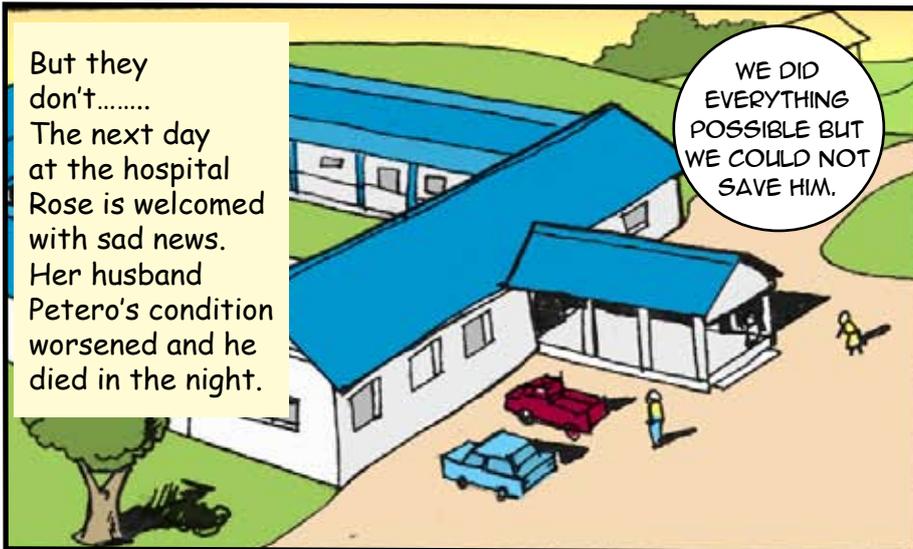
After Rose and the children see Petero, the doctor tells them to go home and rest.

YOU CAN COME BACK TOMORROW. HE NEEDS TO REST NOW.

LETS GO, MOTHER. I WILL BRING YOU EARLY IN THE MORNING TO SEE FATHER.



The family gets into their pickup and head back home. It has been a trying day and they hope things will get better tomorrow....

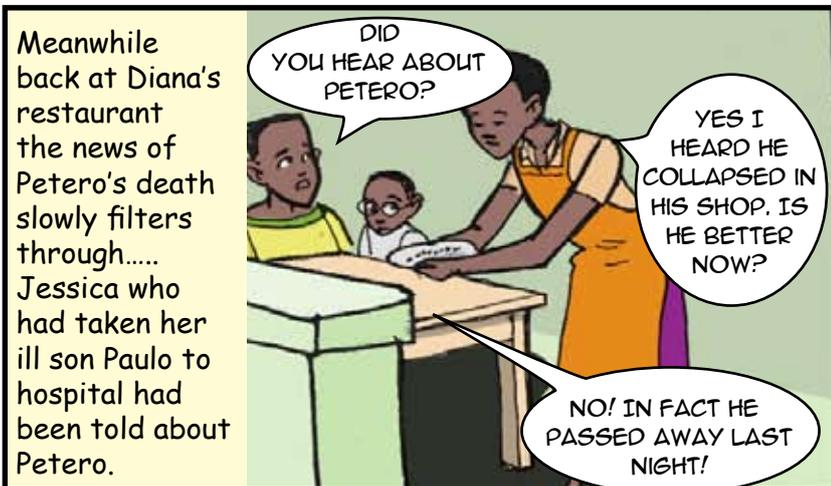


But they don't.....  
The next day at the hospital Rose is welcomed with sad news. Her husband Petero's condition worsened and he died in the night.

WE DID EVERYTHING POSSIBLE BUT WE COULD NOT SAVE HIM.



OH WHAT AM I GOING TO DO? HE WAS MY BEST FRIEND!



Meanwhile back at Diana's restaurant the news of Petero's death slowly filters through.... Jessica who had taken her ill son Paulo to hospital had been told about Petero.

DID YOU HEAR ABOUT PETERO?

YES I HEARD HE COLLAPSED IN HIS SHOP. IS HE BETTER NOW?

NO! IN FACT HE PASSED AWAY LAST NIGHT!



WHAT!



I DID NOT KNOW IT WAS THAT SERIOUS. POOR ROSE HOW IS SHE COPING?

A few days later the whole community comes together to bury Petero at his home

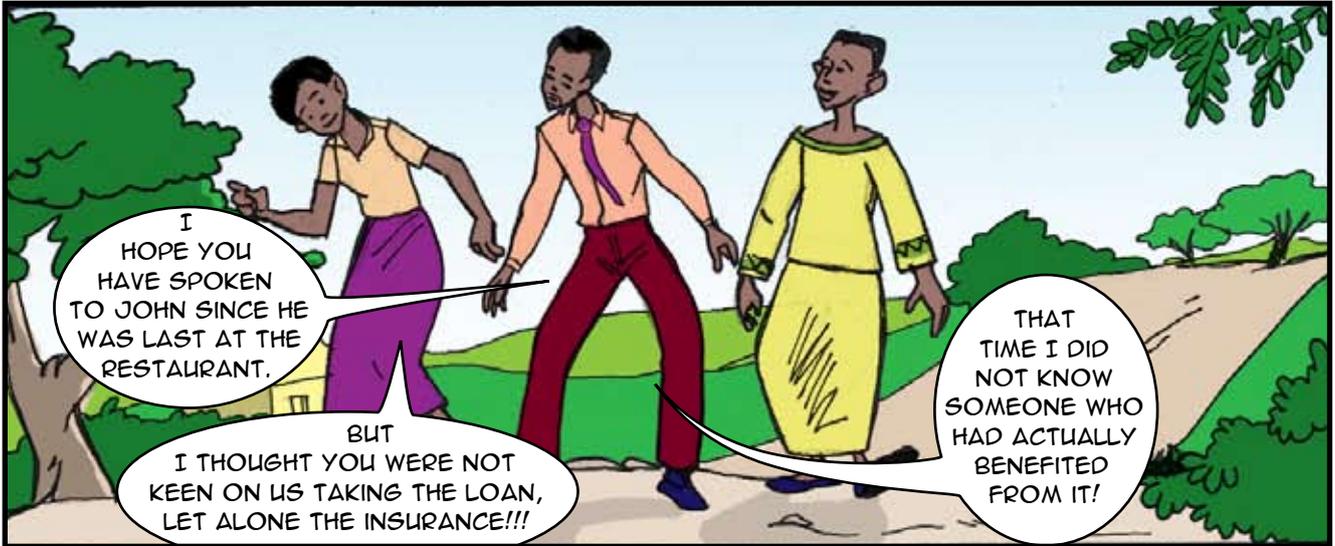


ROSE, I KNOW THIS IS NOT THE BEST TIME TO ASK BUT I KNOW YOU HAD TAKEN A LOAN FROM THE MICROFINANCE COMPANY. HOW ARE YOU GOING TO PAY BACK THAT LOAN NOW THAT PETERO HAS DIED?



THANK YOU FOR THE MONEY MY DEAR FRIENDS. PETERO WAS PART OF A GROUP CALLED PAMOJA, WHO HAD A LOAN WITH THE MICROFINANCE COMPANY AND HAD AN INSURANCE POLICY WITH THEM.





I HOPE YOU HAVE SPOKEN TO JOHN SINCE HE WAS LAST AT THE RESTAURANT.

BUT I THOUGHT YOU WERE NOT KEEN ON US TAKING THE LOAN, LET ALONE THE INSURANCE!!!

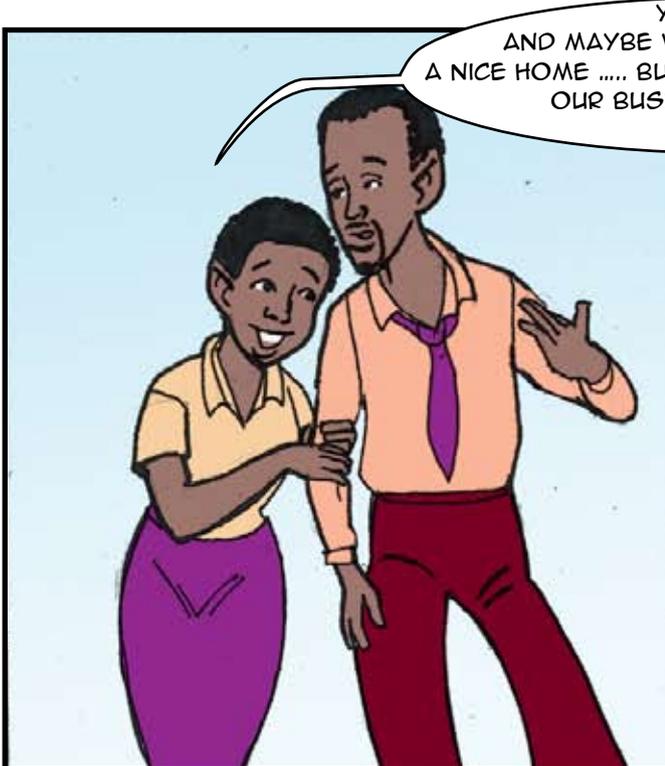
THAT TIME I DID NOT KNOW SOMEONE WHO HAD ACTUALLY BENEFITED FROM IT!



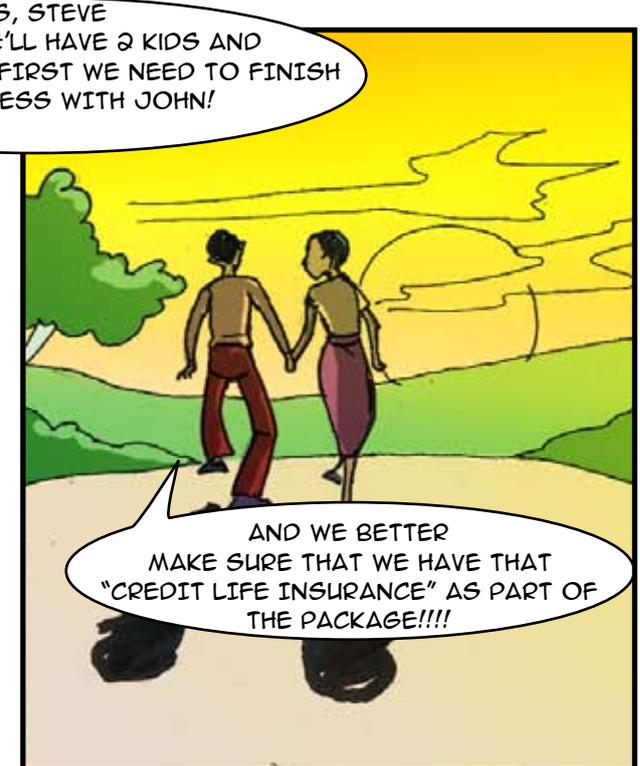
I NEED A NEW SEWING MACHINE... I THINK IT'S TIME I VISITED JOHN TOO.



AND WHO KNOWS WHEN OUR RESTAURANT FINALLY BECOMES A BIG HOTEL I MIGHT ACTUALLY GIVE UP TEACHING!



YES, STEVE AND MAYBE WE'LL HAVE 2 KIDS AND A NICE HOME .... BUT FIRST WE NEED TO FINISH OUR BUSINESS WITH JOHN!



AND WE BETTER MAKE SURE THAT WE HAVE THAT "CREDIT LIFE INSURANCE" AS PART OF THE PACKAGE!!!!

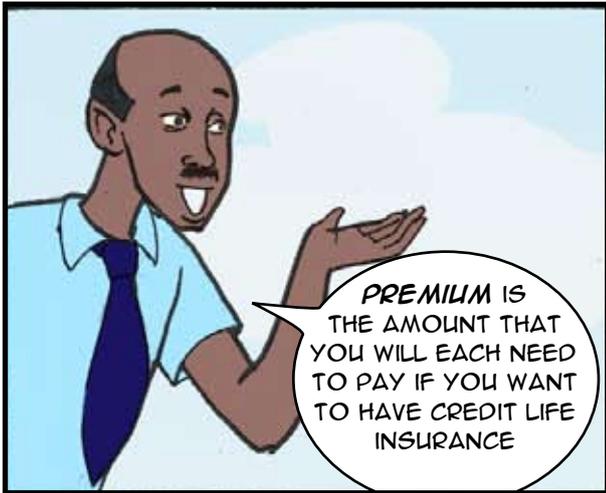
A few weeks later, Diana and Steve have managed to get 12 other people to join them into a group. They have named their group "Wamu" meaning together. They have arranged for a meeting with John who takes them through what they need to know before they can take loans and get credit Life Insurance.....



JOHN  
WE HAVE NOW FORMED A GROUP AND WE WANT TO ASK YOU A FEW QUESTIONS



WHAT IS THIS **PREMIUM** THAT WE HAVE TO PAY?



**PREMIUM** IS THE AMOUNT THAT YOU WILL EACH NEED TO PAY IF YOU WANT TO HAVE CREDIT LIFE INSURANCE



SO YOU ARE SAYING THAT IF I PAY FOR THIS PREMIUM I WILL HAVE CREDIT LIFE INSURANCE FOR THE REST OF MY LIFE?



NO! AS LONG AS YOUR LOAN IS ACTIVE.

THE REASON WE PREFER TO **GIVE LOANS** TO A GROUP AND WHY WE ENCOURAGE THAT YOU GET **CREDIT LIFE INSURANCE** IS THAT YOU ALL HELP MAKE SURE THAT EVERY ONE IN THE GROUP MAKES THEIR MONTHLY REPAYMENT TO THE MICROFINANCE COMPANY....

IF FOR ANY REASON ONE OF YOU CANNOT REPAY YOUR LOAN INSTALLMENT THE REST OF THE GROUP COMES TOGETHER TO PAY FOR YOUR PART AND GET THAT MONEY FROM YOU AT A LATER DATE... YOU BECOME A TEAM.



THAT IS WHY WE DECIDED TO GET PEOPLE WHO WE ALL KNOW WANT TO BETTER THEIR LIVES FOR OUR GROUP "WAMU".



**OTHER IMPORTANT THINGS TO KNOW ABOUT CREDIT LIFE INSURANCE ARE:**

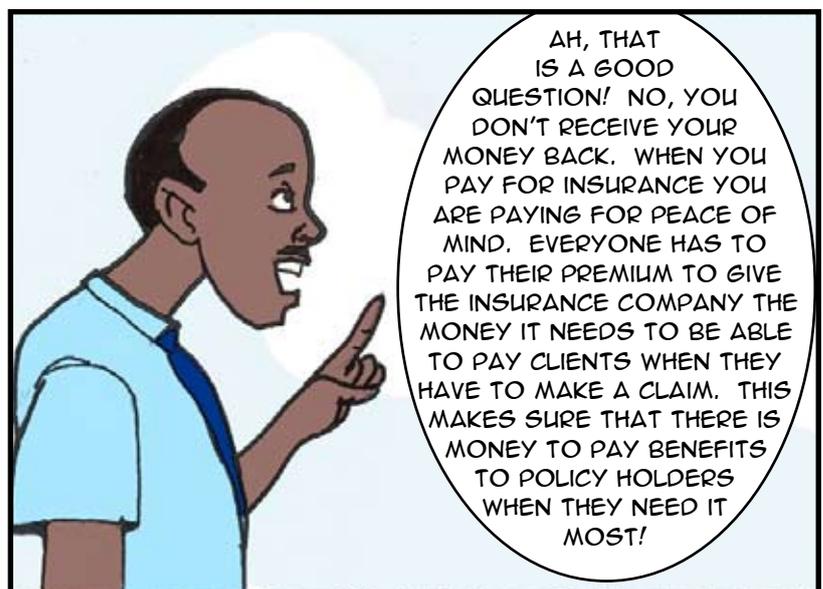
**CLAIM:** In the sad case that you pass away before you complete paying back the loan, your family has to make a claim, a request for payment of the benefits of the credit life insurance policy... but remember this only applies if you have the Credit Life Insurance with your loan.

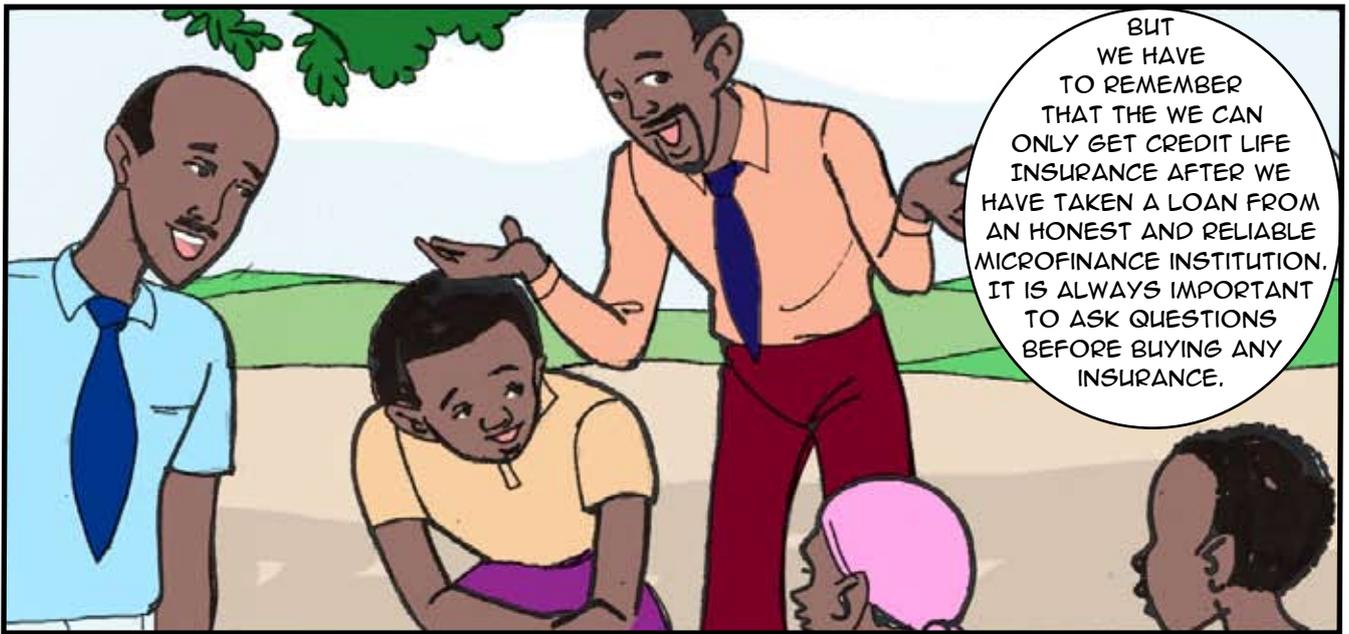
**BENEFITS:** If you have Credit Life Insurance and you become disabled from an accident or die, the Credit Life Insurance through your MFI will take over the burden of paying off your loan and any interest it might have gained. In addition it will take care of your funeral expenses, your spouse, and up to 4 of your dependants. The interesting thing to know is that the premium you pay each loan cycle covers all these people in the family.

**BENEFICIARY:** Is the people who benefit or gain from the claim. In this case this would be your family, who are saved paying any outstanding loan amounts and interest and for the funeral benefits.

**POLICY:** After your group comes together and agrees on the loan you will fill out an insurance enrollment form and pay the insurance premium. Your group will also receive a copy of the insurance policy, which is a printed document that explains the details of the insurance product.

**Keep in mind the premium, benefits, and other details of the insurance policy are different for each insurance company. It is important to ask the insurance company questions before choosing any insurance product.**





BUT WE HAVE TO REMEMBER THAT THE WE CAN ONLY GET CREDIT LIFE INSURANCE AFTER WE HAVE TAKEN A LOAN FROM AN HONEST AND RELIABLE MICROFINANCE INSTITUTION. IT IS ALWAYS IMPORTANT TO ASK QUESTIONS BEFORE BUYING ANY INSURANCE.



THANK YOU STEVE. I HOPE THINGS ARE MUCH CLEARER NOW FOR ALL OF YOU.



I CAN CONFIDENTLY SAY THAT WE THE WAMU GROUP NOW KNOW EXACTLY WHAT WE NEED TO TAKE OUT A LOAN AND NOW WE CAN MAKE SURE THAT WE ARE SAFELY INSURED.



LONG LIVE WAMU AND LONG LIVE OUR MICROFINANCE COMPANY!

## DISCUSSION QUESTIONS

1. Why do you think Steven was reluctant to join the micro finance company insurance scheme?
2. Why is it important to have a credit life insurance?
3. What do you think were the plans of Steven and Diana to improve their wellbeing?
4. Has your community ever come together to help one of its members?
5. Do many people in your community subscribe to any microfinance company? Why or why not?
6. In your own words briefly describe what you think happened to Petero's business after he died?
7. What do you understand by the title "A friend in Need"?



**To learn more about credit life insurance and other insurance products, ask your local MFIs and insurance companies.**

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On behalf of:



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