

MILK Brief #10: "Doing the Math" with Property Insurance in Ghana¹

Studying MicroEnsure's "Obra Pa" Insurance in Ghana

Throughout the developing world, formal employment is a luxury few have access to. It affords a level of stability and social protection that the majority of labor forces are left without. In Ghana, only 18% of the country's 9.7 million working population has formal employment. The remainder are either self-employed or work in family farms or businesses for no monetary wage (Ghana Statistical Service, 2008). In urban areas, 60% of women are self-employed informal workers, many concentrated in the trade sector. These workers are vulnerable to many risks including illness, accidents, theft or fire, as well as a growing risk of climate-related damage to their businesses. In a 2008 household survey (GLSS 5), 8% of respondents in Accra mentioned having to stop their usual activities due to an accident or illness in the past 2 weeks (54% of the 14% who suffered an illness or accident) (Ibid). Efforts to extend social protection universally through a National Health Insurance Scheme (NHIS) aim to address some of these risks, primarily by offering comprehensive health coverage to low-income households. Private insurance companies also sell microinsurance in Ghana, offering funeral and property coverage to informal workers in urban areas, and crop insurance in rural parts of the country. Property coverage in microinsurance is relatively new. It promises to cover a risk that is especially pertinent to small businesses in the trade sector that rely on a market stall or shop and sufficient inventory to make a daily living. Although property microinsurance products represent a significant proportion of microinsurance throughout the world (Roth et al., 2007),² virtually no rigorous studies of their value have been conducted.

MicroEnsure, a global insurance intermediary that offers microinsurance to low-income populations in various countries, has been a leader in Ghana's microinsurance market. In 2011, MicroEnsure-Ghana, in partnership with the insurer Star Assurance, developed the **Obra Pa** product aimed at addressing some of the business risks informal sector workers face including fire, flood, earthquakes, and disability. The product, which translates to "good life in the future," is a mandaory coverage that is bundled with all loans from microfinance institutions (MFIs). The property coverage offers clients two benefits³: i) payment of their outstanding loan balance and one month of interest to the MFI, and ii) a cash payout to the primary

insured of USD114. This second benefit was recently included to offer tangible monetary support to business owners and also provide clear evidence of an insurance policy.⁴ Given that most of these micro-businesses are highly leveraged with debt financing, the product is primarily a debt cover, however.

Since the product was launched, a number of events have triggered this insurance. Most recently, in October 2011, the bustling Circle Market in Accra, Ghana's capital, was devastated by a torrential flood, destroying many small businesses and bankrupting many of their owners. Ninety of MicroEnsure's clients were badly affected. Though devastating, the event offered MicroEnsure an opportunity to analyze the product's



¹ This MILK Brief is written by Barbara Magnoni, Taara Chandani and Emily Zimmerman. (May 2012)

² Roth et al. estimate that property products cover 7.8 million lives, while the potential market is up to 30 times larger. ³ Benefits are paid upon submission of a police report and photographs of physical damage to the insurer.

⁴ We specifically studied the property component of the product, which is restricted to businesses that are damaged by natural disasters including floods, fires and earthquakes. The product also covers and covers credit life, disability and funerals. The cost of the total insurance package is 1% of the borrowers' loan principal.



effectiveness in protecting market vendors from external shocks, offering insights into the value of this product to clients.

In January 2012 the MILK Project designed a Client Math study in partnership with MicroEnsure-Ghana and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The study was centered on the role of the insurance coverage in how insured entreprenuers coped with this shock, and thus explores the value of this type of coverage. Many products covering property damage, including agricultural microinsurance, include a large component that covers outstanding loans. The premise is that loan coverage can be useful in maintaining clients' credit access in the formal financial sector. By paying off the loan, the product can help clients to remain credit-worthy, which in turn helps them to continue to borrow in the future. The extent to which the loan coverage has value depends, of course, on what options would have been available to these clients if they did not have insurance coverage. Where a loan can be restructured or even partially forgiven after a shock, the potential value of an insurance product is limited, as the risk has already been managed. Giné and Yang (2009) suggest that one reason for low demand for a weather index product that covers farmers' loans is that they are already implicitly insured due to the inherent limited liability in the loan contract: the explicit insurance product becomes redundant. (See also Akter and Fatema (2011), with similar findings for an agricultural microinsurance product covering flood risk). Our study shows a different story in the case of Obra Pa, in which the debt relief component of the insurance appears to offer value, while few loans of uninsured clients (only 4 of 28) were restructured.

We also find that the Obra Pa product's loan forgiveness did improve the insured's ability to borrow more, albeit from informal sources. Kanz (2011) offers some partially contradictory evidence in the context of a government debt relief program in India. The study finds that households receiving debt relief were no more likely to be approved for a future loan and no less likely to take a loan at disadvantageous terms than those not receiving debt relief. The study did, however, find evidence of a shift in demand by beneficiaries away from formal sector loans and toward informal sector loans, in particular friends and family, though the reason for this shift is unclear. Lessons about the loan forgiveness component of this product are relevant not only for insurers who aim to offer value to small businesses, but to financial institutions, whose increasingly commercial lending criteria often keep them from taking risks when their clients are struck by disaster and who may also be affected by post-shock shifts in demand for formal loans.

Methodology

The study focused on two questions around client value: how did clients with insurance financially cope with the shock, and did the insurance offer any non-financial benefits, such as "peace of mind"? These questions were complemented by a second thread of questions that explored the insured's awareness about the product, their experience with the claims process and overall perception about insurance. The study sample included 27 insured clients who are borrowers with Opportunity International Savings and Loan (OISL) and received an insurance benefit after the flood. We also interviewed 30 uninsured entrepreneurs from the same markets whose businesses were badly damaged by the flood to offer perspective on how the uninsured cope with the same



risks. These were also loan clients of an MFI but did not have any business property coverage. Both groups were randomly selected,⁵ interviewed at their place of business, and given a small gift in appreciation for their time. Our data analysis revealed that several respondents reported monthly household income levels that were substantially higher than the rest of our sample, between 7 and 8

⁵ Insured clients include all clients that were paid claims and were found in the market. The uninsured were selected by walking door to door in the same markets as the insured.



times the average of the remainder of the sample. These respondents' coping mechanisms were substantially different from the others', most likely because they were much better off. We therefore eliminated five outliers from our data set, remaining with a sample of 24 insured and 28 uninsured clients from which we calculated the averages below.

Clients vs. Non-Clients: How alike were they?

The groups were very similar in nearly all regards, from gender and household composition to employment and income. The majority of respondents were women, representing 67 percent of the insured sample and 68 percent of the uninsured. Only a fraction of the insured and uninsured owned homes (25% and 11% respectively), with most respondents from both groups renting or living in their family homes. The household sizes were similar in both groups at approximately four people.

In terms of employment, all respondents identified as being a business owner. Over 75 percent of all respondents work in trade (such as running a provision store or selling second hand clothes), and the remainder work in the services or manufacturing sector. The average monthly income was reported at USD306 for the insured respondents and USD249 for the uninsured. After including income from other members in the household, the insured earn nearly USD385 and the uninsured USD325 suggesting that most respondents are the primary breadwinners in their families.

igure 1.0 Socioeconomic statistics of the two groups		
Sample	Insured (n=24)	Uninsured (n=28)
Women (%)	67%	68%
Average age	39	40
Own home (%)	25%	11%
Average years of education	10.6	9.4
Average HH size	4.5	3.9
Average respondent monthly income	USD306	USD249
Average HH monthly income	USD385	USD325
Average net income (after HH expenditures)	USD68	USD60

Figure 1.0 Socioeconomic statistics of the two groups

How badly were businesses affected by the flood, and how did they cope?

Flood damages were extremely costly to both groups of respondents, accounting for over twice their average household monthly income; the prolonged indirect cost of not working represented the largest source of loss for both groups, followed by damaged business inventory.

The *cumulative* costs of the flood averaged *USD871 for the insured and USD872 for the uninsured*. Respondents were asked to distinguish between flood damages that affected the **external structure** of their businesses and those that destroyed their inventory or equipment. Many respondents (33% of the insured and 39% of the uninsured) did not have an external structure at all. These are entrepreneurs who sell their goods in an open market or simply use a table or umbrella to display and protect their goods. Of

those businesses with an external structure, 42 and 32 percent of the insured and uninsured respectively reported some damage caused by the flood. The most common types of damages were removal and disposal of water as well as fixing of electric outlets and wires. The average cost of structural damages was relatively low at USD14 for the insured and USD54 for the uninsured.

Given the nature of most businesses, nearly all respondents faced damages to **inventory and equipment** or "**contents of the stall**" and these led to significantly greater financial losses than the structural damage. However, while over 90 percent reported that their business inventory was destroyed **only around half the respondents— 50% of insured and 57% of uninsured—**







actually replaced this inventory. It is possible that some inventory was salvaged, reducing the need for full replacement. Other costs related to business contents included furniture, equipment such as refrigerators, and electronics (including televisions and cell phones). In the end, the insured spent roughly a quarter more than the uninsured in replacing their business contents, at USD335 compared to USD271. A third set of costs discussed during the interviews was the **indirect costs** of the flood damage. These include lost income from having closed their businesses and lost wages by other household members who gave up their work to help with repairs. Respondents from both groups were simply unable to reopen their businesses for weeks and those who did were still cash-strapped, working with a smaller inventory and managing on a reduced income. On average, the insured kept their stalls closed for 22 days after the floods and the uninsured did so for 28 days. For both, this was a significant amount of time leading to considerable forgone income, amounting to the largest share of costs for both groups. The value of this forgone income was USD522 and USD545, representing 135% and 168% of the monthly household income of the insured and uninsured respectively. Our next discussion will explore why the differences between groups were so minimal, how respondents re-capitalized their businesses, and the role that insurance played for those who had coverage.

Financing their damages and re-establishing businesses

The insured and uninsured drew on a diversity of funding streams and cut back on household consumption following the flood; however, the insured were able to resort to fewer difficult coping mechanisms.

As suggested above, insured respondents saw little benefit in the short run. In part, this is a result of the slow claims processing time. On average, the insurance benefit from Star Assurance took 45 days to be paid, mostly as a result of delays in processing claims by the MFI (Figure 3.0 breaks down the days each actor in the process took to process the claim).⁶ This left most insured respondents cash-strapped in the short term and presumably less able to access a new loan from OISL. In many cases, the insured still had to make payments on their outstanding loans, despite the destruction of their business and despite the expectations that claims would be approved. The average claim amount covering the insured's



Figure 3.0 Breakdown of Claims Processing Time

outstanding loans was USD532. Additionally, the insured received USD114 as a cash payout. In total, households received an average total benefit of USD646 in debt forgiveness and cash.⁷ Many borrowed from friends or family, while a few were left with no alternative but to turn to stressful coping mechanisms such as using up savings or reducing consumption (see Example 3 below).

The insured and uninsured financed equivalent amounts of money to cover their business damages (USD 878 and USD877 respectively), albeit using different sources in different proportions. The insured used

⁶ During the interviews, clients reported taking an average of 6 days to submit their applications to OISL; however, MicroEnsure-Ghana was notified about clients' applications an average of 17 days after the event.

⁷ In Figure 4.0 we have represented the benefit as an overlay of USD646 since it did not represent a net cash payment to the insured, but did reduce their leverage.



two primary sources of financing: income and loans. Uninsured respondents used more savings, gifts, asset sales and reduced consumption to make up for their much lower use of loan financing.

For both groups, the largest source of financing was through the limited household income that was available to them over several months following the flood. This strategy was used by a majority of the insured (83%) and uninsured (57%). The insured used an average of USD445 in income compared to USD271 by the uninsured. These amounts were spread over the 4-month period leading to our interviews, and represent nearly onemonth's income for the insured (USD385) and uninsured (USD325) respectively. Interestingly, the insured were more likely to draw on their own current income (67%) compared to the uninsured (25%) who were more likely to have "worked more" to earn additional income. This suggests that the insured's businesses may have bounced



Figure 4.0 Sources of Financing

back more quickly than the uninsured's as their disposable income after loan obligations was likely higher, since eventually all insured respondents did receive the benefit that paid off their loans. This may be why they did not resort to working more to cover their needs, but relied on regular income, instead.

For the insured, loans represented the next most significant source of financing. However, the insured did not borrow from a formal institution, including OISL. Instead, they borrowed an average of USD306—all from informal sources and primarily from friends and family. Respondents in both groups said that when possible, loans from friends and family are favorable as they have fewer restrictions, greater flexibility in repayment, and lower cost. After a crisis, these advantages were likely more important than ever and microfinance institutions don't typically offer loans with these characteristics. Additionally, the underwriting criteria of MFIs may preclude them to lending to those whose businesses have been negatively affected by a large shock. The uninsured borrowed less than the insured (USD111), using both informal and commercial sources.⁹ Presumably, the uninsured remained more heavily indebted after the flood and could not manage as much new debt as the insured. Only 4 of the 28 uninsured had loans restructured by their financial institutions after the flood. At the time of our survey, four months after the floods, the insured were also more likely to be leveraged at all than the uninsured, suggesting that they had bounced back more quickly. Of the insured, 75% indicated that they had any loan, compared with just over half the uninsured. They also had slightly higher levels of outstanding loans, USD333, compared to USD277 for the uninsured. By then, both groups had sharply reduced their borrowing from friends and family (7% and 10% of each group respectively held such loans). The quick exit from family and friends' loans suggests that these may be difficult for the lenders and need to be repaid fairly quickly.

Only 25 percent of respondents in each group had had **savings** prior to the flood (all 12 are charted in Figure 5.0), and thus, this was not a large coping mechanism. Even amongst those with savings, the use of savings varied quite extensively. Drawing from savings, for the most part was not a sufficient response for most people. Earlier MILK studies have suggested that low-income clients may prefer to utilize debt and income rather than draw down on hard earned savings to finance shocks,¹⁰ suggesting that the uninsured would have preferred to utilize other means of financing if given the choice. The chart below shows that of the 12 people who started with a savings balance, only 5 drew down from these completely. In part, this may have been due to the low levels they had to start with. One respondent in our uninsured group (Respondent 1 in Figure 5.0 above) had much higher levels of savings than the remainder of our

⁸ Our interviews took place in late January 2012, nearly 4 months after the floods.

⁹ These did not receive loans from OISL

¹⁰ See MILK Brief #8: Cashless Funeral Microinsurance in Colombia



respondents, and instead relied heavily on these to re-start his businesses. As a result, by tapping into his savings of almost USD3,000, he was able to replenish his inventory more quickly after the floods. Interestingly, however, he also reported reducing his business investment, reducing household food consumption and using his own income to help finance the costs. Given that he had money left over, it is interesting to consider the trade-offs he foresaw when considering how to fund the damages to his business. Most likely, even with higher levels of savings, these are "earmarked" for planned expenditures or other emergencies and can be difficult to access.



Figure 5.0 Savings Levels (USD) Pre- and Post-Flood

A majority (58% of insured and 60% of uninsured) of respondents in both groups reduced their **household consumption** of food, education or medicines—a clear indication of belt-tightening needed to deal with the catastrophic event. While this did not represent a large amount of the financial response, it was perhaps the most indicative of the severity of the shock. Reduction in food intake was the most commonly reported cutback, followed by education and reduction in purchase of medical services (See

Figure 6.0). On aggregate, the uninsured made greater cutbacks in consumption, averaging USD96 compared with USD40 by the insured. It is important to consider that a faster cash payout by the insurance might have reduced the need to cut consumption even more for the insured. Once the claim was paid, insured respondents received a cash payout of USD114, which was most commonly used for household consumption (by 46%) and for recovering household's savings and assets (by 42%). Only 8% of respondents used it for business investment purposes. This suggests that households faced a more critical need for cash after the floods than the insurance was able to provide.





Overall, the use of *gifts and transfers was minimal*. The uninsured were more effective in getting gifts after the flood, and 8 of 28 respondents did so in the form of in-kind or cash gifts from friends and family as well as remittances. A nominal few (2 insured and 2 uninsured) respondents also *sold personal assets* during the flood to generate needed cash, and both cases suggest that this is an extremely difficult mechanism to resort to. The two uninsured cases were most extreme, selling large assets worth USD2,961 and USD2,164 at a large discount for about USD1,700 respectively. Of the insured, one respondent sold a laptop for USD512 and another sold USD28 worth of clothes for about USD22.



A Closer Look at Select Businesses

This section focuses in-depth on select businesses to present a nuanced picture about the patterns in which the insured and uninsured coped financially with the natural catastrophe, and how the insurance benefit played out for clients of MicroEnsure-Ghana. In particular, it shows how indirect costs of having to close the business were difficult to make up, especially when insurance benefits were not paid immediately.

Example 1 highlights the case of a trader from the market in Accra. He is an insured married male who is 40 years old and heads a home of four people. The family lives in a rented home and has two sources of income. Prior to the flood, his business was bringing in USD2,500 per month. He had to finance USD3,986 of this lost inventory as well as indirect costs of USD797 and used income of USD4,556 and to a lesser extent, the USD114 cash claim from MicroEnsure-Ghana to cover these costs. The respondent made this investment over several months, and was interviewed four months after the flood. At the time of the interview, his business still had not fully bounced back. He had no outstanding loans, and was living off the reduced income of USD228. The respondent was satisfied with the insurance. He found the claims process with OISL to be easy. He submitted his paperwork to the loan officer within two days of the flood and received the cash benefit of USD114 and payout of his outstanding loan of USD2,830 in just three days. He believes that the insurance gave him peace of mind.



Our next case, Example 2, is also of a male trader who heads a household of five people. The October flood damaged his business inventory, valued at just over USD1,000 but the respondent replaced only USD342 worth of goods. He paid USD14 to clean out rubbish from his stall and replace the flooring. His indirect costs were relatively high at USD854 since he had to close his stall for over a month and forego income. His wife who works with him also missed work during this time but it did not result in a loss of additional income. He reported paying for the damaged inventory using income of USD285 spread over a few months. He did not report financing his entire loss, which was largely comprised of opportunity costs from lost wages. He received his cash payout of USD114 and loan forgiveness of USD626 within three weeks of submitting his documents and immediately invested the cash payout into his business. His income prior to the flood had been approximately USD650 per month. At the time of the interview, the business had still not bounced back completely and his household's monthly income was reported at USD387. His strategy for picking up the pieces was primarily to begin borrowing again to get his business up and running. He held an outstanding loan of USD626 with OISL. Besides borrowing from MFIs, he also accesses loans from friends and family. When asked about MicroEnsure-Ghana's insurance, he remarked that the claims process was very easy and perceived the premium amount to be cheap, but felt that waiting for three weeks posed a financial burden on his family. He believes that insurance is important since it helps to protect one's income and also allows one to worry less about the future.





Example 3 takes us to the trading business of a female entrepreneur. Her household is comprised of five members. Her current monthly income is USD512, and she did not report any other income for the household. She has an outstanding loan of USD854 with OISL and only sources her debt from MFIs. She has no external cover to her business and as a result did not report any structural damages. Her loss in business inventory was worth USD171. She missed work for 14 days and experienced a significant loss in income or "indirect costs" of USD1,714; this estimate of lost income was based on her reported pre-crisis net business earnings of roughly USD122 per day. To finance her losses (which she only did partially), she reduced her household's consumption of food for three weeks—worth USD34 in total. She diverted USD144 of her income to help recover her business and also reduced her business investment by USD342 over a period of three months. Finally, she used 65 percent of her savings, an equivalent of USD114, to help her during this period of recovery. She received the insurance benefit from ME-Ghana 36 days after submitting her paperwork that she felt was inconvenient. She used the cash payout from the insurance to increase her household consumption of food again and a portion to restore her business. Overall she believes that the insurance makes her less worried about the future and also protects her from having to borrow—though it does not necessarily help her save money.

The final case, **Example 4**, represents an uninsured female trader who has a small household of four people. She reported earning USD512 a month, which is supplemented by income of USD342 from others in her home. The respondent typically borrows from an MFI or friends and family. She has an external structure over her stall that suffered water damages when the flooding struck the market. It cost her USD40 to re-paint the walls and fix pipes. The loss of business inventory – representing the major source of physical damage – amounted to roughly USD430. She was forced to close her stall for 21 days and incurred a deficit of nearly USD1,200 from lost income; this estimate was based on pre-crisis net business earnings of USD57 per day. The respondent had to piece together a number of sources of financing to make ends meet after the flooding, though, like the respondents in the examples above, she did not make up her entire loss resulting from closing her business. She borrowed interest-free loans of USD228 from friends and a comparable loan of USD205 from her family. She had to draw on savings of USD 171 that were deposited in a bank. Finally, she was forced to cut back on basic consumption of food worth USD120 for three weeks and reduce investment in her business by USD114. The respondent believed that insurance might have offered her some peace of mind and noted that she would consider buying life and property coverage in the future.

Was it worth it?

The devastation left by the flood was severe. Our respondents' businesses typically provided the main livelihood for their families. In many cases, these businesses were paralyzed for weeks as a result, slashing incomes and driving respondents to reduce their overall living standards. Given the devastation, it is disappointing that OISL did not do more to speed up the claims process, which could have done much to help clients recover more quickly and completely. Most insured respondents (79%) noted that having to wait for their benefits posed a financial burden, and thus reduced its value. Peter Gross, the General Manager of MicroEnsure-Ghana at the time of the study points to some challenges of working with microfinance institutions on this type of product: "One thing I take away from this is that we asked OISL to do too much in the wake of the flooding. They had a lot going on, so asking them to get



documents to us was not a quick process." Another interesting finding is that OISL did not rush to re-lend to insured clients. This is likely due to a number of factors, including their concerns with possible delinquencies resulting from the floods as well as clients' concerns about managing more formal debt with lower sales levels. These difficulties bring to light some of the challenges of working with microfinance institutions who may be able to offer useful microinsurance products cheaply to their customers but may not have the capacity to support claims processing, or whose credit policies may not be aligned with the ultimate goals of the insurance, to protect businesses from being de-capitalized in times of crisis.

Our study highlights the prolonged damage from the destruction of property of low-income self-employed workers in Accra's markets, and suggests that an insurance product can help to alleviate some of this cost. But it also underscores that insured respondents' needs were much greater than what the insurance offered. This is partly a reflection of the need to price the product accessibly. Overall, 54% of the insured felt the product was reasonably priced or cheap, and none said it was expensive (the remainder were unaware of the price). With a very low average cost of USD1.3 per loan cycle for an average USD646 of benefits for property coverage, the benefit from this insurance seems clear.¹¹ However, the balance between loan coverage and cash benefit clearly leans in the favor of the financial institution, which ended up protecting much more of its risk with the product than the client.

On the positive side, insured respondents perceived that the product offered them value, possibly as a result of its low price/coverage ratio. Although most insured respondents (93%) bought the insurance because it was mandatory, a large majority (92%) felt that it was a good idea to purchase the coverage and nearly everyone said they would recommend the package. When asked about the advantages of insurance, most insured and uninsured (over 70% of each group) felt that its greatest value was in offering peace of mind or "reducing worries about the future." While delays in claims authorization and payment were burdensome, once they passed through the claims process, most (67%) felt it was "easy."

Both the insured and uninsured went through significant stress following the devastating floods in October 2011. Their financing needs to cover damages, including the high indirect costs of numerous days without working, far exceeded their ability to raise funds. In general, the costs of the damages represented over twice their monthly household income. Both the insured and the uninsured had to piece together comparable amounts of financing to bridge this gap. However, at the time of this survey, they had still not reached pre-crisis income levels, and only about half of respondents had re-stocked their inventories. Despite this hardship on both groups, the *insured seemed to have bounced back more quickly on average*, using fewer coping strategies, and borrowing first from low-cost friends and family, and later from formal institutions to gradually make up the income losses. This was in part due to the insurance benefit, which paid off their debt, reducing their overall leverage and allowing them to take on additional debt to rebuild their businesses. Delays in the payment of their benefit seemed to erode this value somewhat, so that the differences between the insured and uninsured groups were not as marked in the first two months after the flood. The higher levels of debt of the insured at the time of our survey, four months after the flood, suggests that these businesses had started to pick up and were able to access commercial sources of funding to finance their working capital needs.

References

Akter, S., & Fatema, N. (2011). The role of microcredit and microinsurance in coping with natural hazard risks. Contributed paper, 18th Annual Conference of the European Association of Environmental and Resource Economists, June 29 – July 2, 2011, Rome.

Ghana Statistical Service (2008). Ghana Living Standards Survey: Report of the fifth round (GLSS 5).

Giné, X., & Yang, D. (2009). Insurance, credit, and technology adoption: Field experimental evidence from Malawi. *Journal of Development Economics*, 89, 1–11.

Kanz, M. (2011). What does debt relief do for development? Evidence from a large-scale policy experiment. Washington, DC: World Bank.

Roth, J., McCord, M. J., & Liber, D. (2007). The landscape of microinsurance in the world's 100 poorest countries. Appleton, WI: The MicroInsurance Centre.

Microinsurance Learning and Knowledge (MILK) is a project of the MicroInsurance Centre that is working collaboratively to understand client value and business case in microinsurance. Barbara Magnoni leads the client value effort. Rick Koven leads the effort on the business case. Contact Michael J. McCord (mjmccord@microinsurancecentre.org), who directs the project, for more information.

¹The average cost of the entire product per loan cycle was USD5.32 per client in this sample.