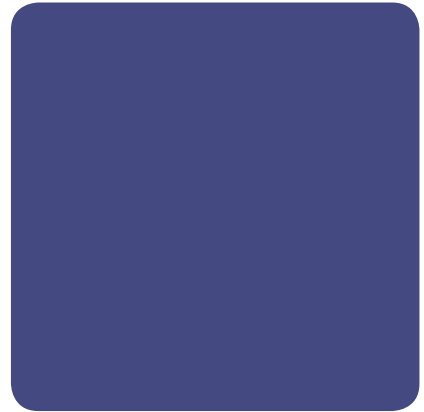
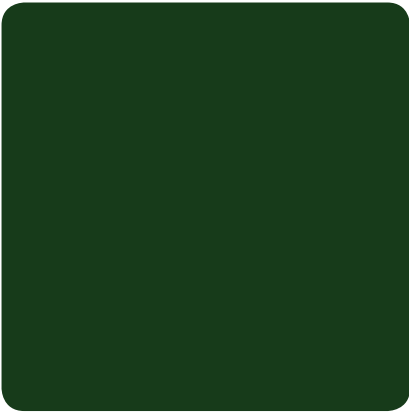


# Is There a Business Case for Microinsurance?

A review of recent literature





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# I. Introduction

K \Yb'cj Yf'Uj Y' \i bXfYX'gHU\_Y'c'XYfg']b'h'Y' microinsurance industry gathered in Manila in November 2010 for the 6th Munich Re : ci bXUH]cb'UbX'A ]Wc]bgi fUbW'BYhk cf\_'5bbi U' Microinsurance Conference, there was every reason for optimism. Munich Re Foundation, the conference organizers, had announced that the attendance was the largest ever, with participants converging from every corner of the globe. Swiss Re had just published a paper which Ygh]a UHYX'h.Uh'h'Y'a Uf\_YhZcf'ÍVta a YfVU`m viable microinsurance products" was 2.6 billion dYcd'Y'"@cmXg\UX'Ygh]a UHYX'U'a Uf\_YhcZ%) ' to 3 billion policies and an expected annual growth rate of 10% per year, with an estimate of WffYbhdYbYrFU]cb'cZcb'm) i fUb'Ygh]a UHYX'\$( \$ a ]'cbL'"5'bi a VYf'cZ'Uf[Y']bgi fUbW'Úfa g'gi W' Ug'<c''UfXžNi f]Wž5cbž'UbX'; i m7UfdYbYfž'\UX' Ua d'ÚYX'h'Y]f'ck b'a ]Wc]bgi fUbW' ]b]h]h] Ygž UW\_bck 'YX[ ]b[ 'h.Uh'fUX]h]cbU'a Uf\_Yhg ]b'h'Y' developed world were largely saturated.

5'' ]bX]W]h]cbg'UfY'h.Uh]a ]Wc]bgi fUbW' ]g' [ U'h'Yf]b[ 'g][ b]UW]b]h]a ca Yb]i a 'UhfUW]b[ 'grfcb[ commercial interest for its potential as a new line of business for insurers. In addition to private sector interests in microinsurance, academics Žfca 'YUX]b[ 'i b]j Yfg]h]Yg'gi W' Ug'N'YžBYk 'Mf' I b]j Yfg]mžCi ZcfXž'UbX'; Ycf[ ]U'GhU'Y' i b]j Yfg]m have been eager to study the microinsurance phenomenon. Regulators from dozens of countries, under the auspices of the International 5ggcVU]h]cb'cZ' bgi fUbW'Gi dYfj ]gcfž'\Uj Y' dUf]h]VdUHYX' ]b' U'k cf\_]b[ [ fci d'hc '\Y'd'XYj Y'cd' supportive regulations for microinsurance.

Leading donors and development agencies gi W' Ug'K cf'X'6Ub\_ž; HŽ'UbX'75F9'\Uj Y' continued to support microinsurance activities over the past ten years. LeapFrog Investments, a microinsurance investment fund, has raised USD137 million from donors and investors to gi ddcf]h]a ]Wc]bgi fUbW' j Yb]i fYg''H'Y' @C]g' Microinsurance Innovation Facility has funded over forty microinsurance programs, many of them selected for their potential to demonstrate how effective microinsurance can be and for the lessons we can learn from their operations.

Gcžk \Yb'8f'A Uf]h]b'<]b]m'cZ5'' ]b]n'Ug\_YX'h'Y' ]b]Xi g]f]m]g]U\_Y'c'XYfg[ U'h'YfYX' ]b'A Ub]U'\ck

## Working Definition:

### Microinsurance Business Case

There is a business case when the investment of capital and other resources in microinsurance UfY' ^ gh]ÚYX'cj Yf'h]a Y'gi W' h.Uh'h'Y' VYb'YÚhgž Vg]g]g'UbX' risks balance out to create a Vta a YfVU' fU]h]cbU'Y'Zcf']bgi fYfgž intermediaries and distributors seeking to enter and sustain a position in microinsurance.

a Ubm'cZ'h'Ya 'k YfY'dfcU'U'V'Yž']h]a Um'\Uj Y' surprised some that only a handful of the hundreds of practitioners in the audience raised h'Y]f'\UbXg''Gi fdf]g]b[ 'g]bWž''\_Y']hg'dfc[ Yb]rcfž micro credit, microinsurance from the outset was expected not only to serve as a poverty alleviation strategy but as a viable business strategy as well. Surprising as well since many in h'Y'a ]Wc]bgi fUbW' ÚY'X'UfY'fY'n]b[ 'cb Vta a YfVU' insurers to drive growth, contributing their capital, [ 'cVU' f]g\_ 'gdfYUX]b[ 'WdUW]mž'h'Y'W'b]W] 'Yi dYf]h]gY' and more. Commercial insurers seem to be infatuated with the potential at the bottom of the pyramid and excited about any association with this new star of corporate social responsibility. Many commercial insurers appear to be ready to contribute their capital, technical expertise, UbX[ 'cVU' 'WdUW]mž'cf'gdfYUX]b[ 'f]g\_žYj Yb' h'ci [ \U' Yj ]XYbW' dc]bh]g'hc' h'Y'X]Z]W' h]Yg'cZ a U\_]b[ 'U'Vi g]bYgg'gi W'W'gg'cZa ]Wc]bgi fUbW'' A i b]W' F'Y]g'7\U]fa Ubž<Ubgi> f[ Yb'GW]bn'Yfž gi a a Uf]nYg'h'YgY'X]Z]W' h]Yg. 'ÍDfYa ]i a ' ]bVta Y' is low, administrative costs are relatively high, and ]b]ZUg]fi Vh' fY'Zcf']bgi fUbW' ]g'UW]b[ /h.Uh]g'k \m Vta a YfVU' ]bgi fYfg'\Uj Y'bch]U\_Y'b'a cfY' ]b]h'YfYg]h] ]b'h' ]g'a Uf\_Yh'í'

; ]j Yb'h'Y' ]a dcf]UbW' cZdfcU'U'V']mž'h]g' surprising that the microinsurance industry \_bck g'fY'U]h] Y'm]h'Y'U'Vci h]h]ž'UbX'Yj Yb'a cfY' surprising that it does not seem to be at the top cZ'h'Y' ]b]Xi g]f]m]g]U[ YbXU''CZ'h'Y' ), 'Dck YfDc]b]h] dYfYgYbU]h]cbg'a UXY' ]b'A Ub]U'cb'm]Uj Y'a Yb]h]cb h'Y'k cfXg'ÍdfcU'hc'ÍdfcU'U'V']mž'U'h'U'ž'a cgh

of them just in passing. Only one presentation, by Doug Lacey of Quindiem, had the business case for microinsurance as its primary focus.

Microinsurance Innovation Facility, seems to be the crucial question of the business case.

of writings and conference presentations on microinsurance to try and determine whether the business case for this new industry has been a Beyond compulsory credit life schemes, we have a

So, is there a business case for microinsurance? Can it scale up to its much heralded potential? important, and should be moved right to the top of the microinsurance agenda.

## II. The Landscape

5g'bcHxZk \]Y'a i W \Ug'VYyb'k f]HYb'UVci h' microinsurance, little explicitly addresses business case and related issues. We reviewed a Ubm\i bXFYXg'cZXCW'a Ybhg'UbX' ]XYbh]UYX' those that, even if they did not directly address the business case, at least touched upon elements of basic business analysis necessary to determine commercial viability. Many of these articles are written by a small group of authors, ]bW X]b[ '7\i fW\]'ZA WcfXZ'FchZ'UbX'; UfUbXZ' familiar to those who follow the industry.

HAY Uj U]UVY'' ]YfUh fy Zcfa gZ]ZbchU'Vta a YFVU' rationale for microinsurance, then a well XY' ]bYUHYX' [ i ]XY'hc' ]hg'dfUW]V'' HAY' ]YfUh fy WUb' VY' [ fci dYX'Ug'Z'ck g.

### 1. Gates Foundation grants and publications

a. **The ILO Microinsurance Innovation Facility** Wff]Yg'ci hZci f' ]bhYf' ]b\_YX'UM]j ]HYg'i' ]bbcj Uh]cb [ fUbhgz'WdUM]mVi ]X]b[ Z\_bck'YX'Y' X]ggYa ]bUh]cbZ'UbX'fYgYUfW'' HAY: UW] ]m] Uh'Yfg' data on the business case issues of its grantees through regular reports, and promotes the W'W' Uh]cb'cZ'Ym]dYfZcfa UbW' ]bX]W]h'c'fg'f'P D'gk' Zcfa' ]hg'dUf]bYfg'h'fci [ \ ]hg' ]YUfb]b[ 'ci fbYnh' program. It also gathers important business W]gY'XUfU'Zcfa' a ]X]h'fa' UbX'UbU'Yj U'i Uh]cbgz' UbX'Zcfa' 'gdYV]UW]fYgYUfW' UW]j ]HYg'gi W' Ug' h'cgY'VY]b[ 'VcbXi W]X'VnEi ]bX]Ya' k ]h' Uj Y'cZ' hAY: UW] ]m] [ fUb]h'Yg' HAY: UW] ]m] ]g'd'Ubb]b[ ' a further series of studies that include aspects of the business case, covering demand, models and products, distribution, the provision of health microinsurance, and administrative processes and #F'A cghcZ'h'YgY'gh' X]Yg'f&+ 'UfY' d'fcd'cgYX' ]b'U' E' \Uj Y'' ]b\_U[ Yg'hc' h'Y'Vi g] ]bYgg'W]gY'' #i]g'Yi dYV]X' h'Uh'h'Y: UW] ]m]k' ]''VY'U' \_Ym]dUf]bYf' ]b'h'Y'A @' project.

b. **MicroEnsure** is a specialized microinsurance Vfc\_Y'f'k \ ]W' \Ug'gci [ \h'hc'XYj Y'cd'U'i b]ei Y' UbX'Ua V]h'ci g' ]i V'UbX'gdc\_Yi' [ 'cVU' d'Uh'z'fa' to serve the microinsurance industry. It acts as a facilitator, matching program sponsors fB; CgZ'A: #g'k ]h' ]bgi fYfg'Vm]d'fcj ]X]b[ 'U' range of intermediary services such as product Yi dYf]hgYZ'VUW' cZ]W' gi ddcf]h'UbX'cj YfU''

dfc[ fUa' a UbU[ Ya Ybh' HAY; UHYg': ci bXU]h'cb' [ fUb]h'c' A ]W'c'9bgi fY'k Ug'gdYV]UW]m'a YUb]h'c' test whether a microinsurance intermediary could UW] ]Yj Y'Vta a YFVU' j ]UV] ]m]5'a U'cf'gf'UHY' [ m' assessment is currently being concluded which k ]''g'YX'a i W' '' [ \h'cb' A ]W'c'9bgi fY'g'Vi g] ]bYgg' model and commercial progress. MILK will be k cf\_]b[ 'W'c'gY'nk ]h' A ]W'c'9bgi fY'a UbU[ Ya Ybh'c' V]f]b[ 'ci h'h'Y' \_Ym]Ygg'cbg'cb'h'Y'Vi g] ]bYgg'W]gY''

WHAY' 5[ U?' \Ub' 5[ YbW]Z'c' A ]W'c'Ub'UbW' (AKAM) Microinsurance Initiative was established in 2006 and focuses on developing a ]W'c' ]bgi fUbW' d'fcXi W]g'VYn'cbX'h'Y'fY'Uh]j Y'nk'Y'! \_bck' b'UY'X'cZ'V]X'h' ]Z'' CbY'cZ' ]hg'cV'YW]j Yg' \Ug' been to show the commercial potential of an agency a cXY'k ]h' 'cdYfU]h'cbU'' ]b\_U[ Yg'hc' j U]f'ci g'fY'UHYX' ]bgh' ]h'cbgz' ]b'h' ]g'W]gY' h'Y' 5[ U?' \Ub' b'Y'h' cf\_ ' f]k \ ]W' ]bW' XYg' ]hg'ck' b' ]bgi fUbW' Ufa' 'UbX' \YU'h' care facilities). Much information is available to assess the business case for this program, and the MILK project will provide guidance in the collection and analysis of this data.

X'' HAY **Landscape of Microinsurance** in the K cf'X]g' %\$\$ 'DccfYgh'7ci bh]Yg'gh' Xn]Zcfa' h'Y' A ]W'c' ]bgi fUbW' 7Ybh'fY' fF'ch'Z'A W'cfX' / @]VYfZ' 2007) is a singularly comprehensive inventory of microinsurance programs worldwide and provides some quantitative information.

### 2. ILO publications and activities

a. **Protecting the Poor: A Microinsurance Compendium** ]g'U' d'fUW]h'cbYf]g' \UbXVcc\_ ' and covers a wide range of practical business issues such as business models, product design, distribution, and administrative processes f7\i fW\]' fYX' 'Z' &\$ \$\* 'Z'di V]g' \YX' Vm'h'Y'A i b]W' ' FY': ci bXU]h'cb' UbX' h'Y'A ]W'c' ]bgi fUbW' BY'h' cf\_

b. **Quindiem Business Case Research** is a new research effort headed by Doug Lacey, who d'fYgYbh'X' ]b]h]U' fYgi 'hg' ]b' A Ub' ]U' H' ]g' fYgYUfW' is funded by the ILO Facility as part of its research U] YbXU' f@UW]n' &\$ \$&\$'

WHAY' **Key Performance Indicators (KPIs)** devised Vn'k ]dZUbX'; UfUbXZ'Ug' d'Uf]h'cZ'h'Y'A ]W'c' ]bgi fUbW' BY'h' cf\_ 'k cf\_]b[ [ fci d'cb' D'YfZcfa UbW' #X]W]h'c'fgZ' are an excellent set of metrics developed

gdYVjUW`nrc`Yj U'i UHY`a ]Wc]bgi fUbW`Vi gj]bYgg` fYgi`hg`fK ]dZ/ ; UfUbXž&\$\$, Ł'

X`HAY: **fcbhYf`9ZUMYbWf5bUngjg** set forth Vm6Y]bYf`UbX`9`]b[ ž]g`]bZcfa YX`VrHAY`?D=g`" `h` generates a single summary statistic to measure U`Ufa`Ng`dYfZcfa`UbWžVtbfrc`" ]b[ `Zcf`X]ZYfYbWg` VYrk`YYb`Ufa`g`UbX`]bVtfdcfU]b[ `U`a`YUgi`fY`Zcf` gcV]U`dYfZcfa`UbW`f6Y]bYf/`9`]b[ ž&\$\$- Ł'

### 3. Other publications

a. *The Good and Bad Practices in Microinsurance Case Studies* are a series of 23 reviews of a ]Wc]bgi fUbW`dfc[ fUa`g`]ggi YX`VYrk`YYb`&\$\$(` and 2006, which offer a diverse collection cZ`Yggcbg`YUfbYX`f*Good and Bad Practices in Microinsurance (series)*, Microinsurance BYrk`cf\_`fZcfa`Yfm7; 5D`K`cf\_]b[ ; fci`d`cb` Microinsurance).

V`Hk`c`UbbchUHYX **Bibliographies** published ]b`&\$\$+`UbX`&\$\$, `dfcj`]XY`Vt`a`dfY`Ybgj]`Y` overviews of the literature on microinsurance. HAY`gW]bha`Ybh]cb`cZVi`g]bYgg`WUgY`]b`h`YgY` extensive review compilations demonstrates how`ja`]HYX`Vtj`YfU[`Y`cZ]g`]ggi`Y`Ug`VYYb`fBYfVt`b` YhU`ž&\$\$, ž6Y[`Ua`ž&\$\$+Ł'

c. Many microinsurance practitioners have written about their own **program experiences**. Some of h`YgY`UfY`gY`Zdfca`ch]cbU`UbX`bYYX`h`VY`j`Yk`YX` in context. Nonetheless, many are objective and useful. Microinsurance is a fairly transparent ÚY`Xž`UbX`]hg`dfUW]h]cbYfg`UfY`[`YbYfU`nk`]" ]b[ ` to share their experiences even when they are i`bU`Hf]b[ `h`h`Ya`"

d. **Business media** coverage of microinsurance has been sporadic but has clearly been increasing in recent years. Several examples of

media treatment of the industry are included in the bibliography below.

e. **Academic papers** on the business aspects of microinsurance have been few, but more recently Vi`g]bYgg`gW`cc`g`Uhi; Ycf[ ]U`GHUŽGH`x`c`bg` University, University of North Carolina, Illinois GHUŽCI`ZcfX`UbX`K`Ufrcb`Uj`Y`U`VYYb`hU\_]b[ ` an active interest in microinsurance.

### 4. Other activities and initiatives

U`HAY`**Access to Insurance Project**`f]h`d.##k`k`k`" UWWgg]h]bgi`fUbW`cf[`#Ł]g`Ub`]b]h]Uj`Y`h`g`fYb[`h`Yb` global regulatory capacity in microinsurance.

b. **World Bank Global Database on Microinsurance** is an early stage effort to collect data on over 160 a ]Wc]bgi fUbW`dfc[ fUa`g`" HAY`XU]VY]b[`Vt`YVWYX` includes lives covered, premiums received, claims paid, and distribution costs.

WHAY`**CIRM Microinsurance Databank** is a database and mapping of microinsurance YbhYfd]gYg`]b`bX]U`f]h`d.##a`]Wc]bgi`fUbW`a`Ud` Vt`a`#a`f]#]bXYI`"h`a`Ł'

d. **Microinsurance Network**`f]h`d.##k`k`k`" a ]Wc]bgi`fUbW`bYrk`cf\_`cf[`#]bXYI`"d`dŁ`cdYfUHYg` k`cf\_]b[ ` [ fci`dg`cb`dYfZcfa`UbW`]bX]W]hcfg/` X]ghf]Vi`h]cb/fY[`i`U]cbžgi`dYfj`]g]cbž`UbX`dc`]Wt` hYVbc`c[`n]UbX`ch`Yf`hcd]Wj`":`cfa`Yfm`bck`b` Ug`h`Y`7; 5D`K`cf\_]b[ ; fci`d`cb`A`]Wc]bgi`fUbW`ž` hAY`BYrk`cf\_`Ug`Ub`YI`hYbgj]`Y`UbX`[`fck`]b[ ` membership base.

e. **MicroFact**`fk`k`k`"a`]Wc]W]hcf[`Ł]g`Ub`cb`]bY` platform that promotes microinsurance tools and k`cf\_g]c`dg`VUgYX`cb`?Ym`DYfZcfa`UbW`bX]W]hcfg` fP`D`gŁ`"HAY`g]hY`]g`Vt`!gdcbgcfYX`Vm6F`G`f6Y`[`]i`a`Ł` UbX`585`f]h`I`Ya`Vci`f[`Ł'

### III. The evolution of thinking on the business case for microinsurance

Microinsurance has been in existence for little more than a decade, and in that brief time, it has been understood in various and differing ways. First viewed as an adjunct of microcredit, then later as a downstreamed version of traditional insurance, and by some as a new incarnation of traditional mutual, cooperative and community based models, it is only in the past few years that microinsurance has come to be understood as a business, with its own business potential as well as a social insurance system at the community level in developing countries. However, the initial microinsurance was primarily as an adjunct to credit life plans sold through MFIs remain the traditional entry point for many insurers in the developing world.

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Many of the early credit life microinsurance shortcomings are seen as a rationale for the evolution of microinsurance. Community based, mutual and cooperative models continue to have their own business potential as well as a social insurance system at the community level in developing countries. However, the initial microinsurance was primarily as an adjunct to credit life plans sold through MFIs remain the traditional entry point for many insurers in the developing world.

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# IV. Key issues related to the business case

for the products, consumer education, pricing  
UbX UVA Uf]U f]g\_gz UbX VtghYZZVWj Y XY j Yfmi  
5 ZWVcf]bhc hY dchYbh]U Zcf a ]Vfc]bgi fUbW  
programs to succeed or fail.

**Role of donors:** hY XYj Y cda YbhcZ  
microinsurance is still in a relatively early stage,  
supported in large part by donor initiatives and  
the corporate social responsibility programs of  
large insurance companies. Donor funding was  
important from the outset with the involvement  
cZ; HNZ8: -BZH Y K cf X'6Ub\_z UbX'ch Yfg"  
H.]g W'a ]bUHX'k ]h h Y; Uhg: ci bXU]cb  
microinsurance grants of USD 70 million in 2007.

Some concern has been expressed that donor  
funding distorts both the inputs and outputs  
cZa ]Vfc]bgi fUbW YbhYfd]gYg fA WcfXz &\$\$&/  
A WcfXz -gYfbz/ < Ug\Ya jz &\$\$% / < YfbXcfZ  
2010), but there is cautious optimism that donors  
can play a valuable role in developing the still  
bUgWbh a ]Vfc]bgi fUbW a Uf\_YhfUrcfhi Yz &\$\$\* /  
A WcfX' &\$\$, l'

**Regulatory constraints:** hY Ya Yf [ ]b [ j ]Yk  
is that regulation can be helpful, but simply  
imposing the regulatory schemes of traditional  
insurance inhibits the growth of microinsurance  
f7\i fV] z &\$\$+ / -bhYfbU]cbU' 5ggcWU]cb cZ  
-bgi fUbW Gi dYf] ]gcf] f5-GZ &\$\$+ / Ga ]h YhU'z  
&\$\$% / Fch YhU'z &\$\$+ l' 5b ]a dcfUbh]b]h]U]j Y  
]b h.]g fY [ UfX ]g hY 5WVgg'hc -bgi fUbW d'fc YVti  
gdcbgcfYX Vm h Y -5-Gz -@Z7; 5Dz; HN'UbX'ch Yfg"  
-5-G Yl ]gh'hc fU]gY h Y Uk UfYbYgg cZ]bgi fUbW  
regulators around the globe about the need to  
provide the poor with access to insurance with  
Uddfcdf]U]Y fY [ i UrcfmgUZ] [ i UfXg f\ hnd.##k k k "  
UWVgg'hc!]bgi fUbW"cf [ #l'

**Growth potential:** hY [ fck h dchYbh]U Zcf  
microinsurance in developing countries is typically  
XYgV]VYX ]b fY U]cb hc h Y i ]bgi fUbW XYbg]m]b  
the developed world. Such extrapolations often  
apply percentages of lives covered in developing  
Vti bh]Yg fcf'hcU' dfYa ]i a g Ug U dYfWbU]Y  
cZ; 8Dl'hc h'cgY ]b XYj Y cdYX Vti bh]Yg" Gi W

U] i fYg UfY h Yb V]YX Ug U WUf Yl dfYgg]cb cZ h Y  
a Ub]ZyghdchYbh]U Zcf a ]Vfc]bgi fUbW f7\i fV] z  
&\$\$+ / @cnXgz &\$\$% / Gk ]gg fYz &\$\$% / Fch Yh  
U'z &\$\$+ l' 5dd'nb] [ XYj Y cdYX k cf X' ]bgi fUbW  
XYbg]m]dYfWbU]Y hc h Y k cf X]g ( V' ]cb d'ccf  
generates assumptions that may well turn out to  
be unrealistic.

More recently, doubts have arisen about  
the potential of microinsurance for catalytic  
growth. Distribution through MFIs is not  
achieving expectations, as MFI channels have  
not adapted to selling insurance as easily  
Ug Yl dYVW X fA WcfXz &\$\$\* l' h Y Yj ]XYbW  
is that microinsurance programs tend to  
grow slowly. Many case studies are showing  
unresolved problems on the demand side,  
inappropriate product design, unreliable service,  
\] [ \ hfUbgU]cb Vtghg UbX'cj YfU' X]ZUV 'hm]b  
Yl YW h]cb f9i fcdYUb '6i g]bYgg fYj ]Yk z &\$\$% /  
Lacey 2010). Concerns are also being raised  
UVci h h Y Uj U]UV] ]mrcZei U' ]UYX dYcd Y hc  
manage the growing numbers of microinsurance  
YbhYfd]gYg f5-Gz &\$\$+ / A WcfXz &\$\$, l'

**Risk management:** F ]g\_a UbU] Ya Ybh  
concerns such as adverse selection, moral hazard,  
UbX Vtj Uf]Ubhf]g\_ UfY cZYb V]YXz YgdYVU' m] ]j Yb  
that underwriters and actuaries have little claims  
Yl dYf]YbW hc XfUk 'cb'k \Yb h YmgYhfU]Yg fF ch /  
5h fYmz &\$\$) / @UWm &\$\$ l'

hY fc Y cZfY]bgi fYfg ]b a UbU] ]b [ ]g\_ \ Ug VYYb  
explored by a number of authors, although there  
is some disagreement about how critical the  
bYYX Zcf ]g\_ ]gdfYUX]b [ WdU]m]U] U' m]g fBfcf  
/ 5fa grfcb [ z &\$\$\* / Fch / 5h fYmz &\$\$) / 6fck b  
/ 7\i fV] z &\$\$U / A WcfXz 6chYfcz / A WcfXz  
&\$\$) z 7\i fV] z / DYd Yfz &\$\$ ( l' ]g ]bchWUf  
\ck X]ZYfYbh h Y f]g\_g UfY VYh Y Yb Vtj Yf]b [ h Y  
d'ccf UbX Vtj Yf]b [ hfUX]h]cbU'a Uf\_Yhgz Yl Wdh  
h Uih Y U' U' cZYl ]gh]b [ Vtj YfU] Y UbX Uj U]UV Y  
WU]a g XUH'a U\_Y Zcf U'V ]bX'gdchZcf UVA Uf]Yg  
and underwriters. Reinsurers are already present  
]b h Y a ]Vfc]bgi fUbW a Uf\_YhVi h]h]g bch\_bck b  
\ck 'a i W h Y f f]g\_ ]gdfYUX]b [ WdU]m]g bYYXYX  
outside of catastrophic cover.

**Product demand:** Whether microinsurance  
]g fcf g\ci X VYEXYa UbX cf gi dd'mg]XY

Key Issues

driven is much debated. Related to this is the question of who is responsible for the client education needed if a population has limited literacy skills. It is not clear if it is their responsibility to devote resources to this education or if it is the responsibility of staff and clients. Staff education of staff and clients can contribute to the success of microinsurance programs.

Microinsurance has become better understood, so has the need for product customization. Some writers have described how product design and distribution channels have evolved, but not much has been written about how well insurers are able to implement and administer microinsurance products. The focus then shifts to how to secure effective provider networks and how to make it easy to execute, but there is also the fact that as it matures, credit life becomes commoditized and a major challenge for microinsurance is to build a business case for microinsurance.

In contrast to all microinsurance products, health insurance appears to be in highest demand, but health microinsurance programs experience inordinately high claims loss ratios in their early years. It is not yet clear if this phenomenon is a function of the uncapping of demand from rural populations (or if it points to a more fundamental challenge).

Health microinsurance is anticipated, although not yet realized, is

weather index insurance. Many of the same microcredit programs serve rural constituents. Since farming without irrigation is prevalent in developing countries, both drought and excess of rain are common. Microcredit programs serve rural constituents. Since farming without irrigation is prevalent in developing countries, both drought and excess of rain are common. Microcredit programs serve rural constituents. Since farming without irrigation is prevalent in developing countries, both drought and excess of rain are common.

**Distribution:** Distribution is generally through distribution channels such as insurance companies and agents. Distribution channels such as insurance companies and agents. Distribution channels such as insurance companies and agents. Distribution channels such as insurance companies and agents.

**Role of large insurers:** Large multinational insurers and reinsurers are increasingly focusing on microinsurance and writing about it. In 2010, large multinational insurers and reinsurers are increasingly focusing on microinsurance and writing about it. In 2010, large multinational insurers and reinsurers are increasingly focusing on microinsurance and writing about it.

# V. Findings

It is assumed to be enormous, and has captured the attention of large multinational insurers and the global reinsurance community. Nonetheless, experience has shown that, at enterprise level, microinsurers struggle to achieve meaningful scale, and perhaps even to realize any return on their microinsurance investments, or how patient they will be if results are not as expected.

Microinsurers have learned that borrowing from traditional business processes cannot be imposed on microinsurance. The emerging clearly is that traditional business processes in most cases have to be set aside in favor of innovative models. Beyond compulsory credit life schemes, traditional business processes in most cases have to be set aside in favor of innovative models. For those that do, such as microinsurance portfolios.

Microinsurance requires a supportive regulatory environment. It is not yet clear how best to measure scale. Is it the share of the target population? Or is it some absolute minimum amount of premium?

Concerning distribution, clearly MFI distribution is a useful channel. Beyond credit life, however, microinsurers that rely solely on MFI distribution have not done much to document the cost of insurance expertise are inherent constraints.

Microinsurers struggle to achieve meaningful scale, and perhaps even to realize any return on their microinsurance investments, or how patient they will be if results are not as expected.

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FB; CZA : dYfgdYVj YZVi hchYf'a cXY'g'gi VV 'Ug' X]fYVh'fYU] ]b[ 'UbX'Vfc\_Yfi.]bH'fa YX]UfmiUfY 'Ug'm'Yh inconclusive, as is experimentation with passive retailing.

Concerning product suitability and customization, much has been written, but little of this literature XYgV]Yg'dfcUUV] ]mUhh'Y'dfcXi Vh'Yj Y"" CZ particular interest is whether voluntary products VUb'VY'dfcUUV'Y""H.]g'ggj Y'g'Vci XYXZ'Ug' many microinsurance schemes are delivered by organizations with multiple lines of business, with little documentation on how expenses are allocated across lines of business. Contributing to this blurring is a dual bottom line perspective, balancing both social and business goals. FYgYUfV\ 'Ug'\UfX'm'cc\_YX'Uh\ck 'h'YgY' [cU'g' are balanced.

Lastly, surprisingly little has been written about Vca dYh]h'cb'k ]h.]b'h'Y'a ]Vc]bgj fUbV'UY'X""'5b' examination of competitive factors would seem central to any classical business analysis.

# VI. Conclusions

While there exists a substantial body of writings and other research activities on microinsurance, we do not yet have the evidence to support a... researcher explicitly examined the business case for microinsurance. Determining the business measures of business results presented consistently over time, in a standard format, covering a large representative sample, both of programs that appear to be successful and those... quantitative analysis. What remains is to see the results of their application.

...tools needed to assess the commercial viability... subjective, qualitative measures of business case... to microinsurance if it helps them to establish... leverage existing distribution and other resources? Will they spread the costs of new products and technologies across a broader policyholder

...microinsurance gets from insurers, reinsurers, donors, regulators, the press and academicians suggests that these subjective factors are a... well evaporate if a compelling business rationale cannot be proven.

...a clearer sense of what microinsurance is not... streaming of traditional insurance) than we do of... microinsurance may be equivocal and may be a... to try to understand the business case and to understand the conditions under which such a case might emerge.

...according to different issues, of documents with... the business case in microinsurance.

...may touch upon business case components, those... discussion.

# Appendix 1: Landscape Matrix of Research and Studies Related to the Business Case for Microinsurance

Issues	Context Category	Life	Health	Other	Multiple or Composite
<p><b>Regulatory Issues</b> Microinsurance requires specialized regulatory guidelines.</p>	<p><b>General</b> 6fck b/ 7\i fWJ'' &amp;\$\$S\$UfUfci gFY[ i Ufjcbg'a Umtddm' i gY'cZi a Ya VVfVbYUgJ' r'e VfwW'a j YbhFY[ i Ufjcbt 6fck b/ 7\i fWJ'' &amp;\$\$S\$Y fFY[ i Ufjcb jg YggdYf Ugj] Y 'Jb' XYj Y'cdj] W'i brfjYg'Wta a cb Y'a Ybrg UbX' ja dUWkZ regulation) 7\i fWJ'' &amp;\$\$S\$+ fFY[ i Ufjcb g'ci X' fYUa =XIZZYbhm' capital requirements, management credentials, reporting fYei jfYa Ybrg UfY' rcc \ J\ Ufjcb' jWbgl' jg fYgrfWj] Y' 9i r'e F Y Jk &amp;\$\$S\$ fFY[ i Ufjcb' jfcb a Ybh\ Y dZ' 'Jb' advancing MI in India) 5-G &amp;\$\$S\$+ fJgg Yg UbX WU' Yb] Yg r'e XYj Y'cdj] Ub' YbU' j] fY[ i Ufjcb' Ua Yk' c_ 'Jb' 'Jb Y' k Jk '5-G: 7cY' DfjW' Ygk 5-G &amp;\$\$S\$ fUddfcdfjU' UbX' YZV Wj] Y fY[ i Ufjcb' cZa i h Ugz' Wcdgz' UbX' chYf Wta a i b]hmUgYX' organizations) @crXg &amp;\$\$S\$ fXck fY[ i Ufjcb' cZa =g'ci X' W' XIZZYbhm from traditional insurance) A W' cF &amp;\$\$S\$ fA : -g'ci X' V' W' j] fci gk \ Yb' a j] j] b' j] g' j' fUbW' k Jk' chYf UbU' WU' g' fY j W' g' V' W' j] g' Y' cZ' regulation) Fch' YhU'' &amp;\$\$S\$+ fFY[ i Ufjcbg UfY' cZb' j' bUddfcdfjU' Z' cF MI but needed to prevent abuses) Ga Jk' YhU'' &amp;\$\$S\$ fFY[ i Ufjcb' Xfj] Yg j] b' c' j Ufjcbt Gk jgg' FY' &amp;\$\$S\$ fFY[ i Ufjcbg' Wb\ Y' d' c' f' \ j] b' X' Y' f' W' Y' j' g' needed)</p>	<p><b>Life</b> A Ub' Y' &amp;\$\$S\$ fbc' g' d' Y' W' W' MI regulatory regime, and insurer treats MFIs as policyholders under a group scheme, but in practice they act as agents)</p>	<p><b>Health</b></p>	<p><b>Other</b> ; j] b' YhU'' &amp;\$\$S\$ fFY[ i Ufjcb' environment should foster new product development and consumer protection) [weather index) Hazell et al. 2010 f]a d' c' f' U' b' W' c' Z' X' Y' j' Y' c' d' j] b' an enabling regulatory environment)</p>	<p><b>Multiple or Composite</b> 7\i fWJ'' / D' Y' d' Y' f' &amp;\$\$S\$ ( fYb \ Ub' W' X' U' j' Y' b' h' j' W' b' g' j] b' fYei jfYa Ybrg k J' a U' Y' X' jgrf] i fcb a cY' X' Z' W' r'e</p>
<p><b>Distribution Issues</b> Distribution channels must be able to reach the target a Uf' YhZjW' bhm' UbX' effectively.</p>	<p>5' j] b' n' YhU'' &amp;\$\$S\$ f' d' c' h' b' j' U' X' Y' j' Y' f' r' d' U' f' b' Y' f' g' j] b' Indonesia) 5' j] b' n' &amp;\$\$S\$ fWta a YfWU' j] g' fYg' Wb\ i g' Y' U' [ fY' U' f' c' f' g' other than MFIs) 6fck b' &amp;\$\$S\$ f' c' k' b' YhU'' &amp;\$\$S\$ f' g' j] [ fYgrf' h' U' h' A : -g' develop partnerships with established insurers rather than develop their own products) 6fck b/ 7\i fWJ'' &amp;\$\$S\$ U' f' j' Y' b' W' j' g' j] b' Y' f' U' f' Y' X' distribution) 7\i fWJ'' &amp;\$\$S\$+ fWb' b' c' h' i' g' Y' h' Y' g' U' a Y' W' U' b' b' Y' g' U' g' traditional insurers) @W' W' m' &amp;\$\$S\$ f' b' Y' X' r'e _ b' c' k' h' Y' W' g' h' c' Z' X' j' g' f' j] b' i f' c' b' t' e' c' r' X' g' &amp;\$\$S\$ f' j] b' c' j Ufjcb' j] b' X' jgrf] i fcb' W' U' b' b' Y' g' k' A W' c' F' X' &amp;\$\$S\$+ f' j' g' j] h' Y' d' U' f' b' Y' f' U' j' Y' b' h' a' c' X' Y' Z' A : -g' W' b' leverage existing interface, but success is mixed) Fch' YhU'' &amp;\$\$S\$+ fY' j' Y' f' m' j' g' j] b' Y' V' j] [ fYg' W' b' g' f' U' j] b' h' i' c' growth) Ga Jk' YhU'' &amp;\$\$S\$ fW' f' Y' b' h' Y' a' d' U' g' j] c' b' d' U' g' j] Y' a' c' X' Y' g' z' trend toward using retailers and cell phones) K JdZ' : UfUbX' &amp;\$\$S\$+ f' b' Y' X' r'e 'Jb' r'e Ub' Y' j] g' j] b' collection system)</p>	<p><b>Life</b> 6fck b/ 7\i fWJ'' &amp;\$\$S\$ V' f' W' b' f' U' j' h' Y' X' j' g' decentralized processing, a Uf' Y' h' j] b' t' A Ub' Y' &amp;\$\$S\$ f' A' U' X' j' g' c' b' d' U' f' b' Y' f' g' k' Jk' ( X' j' Z' Y' f' Y' b' h' A : -g' W' i' X' d' U' r' U' a' c' Y' active role in distribution) Fch' / '5' h' f' Y' m' &amp;\$\$S\$ f' f' X' jgrf] i fcb' h' f' c' i [ \ community rural j] g' j' f' U' b' W' [ f' c' i' o' g' / micro agents are specially trained and have specialized compensation) Fch' &amp;\$\$S\$ fA : = distribution produced high out of sync with cycle of insurance renewals)</p>	<p><b>Health</b> 6fck b/ 7\i fWJ'' &amp;\$\$S\$ V' f' Y' U' h' W' f' Y' facilities, salaried service provision, or indemnity coverage) Leflley 2010 fU' X' j' W' Z' c' F MFIs acting as intermediaries)</p>	<p><b>Other</b> 6fck b/ 7\i fWJ'' &amp;\$\$S\$ V' effective in distributing) [property insurance) &lt; U' h' Y' h' U'' &amp;\$\$S\$+ f' f' U' Z' h' c' b' t' e' Y' j] g' j] b' X' Y' j' Y' f' m' W' U' b' b' Y' g' / engage private sector from the beginning) A W' c' F' X' Y' h' U' &amp;\$\$S\$ f' X' Y' j' Y' f' m' h' f' c' i [ \ '5' : U' j' Y' b' r' h' Y' b' A : = U' g' Y' Y' b' Y' Z' W' j] Y' / 'U' W' c' Z' W' t' a' a' i' b' j] W' i' f' c' b' W' b' be a problem) [property insurance]</p>	<p>7\i fWJ'' / D' Y' d' Y' f' &amp;\$\$S\$ ( fU' f' b' Y' f' g' \ j' d' k' Jk' W' X' j] h' i' b' j' c' b' / W' X' j] h' i' b' j' c' b' d' Y' f' g' c' b' b' Y' \ U' X' X' Z' W' r' m' g' Y' j] b' j' g' d' f' c' X' i' W' g' / traditional compensation incentives needed to motivate credit union staff) McCord et al. 2001 f' X' Y' j' Y' f' m' W' U' b' b' Y' j' g' strengthened through broad product and service delivery) U' g' Y' / G' 9' k' 5' g' j] W' X' Z' W' Z' c' a' delivering commercial direct insurer)</p>

Context Category		Life	Health	Other	Multiple or Composite	
<b>Issues</b>	<b>Context Category</b>	<b>Life</b>	<b>Health</b>	<b>Other</b>	<b>Multiple or Composite</b>	
<b>Role of Technology</b> HfVWbc c[ mWUb fYXi W Vëgrg jB a UF Yfb[ zX]grfV hcbza cb]rcf]b[ z and claims administration.	<b>General</b> 5`j]Ubnc &\$% fWVbc c] mdfj Y]bng ZUj X/ga UfWVfXg UbX` cell phones) @c`nxg &\$% fëchYb]U` Z`f] g]b[ `a cV]Y d] cbYg` A W`cfX &\$%) UfUXa ]b]grfU]j Y`ZUWVbW]g U`_ym consideration) A W`cfX &\$%, fWVbc c] mWUb \Y`d UW]Y] Y`a Ugg]UW]hcbz reduce costs) Ga ]h` YhU` &\$% fW` d]cbY dUra YbhfUbgZ]f]g UY` expensive) Gk ]gg F Y &\$% fWV k ]` \Y`d`cj YfVëa Y`Vëgrg`	< ]b]m &\$% fëfcj ]X` savings component that customers want to [ YbYfU] [ fck h`i` g` a simple distribution system)	6fck b/` 7\i fW]` &\$%\$V` fëf]W] UbX dUra Yb` options can extend outreach) 8f`c/` 5fa g`fcb] &\$%` fW`ghcZ]f]g` f]UbgZ]f]g U` function of scale)	< U]Y` YhU` &\$%\$ fX] Yfg cZ` sustainability and scalability) [weather index] A W`cfX` YhU` &\$%) f]Ua cgh` all MFIs in Uganda offer the 5` d`fcX] Vëf] fci d`dYfgcbU` accident]	< U]Y` YhU` &\$%\$ fX] Yfg cZ` sustainability and scalability) [weather index] A W`cfX` YhU` &\$%) f]Ua cgh` all MFIs in Uganda offer the 5` d`fcX] Vëf] fci d`dYfgcbU` accident]	UFUbX &\$%) fX]ZUW` m` reaching viable scale)
<b>Achieving Scale</b> Ca U` dc ]WVg WUb VY` d`fcU]U VY ]Z` sold in large numbers.	5`j]Ubnc &\$%\$ fWVbc c] mdfj Y]bng ZUj X/ga UfWVfXg UbX` cell phones) @c`nxg &\$% fëchYb]U` Z`f] g]b[ `a cV]Y d] cbYg` A W`cfX &\$%) UfUXa ]b]grfU]j Y`ZUWVbW]g U`_ym consideration) A W`cfX &\$%, fWVbc c] mWUb \Y`d UW]Y] Y`a Ugg]UW]hcbz reduce costs) Ga ]h` YhU` &\$% fW` d]cbY dUra YbhfUbgZ]f]g UY` expensive) Gk ]gg F Y &\$% fWV k ]` \Y`d`cj YfVëa Y`Vëgrg`	< ]b]m &\$% fëfcj ]X` savings component that customers want to [ YbYfU] [ fck h`i` g` a simple distribution system)	6fck b/` 7\i fW]` &\$%\$V` fëf]W] UbX dUra Yb` options can extend outreach) 8f`c/` 5fa g`fcb] &\$%` fW`ghcZ]f]g` f]UbgZ]f]g U` function of scale)	< U]Y` YhU` &\$%\$ fX] Yfg cZ` sustainability and scalability) [weather index] A W`cfX` YhU` &\$%) f]Ua cgh` all MFIs in Uganda offer the 5` d`fcX] Vëf] fci d`dYfgcbU` accident]	UFUbX &\$%) fX]ZUW` m` reaching viable scale)	
<b>Risk Management</b> 5X] YfgY gY` YW]hcbza cfU` \U]UfXZ` Vëj U]U]bh]f]g` Z`UbX` ZUj` X`	7\i fW]` &\$%\$ f]Uj YfgY gY` YW]hcbz ]b]U]X` Vëj U]U]bh]f]g` documentation requirements) 9] f` F ]Y ]Yk &\$%\$ fëc` fU` Y` i` d ]b` a Ubm`A` =d`fc [ f]Ua g`Z` \ ] Y` @U]m &\$%\$ fW] U]U]bh]f]g` UbX` U]Y` YfgY gY` YW]hcbz U]X` Wëg` Ga ]h` YhU` &\$%\$ f]U]U]bh]f]g` Vëj U]U]bh]f]g` Vmrga U` f]g` pools, use waiting period to minimize the problem)	6fck b/` 7\i fW]` &\$%\$V` proof requirements, mandatory policies, and exclusions) F`ch` /` 5h` fYm` &\$%)` f]U]U]bh]f]g` Z`f] g` ]W]Y` ]b` h` Y` U]U]bh]f]g` U]U]Y` ZUj` X` ]g` U` VëbW]f]b` /` Vëj U]U]bh]f]g` b`ch` a concern because policies are so small) 7\i fW]` Z` 7` fY` fë\$` *` f` f]g]W` ggy` techniques to manage adverse selection and fraud)	6fck b/` 7\i fW]` &\$%\$V` f]U]U]bh]f]g` Z`f] g` ]W]Y` ]b` h` Y` U]U]bh]f]g` U]U]Y` ZUj` X` ]g` U` VëbW]f]b` /` Vëj U]U]bh]f]g` b`ch` a concern because policies are so small) 7\i fW]` Z` 7` fY` fë\$` *` f` f]g]W` ggy` techniques to manage adverse selection and fraud)	6fck b/` 7\i fW]` &\$%\$V` fX]Y` W]Y` gZ` W]U]a` g` ]b]g]Y` Wëf]gZ` W]Y` X]h]Y` policies)] property insurance] anti selection)	UFUbX &\$%) fX]ZUW` m` reaching viable scale)	
<b>Transaction Costs</b> HfUX]hcbU` ]b]g] f]UbW` ]b]c` j` Yg` complexity and high transaction costs in delivery and claims administration, but small policies require lower cost administration.	A W`cfX &\$%\$ f]U` : =X]grfV] hcb WUb VY` Vëghr]U` h`ci [ \` Vëgh` data is often not collected and analyzed) @c`nxg &\$%\$ f]U]U]bh]f]g` Vëj U]U]bh]f]g` Vmrga U` f]g` and clients)	6fck b/` 7\i fW]` &\$%\$V` proof requirements, mandatory policies, and exclusions) F`ch` /` 5h` fYm` &\$%)` f]U]U]bh]f]g` Z`f] g` ]W]Y` ]b` h` Y` U]U]bh]f]g` U]U]Y` ZUj` X` ]g` U` VëbW]f]b` /` Vëj U]U]bh]f]g` b`ch` a concern because policies are so small) 7\i fW]` Z` 7` fY` fë\$` *` f` f]g]W` ggy` techniques to manage adverse selection and fraud)	6fck b/` 7\i fW]` &\$%\$V` f]U]U]bh]f]g` Z`f] g` ]W]Y` ]b` h` Y` U]U]bh]f]g` U]U]Y` ZUj` X` ]g` U` VëbW]f]b` /` Vëj U]U]bh]f]g` b`ch` a concern because policies are so small) 7\i fW]` Z` 7` fY` fë\$` *` f` f]g]W` ggy` techniques to manage adverse selection and fraud)	6fck b/` 7\i fW]` &\$%\$V` fX]Y` W]Y` gZ` W]U]a` g` ]b]g]Y` Wëf]gZ` W]Y` X]h]Y` policies)] property insurance] anti selection)	7\i fW]` /` dY`d`Y` fë\$` fci fW` U]Xa ]b]e	





Context Category					
Issues	General	Life	Health	Other	Multiple or Composite
<b>Segmentation</b> A UF_YhgY[a YbhUfcb Wlb YUX' hc:a cFY YZVWj] Y a UF_Yfbb[ UbX' pricing, but can be costly.	<Jbm' &\$\$% fZwWg a JwCJbgi flubW' cb'hY W' cfn' ghUWcj Y' the very bottom) 7 i fWJ' z7' fYX' &\$\$* fA =dfcXi Wg'g\ci X \ Uj Y' UM J]Im to sell to slightly higher income groups as well to support sales to the poor)			<J' / FcV'Yg &\$\$% fgy] YfY' loss and moderate loss products available for each d\Ugy'cZ[ fok Jb[ gYUgcb/ farmers can build their own portfolio][weather index]	; UFubX &\$\$* fG9K 5k Ug' i bgi WwggZ' Jb a UF_Yfbb[ U\ J] \ YfYbX dfcXi W' choice was confusing)
<b>Quality of Data</b> Data on which policies are priced and claims are decided may be incomplete, inaccurate, or costly to collect.	6jYbYf/ '9'Jb[ &\$\$% fA cXY' dfcJ JYg'hY UVJ]Imrte' gnbh'YglnY' many variables in to composite score) ? Uj U_cbxU &\$\$% fJg'g'ImaYg'cZxUu'h.Uhik YfY' UbX'k YfY' not easy to collect for the microinsurance database)			Hazell et al. 2010 fJcZUgri W' fY Zf'XUfU' collection][weather index] A Ubi Ua cfb &\$\$% fK' Y' i developed information management system) [weather index]	
<b>Role of reinsurance and capital needs</b> Reinsurance can be costly and its UWWgg' ja Jh'X'hc \ UhYI fYb'h]g'jh necessary?	6fck b/ / 7 i fWJ' &\$\$% U fY]bgi flubW' W' b'fUWg Wlb UXXfYgg' various issues) @JWm' &\$\$% fB'YVWggJfM' i h' ja Jrg' d'fcU'U'J]Imrte' Gk Jgg' F Y &\$\$% fY]bgi fYg' UbX' Wld'JU' a UF_Yrg' UfY W' WJUE	F c'h Y' '5h' fYm' &\$\$% ) fbc'hb'YXX' V'W'W' gY' MI portfolio is too small to present systemic fig_t		Hazell et al. 2010 fY]bgi flubW' a UF_Yrg' UfY' W' WJUE' h' W' fY b'hm' f'Jb/ ch' Yf' UbubWU' d'fcXi Wg' Wlb' g'd'fY UX' Wj' UfJUY' f'g' V' h' have high transaction costs) [weather index] A W'c'fX' YhU' &\$\$% fbc'h used because sums are small, but this may change) [group personal accident]	7 i fWJ' / 'DYd' Yf' &\$\$% ) fbc'h' gYX' bck' V' h' f'Jg' k' J' U' m' W' U' b' [ YL' 8 f'c' / '5fa' g'f'c' b' j' &\$\$% fY]bgi flubW' Jg' cheaper than capital cUX]b[ / d'ch' b'qU' f'c' Y' Z'f' governments) ; UFubX &\$\$% fK]Xb'W' have enough to cope with YUf'k' ei U_YL'
<b>Silo</b> How do insurers distinguish lines of business for purposes of operations UbX' fYW'fX'_YYd]b[ 3	@JWm' &\$\$% fA =dfcXi Wg' UfY U' a UbU] YX' Vm' XJZ' fYb'h business units)	A Ub' Y' &\$\$% fA UX]g'cb' Xc'Yg' b'c'f'_YYd' separate data for microinsurance) F c'h / '5h' fYm' &\$\$% ) fB'f'5' Xc'Yg' b'c'h'_YYd' line of business data)		A W'c'fX' YhU' &\$\$% fbc'h' flUW' YX' gYd' UfY' m'f'ca' other accident lines)[group personal accident]	; UFubX &\$\$% fG9K 5' products are integrated)
<b>Voluntary vs. Compulsory</b> K \ UhUfY' h' Y' fY' Ufj' Y' W' b' U' g' 3	6fck b/ / 7 i fWJ' &\$\$% V' W' ta di ' g'c'f'm' f'c' X' i Wg' J' c' J' X' adverse selection problems) @JWm' &\$\$% fJ' c' i b'U'f'm' f'c' X' i Wg' J' c' J' X' \ Yf' W' U' J' a' g' W' g' r' Y' U' g' Y' f'c' U' W' J' Y' g' W' U' Y' UbX' d'fc' U' h' U' J' ]m' k' J' h' W' ta di ' g'c'f'm' products) A W' c'fX' &\$\$% fK]Z' W' h' i'c' i' g' Y' A' : g' U' g' J' b' Y' f' a' Y' X' J' U' J' Y' g' k' J' h' voluntary products) K J' c' Z' / ; UFubX &\$\$% fW' ta di ' g'c'f'm' g' b' Y' Y' X' X' h' c' : U' j' c' J' X' U' X' Y' f' g' Y' selection)	A Ub' Y' &\$\$% fW' X' J' H' J' Z' J' J' W' ta di ' g'c'f'm' Z' b' Y' f' U' J' g' j' c' i b'U'f'm' i' h' i' d'fU_Y' is low)		; Jb'f' YhU' &\$\$% fJ' Y' f'm' 'ck' i' d'fU_Y' c' Z' c' i' b'U'f'm' government product) [weather index] A W'c'fX' YhU' &\$\$% ) fA UF_Y' f' b' [ J' g' b' W' W' g' g' J' f'm' even with compulsory products)[group personal accident]	A W'c'fX' YhU' &\$\$% fW' Y' [ Ub' as compulsory, switched to voluntary because of client dissatisfaction)

Context Category					
Issues	General	Life	Health	Other	Multiple or Composite
<p><b>Donor and Government Funding</b>                      How long will donor subsidies be required, and what tradeoffs are required to meet donor expectations? How best to integrate with government programs?</p>	<p>6fck b/ ' A W'cfX' &amp;\$&amp;\$ ffc'Y cZXbcfcgk                      @JWm&amp;\$&amp;\$ fY' lUbW' cb Xcbcf'Z bXl'bl' Wb' VY' XUb [ Yfci gk                      A W'cfX' &amp;\$&amp;\$) Uf'fb] Yg'fcfg' \Uj Yj Uf'fci g' cd'f'cbg' Z'f                      involvement in MI)                      A W'cfX' &amp;\$&amp;\$, ' f'Kbcfcg' Wb' V'f'fb] ' d'Uff'f'g'fc' [ Yh' Yf'Z'Z'W'j'huY'                      di V'j'W'f'f] UY' d'Uff'f'Yfg' j'ggk                      Gk lgg' F'Y' &amp;\$&amp;\$ f'W'a a Y'f'WU' j'bg' f'UbW' a Um'och'VY' j' JUV'Y' Z'f                      the poorest, and government can play a role)</p>			<p>; j'bf' Y'hU'"" &amp;\$&amp;\$' f'                      f'f' c'j' Y'fba Ybhg' \ci' X' j'bj' Y'gh                      in more rainfall gauges)                      [weather index]                      &lt;U'hY'"" Y'hU'"" &amp;\$&amp;\$' f'Kbcfcfg'                      and governments can play a                      fc-Y' j'bg' W'j'fb] [ 'i' d'/dfcg' UbX'                      cons of subsidies][weather                      index]                      A W'cfX' Y'hU'"" &amp;\$&amp;\$) f'bc'                      external subsidies since the                      dfc'Xi' W'f'f'j'p'W'd'f'c'bc'f'Q' f'ci' d'                      personal accident]</p>	<p>McCord et al. 2001                      f'a Ya V'f'fg' dUm) \$i' 'cZ'h' Y'                      cost of coverage, the rest                      is covered by government                      and donor money)</p>

# Appendix 2: Research on the Business Case for Microinsurance – Annotated List of Initial Sources

%"5\i UZF "Z/ ; i \U!?\UgbcV]gž6" f&\$\$) L" A ]Wc!;bgi fUbW ]b' bX]U. fYbXg'UbX'ghfUHY [ ]Yg' Zcf'Z fH'Yf'YI H'Ybg]cbžK cf\_]b[ 'DUdYf' Bc""%\* &" BYk '8Y\ ]ž' bX]U. bX]Ub'7ci bW' Zcf'FYgYUfW' cb' bH'fbU]cbU'9VtbcA ]WfY'U]cbg"

i ' ?YmK cfXg. bX]UžfY[i 'U]cbžgi dd'mUbX' demand, product issues, distribution issues, composite products

i ' DfcXi Vh'j Uf]ci g

i ' 5VghfUvH' Ĩ H.]g'dUdYf' dfcj ]XYg'Ub'cj Yfj ]Yk' of the prospects of microinsurance in India, and suggests strategies for its further

YI H'Ybg]cb""5bU'm]b[ 'H'Y YUf'mYj ]XYbW'cb' microinsurance, the paper also highlights the current initiatives being contemplated

hc'ghfYb[ 'H'Yb'a ]Wc.]bgi fUbW' UvH'j ]m]b' H'Y' Vt'i bH'm'H'Y'Ui h'cf'g'gh' X'm'H'Y'XYj Y'cda Yb]g' on the supply side of micro insurance and

cVgYfj Y'h.UhcZ'h'Y', \$' ]ghYX' ]bgi fUbW' dfcXi Vtž'() Vtž' Yf'cb'mU'g]b[ 'Y'f]g' "Df]U' UY' insurance companies have more products

h'Ub'di V' ]Wt'a dUb]Yg' H'Y'Uj U]UV'Y' dfcXi Vtž' Vtž' Yf'U'k ]XY'fUb[ 'Y'cZf]g'g'UbX'a cghcZ'h'Y' health insurance products exclude pregnancy

fY'UHYX' ]'bYggž'YH'V'H'Y'Ui h'cf'g'UggYgg'H'Y' developments on the demand side of micro

]bgi fUbW' UbX'cVgYfj Y'h.Uh) %gW'Ya Yg'UfY' listed, with almost all being in the nascent

stages. Nearly all insurance schemes are ]b\_YX'k ]h' 'a ]Wc'Ub'UbW'U'gYfj ]Wg' "@Z' UbX' \YU'h' UfY'k'c'a cghdcdi 'Uf'f]g'g'Zcf'k' \]M' ]bgi fUbW' ]g'XYa UbXYX' H'Y' dUdYf' dfcj ]XYg' insights on the concept note of Insurance

FY[i 'Uhc'fm'UbX'8Yj Y'cda Ybh'5i h'cf]m'f# 85L' cb'a ]Wc!]bgi fUbW' "h'XYH] ]g' # 85]g' d'Ubg' of introducing supplementary provisions to

dfca chY' ]hg' ]bH'fa YX]UHY' a cXY' "i' f6Y[ i a ž 2007)

&"5" ]Ubn; fci d" f&\$\$%\$E" @YUfb]b[ 'hc' ]bgi fY' h'Y' dccf. A ]Wc.]bgi fUbW' fYdcfh'

i ' ?YmK cfXg. X]ghf]Vi h]cbžH'VW'bc'c[ nāUW' ]Yj ]b[ scale, product issues, understanding of

]bgi fUbW'ždfc'U'U'V'] ]m

i ' DfcXi Vh'j Uf]ci g

i ' 5VghfUvH' Ĩ H.]g' fYdcfh'XfUk g'Z'ca 'W'gY' gh' X]Yg' cZYI ]gh]b[ '5' ]Ubn'a ]Wc.]bgi fUbW' dfcXi Vtž' UbX' YI dYfhg' ]b' H'Y' UY'X' hc' YI Ua ]bY' dfcXi Vtž' Zcf'ck !]bVt'a Y' dYcd'Y' UbX' \ck' hc' UW' ]Yj Y'

gW'Y' UbX' dfc'U'U'V'] ]m' 'Cb' mU'ga U' d'fcdcfh]cb' cZ'h'Y' dch'Ybh]U' a Uf\_YhZcf'a ]Wc.]bgi fUbW' has been tapped, and microinsurance can

cb'm'VY' dfc'U'U'V'Y' ]Z' Uf[ 'Y'bi a VYfg'cZdc' ]WYg' UfY'gc'X' "DfcXi Vtž' UbX' dfc'W'ggYg'a i ghVY' gh'UbX'UfX']nYX' UbX' YZU'W'bh]b' c'fXYf'hc' \_YYd' costs low, and a variety of delivery channels

should be utilized to create a solid customer portfolio.

' ""6Y[ i a žG" f&\$\$+L' 5bbch'UHYX' V]V']c[ fUd\m' gYf]Yg' GYf]Yg'bc") . A ]Wc.]bgi fUbW' "h'gh]h' H'Y'cZ' A ]Wc'Ub'UbW'"

i ' ?YmK cfXg. V]V']c[ fUd\m

i ' DfcXi Vh'j Uf]ci g

i ' 5VghfUvH' Ĩ H.]g' Ubbch'UHYX' V]V']c[ fUd\m' Vt'bh]b]bg' short descriptions of documents relating to a wide variety of microinsurance topics.

( ""6Ygh'fž' <"ž7\Ua VYf'U]bž8"ž' ' <ci [ UUFXž7" f&\$\$- L' A U\_]b[ ]bgi fUbW' a Uf\_Yhg'k cf\_ 'Zcf' h'Y'dccf. A ]Wc.]bgi fUbW' dc' ]Wt'fY[ i 'U]cbž' UbX'gi dYfj ]g]cb""7; 5D'K cf\_]b[ ; fci d'cb' Microinsurance.

i ' ?YmK cfXg. fY[ i 'U]cbžX]ghf]Vi h]cbžVt'a dcg]H'Y' products, role of government

i ' DfcXi Vh'j Uf]ci g

i ' 5VghfUvH' Ĩ H.]g' XcW'a YbhdfYgYb]g'h'Y' gn'bh'Yg]g'cZ'Uj Y' Vt'i bH'm'W'UgY' gh' X]Yg'cb' the role of regulation in the development

cZa ]Wc.]bgi fUbW' a Uf\_Yhg' H'Y'c'V'Y'V'W'j Yg' of this project were to map the experience

]b'U'g'Ua d'Y'cZ'Uj Y'XYj Y'cd]b[ 'Vt'i bH'f]Yg' fV'c'a V]Už' bX]Už'h'Y' D\']dd]bYgž'Gci h' '5Z' ]W' and Uganda) where microinsurance products

\Uj Y'Yj c'j YX' UbX'hc' Vt'bg]XYf' h'Y' ]b'U' YbW' that policy, regulation and supervision have

\UX'cb' h'Y'XYj Y'cda Ybh'cZ'h'Yg' a Uf\_Yhg' H.]g' Yj ]XYbW'k Ug'i gYX'hc' YI hfUvH'Vt'cg] Vt'i bH'm'Ygg'cbg'h'Uhg'YY' \_hc'cZ'Yf' [ i ]XUbW' hc' dc' ]Wt'a U\_Yfgž'fY[ i 'Uhc'fg'UbX'gi dYfj ]g'cf'g'k \c' UfY'cc\_]b[ 'hc'gi ddcfh'h'Y'XYj Y'cda Ybh'cZ' microinsurance in their jurisdiction. It must be

Ya d\Ug]nYX' h'U'h'Yg'Y' UbX]b[ g'Xc' bchdfcj ]XY' an easy recipe for developing microinsurance

Vi h'cb'm]XYbh]Z'ng'ca Y'cZ'h'Y' \_Ym]ggj Yg'h'U' h' bYYX'hc' VY' Vt'bg]XYfYX' "b' ZU'Vt'h'Y' UbX]b[ g' emphasize the need for a comprehensive

approach that is informed by, and tailored



to, domestic conditions and adjusted continuously as the environment evolves." f6YghYfYhU"ž&\$\$- žUVghfUvMk

) "6]YbYfz7"ž/ '9]b[ žA "f&\$\$- E" HAY' dYfZcfa UbW'cZa ]Mfc]bgi fUbW'dfc[ fUa g. '5' Zcbh]Yf'YZUMYbWfUbuU'ng]g"i b]j Yfg]mrcZI `a ž Institute of Insurance Science. i ' ?YniK cfXg. Xi U' Vchrc " ]bYžei U]mrcZXUHU i ' DfcXi Vh j Uf]ci g i ' 5VghfUvMh' H.]g'gri Xm]g'hY' Ufghrc' Udd'mh.Y' ghUhg]W' h'VWb]ei Y'cZ'Zcbh]Yf'YZUMYbWfUbuU'ng]g analysis to measure the performance of a ]Mfc]bgi fUbW'dfc[ fUa g" HAY'Ui h'c'fg' of the study use detailed data of 21 microinsurance programs provided by the DYfZcfa UbW' bX]WUhc'fg'K cf\_]b[ ; fci d'cZ hY'A ]Mfc]bgi fUbW'BYtk cf\_" "I b]\_Y'chYf' ghUhg]W' a cXY'gž Zcbh]Yf'YZUMYbWfUbuU'ng]g incorporates social output indicators into hY'a cXY' Ucb[ 'k ]h' UbUvU' ]bX]WUhc'fg'" ži is particularly advantageous in its ability to summarize performance in a single statistic hUhVt'bfrc'g'Zcf'X]ZZYfYbWg'Ua cb[ 'Ufa g' i g]b[ 'Ua i 'h]X]a Ybg]cbU' ZUa Yk cf\_" "HAY'f' UbX]b[ g] ]bX]WUhc'fg' h'Uh'h'YfY' ]g]g] b]UvU'bh improvement potential in terms of productivity UbX'YZUMYbWfUbuU'ng]g'Za Ubm'dfc[ fUa g" HAY'i h] ]m of such a model is important since the sustainability of microinsurance programs depends upon commercial investment and professional management to replace donors and government subsidies.

\* "6fck bžH'f&\$\$žCvM'cVYf'ž" A ]Mfc]bgi fUbWV. Little by little. *The Actuary.* i ' ?YniK cfXg. UvM]Yj ]b[ 'gWYždfcUHU] ]m i ' DfcXi Vh j Uf]ci g i ' 5VghfUvMh' H.]g'Ufh]WV' ]g'Ub' ]bYfj ]Yk 'k ]h' actuarial associate Lisa Morgan of Milliman, bVžcbY'cZ hY'k cf'X]g' Uf[ Ygh]bXYdYbXYbh UvMh Uf]U' UbX'Vt'bg] 'h]b[ 'Ufa gžcb'hY' Ya Yf[ YbW'cZa ]Mfc]bgi fUbW'UbX' ]rg'VYbYUrg' for developing countries. Morgan argues that while microinsurance can protect the dccf]b'XYj Y'cd]b[ 'Vt'i bh]Yg'Zca 'UbUvU' ruin, it can also be an opportunity for Vt'a a YfVU' ]bgi fYfg'hc'Yi dUbX'hY]f'a Uf\_Yrg' UbX'X]j Yfg]Zngci fWg'cZdfcUhg' b'cfXYf' hc'VY' dfcUHU'Yž'a ]Mfc]bgi fUbW'Vi g]bYgg' models should be comparable to that of fYHU' ] [ ]UbhK U'A Ufh]g' i'ck !a Uf[ ]b#A] [ \! j c'i a YI' gVX'Ya Y" "6YVU'i gY'cZ h.]g'ck !a Uf[ ]b

\] [ \]j c'i a Y'ghfUHY [ nžg'Y'Ya d\Ug]hYg'hUh df]V]b[ 'a i ghVY' Ug'UvW'fUHY' Ug'dcgg]V'Y" '5g' long as growth in revenues, i.e. premiums, is greater than growth in incremental costs fUbX'WU]a g'dU]X]ž'a ]Mfc]bgi fUbW'VWb' dfcUhg ]U'gW'Uv] ]m' DfcUHU] ]mXYdYbXg' further on type of products, delivery and distribution mechanisms, pricing, and disaggregation of costs from micro vs. macro dc' ]WYg" HAY'Ui h'c'f'fYzYfYbWg'hY' WUgYg' cZ5= 'I [ UbXU'UbX'A UX]gcb' bgi fUbW' in Zambia as evidence of successful vs. unsuccessful programs, respectively, in terms cZdfcUHU] ]m

+ "6fck bžK "f&\$\$ž" A ]Mfc]bgi fUbW' HAY'F ]g'gž DYf]g'UbX' Cddcfh] b]h]Yg" *Small Enterprise Development, 12ž%ž&("* i ' ?YniK cfXg. X]gh]Vi h]cbždfcXi Vh]ggi Yg i ' DfcXi Vh j Uf]ci g i ' 5VghfUvMh' i HAY'Ufh]WV' Uf[ i Yg'hUh vulnerability does not translate directly into XYa UbX'Zcf'a ]Mfc]bgi fUbW'UbX'A : g'Uv' hY' g\_]`g'UbX'fYgci fWg'hc'XYj Y'cd'cf'a UbU[ Y'U' Vi h'hY'a cghVUg]VdfcXi Vt'g" HAY'Ufh]WV' Ug'g' whether clients are interested in reducing j i 'bYfUv] ]m'hc' f]g' h'fci [ \ ]bgi fUbW'cf'chYf' means and about their willingness to pay. It XYUbYg'df]bV]d'Yg'cZk \UhVWb'UbX'Wbbch be insured, indicating areas of concern such as inadequate numbers of policyholders, gdYVUvU]h]cb'cZf]g'gžVt'j Uf]UbhUbX'c'WU' ]nYX' f]g'gžVt'bfrc'g'cb'a cfU' \UnUfXžVU'UbV]b[ ' f]g'g'UbX'Vt'bfrc'g'hc' dfYj YbhUXj YfgY' gY'YV]cb" HAY'Ufh]WV' Z'W'gYg'cb' dchYbh]U'cZ partnerships with larger insurance providers and offers a review of micro insurance Vt'a dcbYbh]g'Zcf'fYj ]Yk'gi V'Ug' df]V]b[ 'UbX' UvMh Uf]U' UbU'ng]gž'a Uf\_Yh]b[ ži bXYfk f]h]b[ ž investment management and claims a UbU[ Ya YbhYf[ i 'Uhc'fmVt'a d']UbW" H.]g' article concludes that if an MFI is to develop an insurance product, it is best to start with a very limited product, developed and managed in partnership with an established insurer. Cj Yf'h]a Y h'Yma UmVt'bg]XYf'U ]b[ 'hY' dfcXi Vh]b[ \ci gY" i' f6Y[ i a ž&\$\$+ž

, "6fck bžK "ž/ '7\i fVX'ž7" f&\$\$žU' Dfcj ]X]b[ ]bgi fUbW'hc'ck !]bVt'a Y'ci gY'c'Xg. Dufh% '5' primer on insurance principles and products. 6Yh'YgXUžA 8. 'I G5-8' A ]Mfc]YbhYdf]gY' '6Ygh DfUvM]Wg'Dfc'YVh'



?YmK cfXg. fY[i 'Uh]cbžX]grf]Vi h]cbžUW]Y] ]b[ scale, composite products, reinsurance

DfcXi Vh j Uf]ci g

5VgrfUW Ĩ H.]g'dUdYf\Ug'VYYb'k f]Hh'b' primarily for managers and directors of a ]Wc'UbUW ]bgh]h h]cbg'h UhY]h Yf'cZyf' insurance or plan to develop an insurance dfcXi VhZf'ck!]bVta Y\ci gY\c'Xg" ĩ sees that the provision of insurance might VYUHY' U'k ]b]k ]b]g]h Uh]cb'k \YfY V]Ybhg' experience a reduction in vulnerability to f]g\_' ĩbgi fUbW ]g'U'dfca ]g]b[ 'fYgdcbgY' h' f]g\_g'k \]W V]i gY'cgYg'h UhUfY' VYncb'X'h Y' a YUbg'cZ'h Y'dccfYghU'X'dcc'g'h Y'f]g\_g' ZUWX'Vm'ck!]bVta Y\ci gY\c'Xg" ĩ h'Y'Xf]j Y' Zcf'gi g]U]bU]']m'cf'dfcU'U]']m'Z A : ĩg'UfY' X]j Yfg]Z]b[ 'h'Yf'']bYg'cZ'UbU'W]U' dfcXi V]g' and insurance has the potential to improve dfcU'U]']m'VmfYXi V]b[ 'cUb'cgYg'UbX' replacing clients' need to draw down savings Zcf'Ya Yf[ YbV]Yg' A : ĩg'V]b'VYbY'U'hZca 'Ub' UXX]h]cbU' gci fW'cZ'W]d]h'U' Zcf''YbX]b[ 'cf'ZY! based income as agents. However there are cVg]UW]g' h'g'Yf] ]b[ 'h'Y'ck!]bVta Y'a Uf\_Yh' that require innovations in product design, XY'j Yfma YW]Ub]ga gž'UbX'a Uf\_Yh]b[ "'h'Y' document offers six components towards an analysis of microinsurance. It concludes with h'fY'dc]bhg'h UhWUf]Z]h'Y' ]bgi fUbW'U'Y'X'' ĩbgi fUbW' ]b]c'j Yg'dcc' ]b[ 'f]g\_'c'j Yf'U'bi a VYf' cZdUf]V]dU'bh[ fci dg'UbX' ]h]g'b'cž' ]Y'Xck fm and marriage 'insurance', a savings product. It may be secondary to saving enough money h' d'fchV]hZca 'YVt'bc]a ]Wg'c'W]g'UbX' ]g'a cgh' appropriate for uncertain and expensive losses. Insurance products range from fairly straightforward to very complex and should ]b]c'j Y'Yl dYf]g' ĩ' f]bY[i a 'ž&\$\$+Ł

- "6fck bžK "ž/ '7\i fW]ž'7" f&\$\$S\$VŁ' ĩbgi fUbW' dfcj ]g]cb' h'ck!]bVta Y'Vta a i b]h]Yg. 'DUfhi ĩ' b]h]U' 'Yggcbg'Zca 'a ]Wc!]bgi fUbW' Yl dYf]a Ybhg'Zcf'h'Y'dccf''6Yh'YgXUžA 8. 'I G5-8' A ]Wc'Ybh'Ydf]gY'6Ygh'DfUW]V]g'Dfc'YV'

?YmK cfXg. fY[i 'Uh]cbžX]grf]Vi h]cbžUW]Y] ]b[ gW]Yžf]g\_' a UbU[ Ya Yb]ž'dfcXi Vh]ggj Ygž' understanding of insurance, trust and service, dfcU'U]']m'Z Vi g]bYgg'a cXY'gž'j c'i b]Uf]m'j g'' compulsory

DfcXi Vh ]Zž\YU'hž'UbX'dfcdYf]m'fX]gW'ggYX' separately)

5VgrfUW Ĩ H.]g'dUdYf' ]g'k f]Hh'b'df]a Uf]m'Zcf' managers and directors of MFIs that offer or

plan to develop microinsurance products. It analyzes current practices in relation to the d]b]b]V]d'Yg' ]XYbh]U'YX' ]b'6fck b/ '7\i fW]ž' f&\$\$S\$UŁ' ]b]c'j YX' ]b'cZyf]b[ ' ]bgi fUbW' h' h'Y' 'ck!]bVta Y'a Uf\_Yh' 'I g]b[ 'Yj ]XYbW'Zca ' ' & MFIs, cooperatives, private companies, and other organizations with insurance products, this report documents the current state of a ]Wc' ]bgi fUbW' UbX' ]XYbh]U'Yg' Ya Yf[ ]b[ ' 'Yggcbg'' h'Y' dUdYf'XYgW]V]Yg' ]Zž\YU'hž' and property insurance, and discusses ]ggj Yg'gdYV]U'W' h'c' YUW' cZ'h YgY'' ĩh'Yb' Vt]j Yfg'h'Y'Zci f\_Ym]ggj Yg'cZyf[ i 'Uh]cb!' reinsurance, investment management, and ]b]U'Uh]cb!' h'Uh'UZZ'V]h'U' 'h'adYg'cZ']bgi fUbW'' h'Y' dUdYf'Vt'bw' XYg'V]m'gi a a Uf]n]b[ 'h'Y' lessons learned and obstacles faced by microinsurance providers.

%\$'' 6fck bžK "ž; fYYbž'7"ž/ '@bXe] ]g]ž; "' f&\$\$S\$Ł'5'W]i h]cbUf]m'bc'h'Zcf'a ]Wc'UbUW' institutions and donors considering developing a ]Wc' ]bgi fUbW' dfcXi V]g' '6Yh'YgXUžA 8. 'I G5-8' A ]Wc'Ybh'Ydf]gY'6Ygh'DfUW]V]g'Dfc'YV'

?YmK cfXg. X]grf]Vi h]cb' ]ggj Ygž'Vi g]bYgg' model

DfcXi Vh j Uf]ci g

5VgrfUW Ĩ H'Y' dUdYf' g]U'Yg' h' Uhid'fch'V]b[ ' d'ccf'V]Ybhg'Zca 'f]g\_gž'fYXi V]b[ 'a ]Wc' UbUW' ]bgh]h' h]cbg'fA : ĩg'c'Ub'XYZ]i 'h'gž'UbX'YUfb]b[ ' additional income for MFIs loan portfolio are gca Y'cZ'h'Y' fYUgcbg'Zcf'h'Y'U'cc'X'cZ]b]h]U'h] Yg' by MFIs to develop insurance products f]a ]Wc' ]bgi fUbW'ŁZcf'h'Y'ck!]bVta Y'a Uf\_Yh' It highlights the reasons why most MFIs should not provide insurance themselves UbX' ]XYbh]U'Yg'U'h'fbU'h] Yg'h'Uh'UfY' a c'fY' appropriate for MFIs, but still addresses V]Ybhg'Nb'YX'Zcf']a d'fcj YX'f]g\_' a UbU[ Ya Ybh' ĩh'X]gW'ggYg'h'Y' d'ch'Ybh]U' a Uf\_Yh'Zcf'a ]Wc' insurance, how to respond to client demand through partnership, and insurer capabilities. It concludes that although the poor are \] [ \m] i 'bYfUV'Y' h'c'U'j Uf]Y'h'c'Zf]g\_gž'h]g' vulnerability does not necessarily translate into a demand or need for insurance. It also Vt'bw' XYg'h'Uh] Ugh'a U'cf]m'cZA : ĩg'UW' the expertise required to price products effectively, do not have the resources to support an insurance product, and are too ga U'' h'c'UW]Yj Y'gi ZUW]Ybh'dcc' ]b[ 'cZf]g\_' ĩ' f]bY[i a 'ž&\$\$+Ł



Microinsurance is distinct from traditional insurance. Commercial insurers have many advantages over specialized agencies such as licenses, capital, and management expertise to handle a large portfolio of small value of microinsurance and gaining their trust and loyalty, commercial insurers can reach into consumers with higher income and thus greater demand for more sophisticated products generating higher commissions.

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than the staff to ensure large management  
 Vi nci h]b hAY gUy dfcWgg"HI K 'G?C?  
 products are very simple in design and hence  
 YUgnhc UXa ]b]ghf" 5'a cghU"HI K 'G?C?  
 products have monthly payment alternative to  
 facilitate affordability. Credit union partnership  
 ensures that premium collection is simple and  
 ]g'XcbY Vm'hAY VYX]hi b]cb"HI K 'G?C? \Ug'Ub  
 innovative saving completion product that is a  
 contractual savings product with the insurance  
 being provided between the goal of saving and  
 what has actually been saved in case of death  
 cf'X]gUV] ]m' f6Y[ i a ž&\$\$+Ł

%) "8YfVbžG"ž? ]fVYbVYf[ Yfz'A "ž; i bb]b[ ž>"  
 K "ž/ 'D'UHYUi ž>'!D'f&\$\$, 'l'@]fYUhi fY'fYj ]Yk 'cb'  
 a ]Mfc]bgi fUbW. 'A ]Mfc]bgi fUbW dUdYf'bc""%"  
 International Labour Organisation  
 i ' ?YmK cfXg. "]fYUhi fY'fYj ]Yk  
 i ' DfcXi Vh' b#U  
 i ' 5VghfUMh 'H.]g'dUdYf'dfcj ]XyG'Ub'cj Yfj ]Yk  
 of the current state of research on  
 microinsurance divided into four different  
 dUfhgžYUW 'cZk \]M' fYZfYbWg'k cf\_ 'fY'Yj Ubh  
 hc'X]ZZfYbhghU\_Y'c'XYfg""HAY 'UfghidUfhXYU'g'  
 k ]h 'hY""b\_ 'VYh'Yb'f]g\_ 'UbX'dcj Yf'm'hAY'  
 second on evaluating the impact of insurance  
 cb'kY'ZUfY'ci h'Vta Yg/hAY'h.]fX'cb'XYa UbX'Zc'  
 ]bgi fUbW/UbX'hAY'Zci fh' dUfhdfYgYbhg'gi dd'm  
 g]XY'VU'Yb[ Yg""HAY'Zci fh' dUfh]g'dUfh]W'Uf'm  
 informative to commercial investors who  
 gYY\_ 'hc'XYh'fa ]bY'hAY'dch'bh]U'Zc'dfc'Uhi  
 ]b'a ]Mfc]bgi fUbW""H.]g'gYV]cb'\][ \ ]h'  
 h'c'\_Ymgi dd'mg]XY ]ggi Yg'XYj Y'cd]b[ 'UbX'  
 pricing microinsurance products and the  
 relevant institutional models and delivery  
 channels. Conclusions based on the reported  
 fYgYUfV'gi [ [ Ygh'h.Uhbc'a cXY' ]g'XY'Ub]h]j Y'm  
 superior in terms of delivery and that more  
 research is needed in this area as well as in  
 hAY'UFYU'cZa Uf\_Y]b[ žgUYg'UbX' ]bWbh]j Yg'  
 for agents. Less tentative is the notion that  
 above all else, trust and customer retention  
 UfY'hAY'\_Ym'Ya Ybhg'hc'hAY'gi ghU]bUV] ]m'cZ  
 microinsurance programs.

%\* ""8fcž8""A "ž/ '5fa ghfcb[ ž>'f&\$\$\* 'L""8c'  
 Micro Health Insurance Units Need Capital or  
 FY]bgi fUbW'3'5'G]a i 'UHYX'9l YfV]gY'hc'9l Ua ]bY'  
 8]ZZfYbh5'hYfbU'h]j Yg""The Geneva Papers, 31,  
 '+ ' -!+\*%"  
 i ' ?YmK cfXg. 'UM]Yj ]b[ 'gW]YžfY]bgi fUbWž  
 government funding

i ' DfcXi Vh' \YU'h 'a ]Mfc]bgi fUbW  
 i ' 5VghfUMh 'HAY'di fdcgY'cZ'h.]g'Ufh]WV' ]g'hc'  
 provide a technical discussion of capital  
 'cUX]b[ 'h.Uh]Mfc' \YU'h ]bgi fUbW i b]h]g'V  
 fA + g'Ła i gh'UXX'hc'hAY'dfYa ]i a 'hc'a U]b]U]b'  
 'UbUbV]U'gi ghU]bUV] ]m'A + g'cZyf'VYbYUhi  
 dUW]U] Yg'UbX'fYei ]fY'dfYdUna Ybž'h.Uh]gž  
 h.Ym'VYUHY'U'fi X]a Yb]Uf'mVta a i b] ]m'VUgYX'  
 \YU'h ]bgi fUbW'Zc'dccf'dYcd'Y ]b'ck!  
 ]bVta Y'Vzi bhf]Yg'"K Y Vfc'\_Y' i d'hAY'&\$\$%XUHU'  
 set of a health insurer containing upward of  
 %"" 'a ]' ]cb ]bgi fYX ]bhc' ) ) ]fhi U' 'A + g'V  
 UbX'fi bb]b[ '%ž\$) ] ]fYU]cbgžk Y [ chU'XUHU'  
 n]Y'X'cZ) ' +ž' +) ] ]fhi U' 'A + g'"7Ud]HU' 'cUX]b[ '  
 levels increased steeply with decreasing  
 [ fci d'g]nY'UbX'\] [ \Yf'Vtb'UXYbW' 'Yj Y'g""HAY'  
 impact of group size remains strong even with  
 [ fci dg'cZ&) ž\$ž\$'d'i gž'UbX' ]g'ghfcb[ Yf'h.Ub'  
 hAY' ]a dUM'cZ'WUb[ Yg' ]b' Vtb'UXYbW' 'Yj Y'g""  
 K Y'X' ]gW'gg'cdh]cbg'hc' Vt'ffYV]g]nY'fY'UHY'X'  
 premium bias through government subsidies,  
 and conclude that reinsurance is cheaper than  
 capital loading and a preferable solution for  
 governments compared to other alternatives."  
 fBfcf/ '5fa ghfcb[ ž&\$\$\* žUVghfUMh

%+ "9i fcdYUb'6i g]bYgg'fYj ]Yk ""f&\$\$%\$'L"  
 Micro insurance: A safety net with too  
 many holes? FYh]Yj YX'Zca '\hd.##k k k "  
 Yi fcdYUbVi g]bYgg'fYj ]Yk "Vta #3d1%&, ("'  
 i ' ?YmK cfXg. fY[ i 'U]cbž'UM]Yj ]b[ 'gW]Yžf]g\_ '  
 management, product issues  
 i ' DfcXi Vh' j U]ci g  
 i ' 5VghfUMh 'H.]g'Ufh]W'ci h]bYg'hAY'grfi [ [ 'Yg'  
 microinsurance has faced, and highlights  
 lessons from micro lending that may address  
 these problems. It describes the importance  
 cZUM]Yj ]b[ 'gW]Yžk ]bb]b[ 'W'grca Yfg'Vh'f' ghž  
 tailoring products, and educating potential  
 customers, citing examples from existing  
 microinsurance schemes.

% ""; UfUbXž8""f&\$\$) 'L" ]a cG9K 5ž'ŁX]U. '7; 5D'  
 K cf\_]b[ ; fci d'cb'A ]Mfc]bgi fUbW.; ccX'UbX'  
 VUX'dfUM]W'g'cb'a ]Mfc]bgi fUbW. '7UgY'gh' X'm  
 bc""%\* ""; YbYj UžGk ]mYf'UbX. 'C' GcV]U. : ]bUbW'  
 Dfc[ fUa a Y"  
 i ' ?YmK cfXg. 'ŁX]Už'UM]Yj ]b[ 'gW]Yžf]g\_ '  
 management, silo  
 i ' DfcXi Vh' "]Zž'UM]YjYbž' \YU'h 'UbX'UggYh  
 ]bgi fUbW'dfcj ]XYX'hc'G9K 5'a Ya VYfg  
 i ' 5VghfUMh 'H.]g'W]gY'gh' X'mž'W'gYg'cb'hAY'  
 Yj c'i h]cb'cZ] ]a cG9K 5ž'Ub ]bgi fUbW'dfc[ fUa



XYj Y'cdYX VmG9K 5ž-əX]Uždfcj ]X]b[ 'U' j c'i bHufm]bH[ fUHYX ]bgi fUbW' dfcXi Vm' HAY' dUdYf' ghUHYg'h UhJ]a cG9K 5' ]g'cdYb'hc' U' members, whether or not they have a loan and provides life, accident, health and asset ]bgi fUbW' HAY' dUdYf' U'gc' dc]bHg'hc' HAY' important evolutions of understanding within J]a cG9K 5'": cf'YI Ua d'YžfYU']nU]cb'cZ'HY' f]g' cZ]bgi fUbW' UbX' HAY' bYYX'hc' d'fcHYV' HAY' gV'Ya Y'Z'ca 'a U'cf'V'U'U'gh'fcd\ ]Wj Ybhg/ necessity of developing a good management ]bZ'fa U]cb'gng]Ya /]a dcf'fUbW' cZ'HY' Vi g]bYgg'hc' gYhV'U]hV' VYbV'a Uf\_g/bYYX' to cultivate experienced microinsurance dYfgcbbY'žUbX'YZ'U'V'V'cZ'HY' Ugg]gh'UbW' of an external actuarial and management consultant that helped the team to recognize d'fcV'Ya g/UbX'hc' fYU']nY' h'Uhgc' i' h]cbg' \UX' hc' V'ca Y'Z'ca 'k ]h.]b' h'Y'cf[ Ub]nU]cb'" HAY' facts that product development must always consider the ability of members to pay for VYbYU'ng'UbX' h'Uh'cV'U]b]b[ 'U' \] \ fYbYk U' fUHY' a ][\ hVY X]Z'U' h'VYV'i gY'cZ'HY' k ]XY'mi X]gdYfgYX' a Ya VYfg\ ]d'" HAY' dUdYf' V'ebW' XYg' that creditor insurance remains the easiest type of microinsurance to implement. However, it is not effective in covering the VUg]VbYYXg'cZ'HY' c'k !]bV'ca Y'V'ca a i b]hm Z'cf' \YU' h' UbX' \]Z' ]bgi fUbW'" J]a cG9K 5' ]g' product and delivery channels represent an alternative that is harder to manage and H\_U'g' c'cb[ Yf'hc' U'V'Y] Y'j ]UV] ]h'Vi h]b' h'Y' YbX' ]g' \ ]Y'm'hc' U'V'Y] Y'U'g] [ b]U'V'bh'm[ fYUHYf' XYj Y'cda Ybh]a dU'V'i' f'by[ i a ž&\$+\$+Ł

channels understand pricing, they will be more adept in managing data and negotiating k ]h.]bgi fYfg'" HAY' U' h'c'fg' V'ebW' XY' h'Uh' pricing is a highly technical matter that requires assistance from an actuary, who a i ghV'ebg]XYf' h'Y'k \c'Y' dU'U'U' [Y' ] h'Uf[ Yh' a Uf\_Y' h'ždfcXi V'HYg] [ bž'a Uf\_Y'h]b[ 'UbX' communication, administration and claims gYfj ]W' i' hc' gYh'Ub' U'ddfcd'f]UHY' d'fYa ]i a "

&\$"; ]b'žL"žA YbUbXž@žHck bgYbXžF"ž/ 'J ]WYfrā >"f&\$%\$Ł' A ]V'c]bgi fUbW'. '5'V'U'gY' gh' X'mcZ'HY' -əX]Ub' fU]bZ' \ ]bXYI' ]bgi fUbW' a Uf\_Y'h' k' c'f'X' 6Ub\_ 'Dc' ]V'f' YgYU'f'V' K' c'f' ]b[ 'DUdYf' Bc") ( ) - " K U'g\ ]b[ h'cbž87. K' c'f'X' 6Ub\_ " i' ?Ym'K' c'f'Xg' -əX]UžfY[ i' U'h]cbžV'ca d'cg]hY' products, voluntary vs. compulsory, government funding i' D'fcXi V' h' fU]bZ' \ ]bXYI' a ]V'c]bgi fUbW' i' 5'V'gh'U'V' h' fU]bZ' \ ]bXYI' ]bgi fUbW' d'fcj ]XYg' a payout based on measured local rainfall Xi f]b[ ]\_Y'm'd\ U'gYg'cZ'HY' U' [f]W' h' fU' gYU'gcbž and in principle can help rural households X]j Yfg]Z'm'U' \_Y'm'gci f'W' c'Z]X]c'gnb'V'U'h]W'f]g\_ "" H.]g' d'UdYf' XYgV' ]VYg' V'U'g]V'Z'U'h' fYg'c'Z' rainfall insurance contracts offered in India since 2003, and documents stylized facts U'V'ci h'a Uf\_Y'h'XYa UbX' UbX' h'Y' X]gh'f]Vi h]cb' c'Z'd'U'h'ci hg'" HAY' U' h'c'fg'gi a a Uf]nY' h'Y' fYgi 'hg'c'Z'd'fYj ]ci g'fYgYU'f'V' c'b' h' ]g' a Uf\_Y'hž which provides evidence that price, liquidity V'eb'gh'fU]bHg' UbX' h'f' gh'U' d'fYgYbhg] [ b]U'V'bh V'Uff]Yfg'hc' ]b'V'Y'U'gYX' fU\_Y'! i' d'" HAY'm'U'gc' discuss potential future prospects for rainfall insurance and other index insurance d'fcXi V'g'f' f] ]b'f' Y'h'U' "" &\$%\$žUVgh'fU'V'Ł

&%< UnY' ž'Dž'5bXYfgcbž>ž'6UnYfžB'ž< U'gh'f' d' 7'Ya a YbgYbž5'ž/ 'F ]gdc' ]ž: "f&\$%\$Ł' D'ch'bh]U' for scale and sustainability in weather index insurance for agriculture and rural livelihoods. F'ca Y. 'əHYfbU]cbU' : i bX'ž'cf'5[ f]W' h' fU' 8Yj Y'cda Ybh'UbX' K' c'f'X' : cc'X' D'fc[ fU'a a Y" i' ?Ym'K' c'f'Xg' fY[ i' U'h]cbžX]gh'f]Vi h]cbž technology, achieving scale, product issues, understanding of insurance, trust and service, business models, quality of data, reinsurance, donor and government funding i' D'fcXi V' h' k' YU'h'Yf' ]bXYI' a ]V'c]bgi fUbW' i' 5'V'gh'U'V' h' ]g' d'UdYf' fYj ]Yk' g'fY'V'bhk' YU'h'Yf' index programs, their features, successes UbX' V'U'Y'b[ Yg'" D'fYa ]i a 'V'gh'UbX' limited understanding of insurance have

%- " ; UfUbXž8'ž/ 'K ]dž>"f&\$%\$\*Ł' D'f]V]b[ ' microinsurance products. In C. Churchill f'X'Ł' *Protecting the poor: A microinsurance compendium* f&' , !&)' Ł' ; YbYj UžGk ]mYf'UbX'. International Labour Organisation. i' ?Ym'K' c'f'Xg' d'fcXi V' h]gg] Ygžei U' ]m'c'Z'X'U'U' i' D'fcXi V' h' ]Z' UbX' \YU' h' i' 5'V'gh'fU'V' h' ]g' V'U' d'UdYf' ]i' gh'fU'Yg' \c'k' insurance products are priced and how to design and maintain databases so that they can be used for pricing purposes and sound management. It also highlights examples of microinsurance pricing derived from case gh' X]Yg'" HAY' X]g'V'gg]cb' ]g' d'Uf]h'V' Uf'm'fY'Yj Ubh' for unregulated microinsurance schemes that V'U'ff'n'h'Y]f' c'k' b'f]g' ž'Vi h'U'gc' Z'cf'cf[ Ub]nU]cbg' that distribute products underwritten by insurance companies because if distribution



conditions in which weather securities could be developed. Data collected during both an experimental game and real purchases of such insurance policies in Georgia, Georgia, and the United States. The authors suggest support areas for public and private donors, and outline eight principles to help index insurance achieve scale and sustainability.

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paper, microinsurance refers to "servicing  
 gdYVWUW`mH.Y`ck !]bVta Y`dcdi `Uh]cb`""5b`  
 YZYVWj Y`UbUbVWU`a Uf\_Yh]bZUgfi Vh fy`]g`  
 h.Y`k YU\_Ygh`]b\_]`b`dfcj ]X]b[ `Ub`YbUV`]b[`  
 Ybj ]fcba YbhUbX`U`Yj Y`d`Uh]b[ `UY`X`Zcf`  
 microinsurance providers and customers.  
 If an appropriate mix of incentives and  
 disincentives can be provided, a well  
 functioning and adequate supervisory  
 system can be implemented to support the  
 XYj Y`cda YbhcZ]bWV gjj Y`]bgi fUbW`a Uf\_Yhg`"  
 f6Y[ i a ž&\$\$+Ł

&\*""`bHfVbUh]cbU`5ggcVWUh]cb`cZ`bgi fUbW`  
 Gi dYfj ]gcfj f#5-Ł/`7; 5D`K cf\_]b[`; fci d`  
 cb`A ]Wc]bgi fUbW`"f&\$\$Ł" `ggi Yg`dUdYf`cb`  
 the regulation and supervision of mutuals,  
 VŁcdYfUhj Yg`UbX`ch`Yf`VŁa a i b]mH`UgYX`  
 organizations in increasing access to Insurance  
 A Uf\_Yhg`"  
 i` ?YmK cfXg. fY[ i `Uh]cbZ`X]g]f]Vi h]cb  
 i` DfcXi Vh`j Uf]ci g  
 i` 5Vg]fUvH`H`]g`dUdYf`XYgW]VYg`h.Y`  
 characteristics of mutuals, cooperatives,  
 UbX`ch`Yf`VŁa a i b]mH`UgYX`cf[ Ub]nUh]cbg`  
 fA 77CgŁ`UbX`h.Y]f`c`Y`]b`dfcj ]X]b[ `UWV`gg`  
 to microinsurance. It goes on to describe  
 gdYVWUW]ggi Yg`h`Uh`Uf]gY`]b`h.Y`fY[ i `Uh]cb`  
 UbX`gi dYfj ]g]cb`cZA 77CgZ`VUgYX`cb`h.Y`5-Ł`  
 bgi fUbW`7cfY`Df]bV]d`Yg`f#7DgŁ`"

&+"? U`Uj`\_cbXUžJ`"f&\$\$Ł" A cb]hcf]b[`  
 a ]Wc]bgi fUbW`fYbXg[ `cVU`m; `cVU`XUHUVgY`  
 on microinsurance. Speech presented at 6th  
 International Microinsurance Conference 2010,  
 <chY``bHfVbUh]bYbH`U`ŽA Ub]`UžD\`.]`dd]bYg`"  
 i` ?YmK cfXg. `ei U]mHcZXUHžX]g]f]Vi h]cbž  
 dfcUHV]`]m  
 i` DfcXi Vh`j Uf]ci g  
 i` 5Vg]fUvH`H`]g`dfYgYbH]cb`XYgW]VYg`h.Y`  
 ; `cVU`A ]Wc]bgi fUbW`6YbW`a Uf`8UHUVgYž  
 Ub`cb`]bY`]bZcfa Uh]cb`d`UhZcfa`h`Uh]fUW]g`  
 the changes, gaps, and growth in product  
 j`U`i`Yža Uf\_Yhg]nYž`UbUbVWU`UbX`cdYfUh]cbU`  
 performance across different types of  
 a ]Wc]bgi fUbW`dfcj ]XYfg`"h.Y`cV`YVWj`Y`cZ`  
 the database is to collect, analyze and report  
 data without bias with respect to business  
 a cXY`žXY`]j`YfmV`UbbY`žcf`dfcXi`Vhg`"h.Y`  
 Úfghd`UgYžk`\\W`VŁ`YVW`X`]bZcfa`Uh]cb`  
 from 161 microinsurance providers, was  
 ]a`d`Ya`Ybh`X`Vm`h`Y`K`cf`X`6Ub`""8UH`  
 dc]bhg]bWV`XYX`ci`fYUW`fbi`a`VYf`cZ`]j`Yg`

]bgi fYXžj`c`i`a`Y`UbX`j`U`i`Y`cZ; fccg`DfYa`]i`a`  
 fdfcXi`Vh`k`]gYžj`c`i`a`Y`UbX`j`U`i`Y`cZ`WU]a`g`  
 dU]X`fdfcXi`Vh`k`]gYž`UbX`hml`Yg`cZ`X]g]f]Vi`h]cb`  
 channels and type of products retailed by  
 different channel.

&, "@JWmž8`"f&\$\$Ł" A Business Case for  
 Microinsurance. Speech presented at 6th  
 International Microinsurance Conference 2010,  
 <chY``bHfVbUh]bYbH`U`ŽA Ub]`UžD\`.]`dd]bYg`"  
 i` ?YmK cfXg. fY[ i `Uh]cbZ`UW]Yj`]b[ `gWV`Yžf]g`  
 management, reinsurance, voluntary vs.  
 compulsory, donor and government funding  
 i` DfcXi Vh`j Uf]ci g  
 i` 5Vg]fUvH`H`]g`dfYgYbH]cb`XYgW]VYg`h.Y`  
 h.Y`a`]Wc]bgi fUbW`a Uf\_Yh`VWb`UHfUvH`  
 VŁa`a`YfVU`]bgi`fYfg`k`]h`dfcUHV`Y`UbX`  
 sustainable products. Developing a  
 sustainable microinsurance proposition  
 depends on balancing coverage, affordability,  
 UbX`VŁghg`"h.Y`dfYgYbH]cb`dfYgYbHg`  
 U`ZfUa`Yk`cf`\_`Zcf`UggYgg]b[ `h.Y`UbUbVWU`  
 viability of microinsurance initiatives within  
 the context of these objectives. It describes  
 circumstances under which microinsurance  
 ]b]h]Uh]j`Yg`Wb`VY`dfcUHV`Y`Zcf`VŁa`a`YfVU`  
 ]bgi`fYfgž`UbUbVWU`a`YUgi`fYg`cZ`h.Y`  
 dfcUHV]`]hmcZa`]Wc]bgi`fUbW`]b]h]Uh]j`Ygž`\_Ym`  
 Xf]j`Yfg`cZ`dfcUHV]`]mž`]bHfVbU`g]f]i`Vh`fY`UbX`  
 strategy of the insurer, and the environmental  
 VVfW`a`gh`UbWVg`h`Uh]a`dUvH`dfcUHV]`]h`

&- "@ZnYmžF`"f&\$\$Ł" : ]Y`X`bchYg]`VWYX]h`]ZY`  
 #h]gi`ddcgYX`h`VY`g]a`d`Y`"A`]Wc]bgi`fY`  
 i` ?YmK cfXg. `X]g]f]Vi`h]cbž`dfcXi`Vh`]ggi`Ygž`  
 i` DfcXi Vh`VWYX]h`]ZY`  
 i` 5Vg]fUvH`H`]g`Uf]h]WY`XYgW]VYg`h.Y`  
 Yl`dYf]YbW`cZA`]Wc]bgi`fY`]b`dfcj`]X]b[ `VWYX]h`  
 ]ZY`dfcXi`Vhg`"h`ici`h]bYg`\_Ym]ggi`Yg`fY`UHfX`  
 to product design, distribution, and claims  
 processing, and complications that arise in  
 these areas.

'`\$`"@cnXmž`" \*`\$`\$`F`]g`\_`b]g][`h`\_`bgi`fUbW`]b`  
 XYj`Y`cd]b[ `VŁi`bh]Yg`9l`d`cf]b[ `cddcfh`b]h]Yg`  
 ]b`a`]Wc]bgi`fUbW`"f&\$\$Ł" @cnXg/`h.Y`  
 MicroInsurance Centre.  
 i` ?YmK cfXg. fY[ i `Uh]cbZ`X]g]f]Vi h]cbž  
 technology, transaction costs, trust and  
 gYfj ]Wž`dfcUHV]`]mž`Vi`g]bYgg`a`cXY`g`  
 i` DfcXi Vh`j Uf]ci g  
 i` 5Vg]fUvH`H`]g`Uf]h]WY`XYgW]VYg`h.Y`dchYbh]U`  
 a Uf\_YhZcf`a`]Wc]bgi`fUbW`ž`UbX`h.Y`fUh]cbU`Y`



for commercial insurers to enter the market. Microinsurance include economic growth, climate change, the rapid pace of product and logistics innovation, and innovative use of communication and information technology. and distribution, and the roles donors and governments can play as facilitators.

Microinsurance can be a powerful tool for financial inclusion and risk management. It can help people protect their assets and income from shocks, and it can provide a source of capital for small businesses. Microinsurance can also be a source of social capital, as it often involves community-based organizations and networks. Microinsurance can be a powerful tool for financial inclusion and risk management. It can help people protect their assets and income from shocks, and it can provide a source of capital for small businesses. Microinsurance can also be a source of social capital, as it often involves community-based organizations and networks.

better than giving the MFIs a commission for selling insurance. Microinsurance can be a powerful tool for financial inclusion and risk management. It can help people protect their assets and income from shocks, and it can provide a source of capital for small businesses. Microinsurance can also be a source of social capital, as it often involves community-based organizations and networks.

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f]g\_g]b'a ] ]b[ ]bgi fUbW' dfcj ]g]cb'k ]h' chYf' UoUoVU' gYfj ]Wg' ]Y WYX]hUbX'gUj ]b[ g' H ]fX' rāg\_Yk ]b[ 'cZUggYgga YbhcZ]bgh]h ]cbU' capacities by donor presence. Finally, kYU\_ fY[ i 'UrcfmUbX'gi dYfj ]gcfm'bcfa g'cZ MFIs becoming detrimental for insurance Vi g]bYgg'ī f'fY[ i a ž&\$\$+Ł

' ( "A WcfXZA " >" f&\$\$) Ue' " A ]Wc]bgi fUbW' Dfcj ]X]b[ 'dfcUUVY' f]g\_ 'a UbU[ Ya Ybhc]d]cbg' Zcf' hY'ck ! ]bVta Y'a Uf\_Yh' A ]Wc]bgi fUbW' 7YbhfYž DfYgYb]h]cb' Uhi: ]bUbVU' 'GYWcf' 8Yj Y'cda Ybhi 7cbZYfYbW' "BYk 'DUf]bYfg\ ]dg' Zcf' f'bcj U]cb ]b' A ]Wc]bgi fUbW' Z' : fUb\_ ž f'ž' i bY' &' !&(" i ' ?Ymk cfXg. h'WVbc'c[ rādfcXi Vh]ggj Ygž understanding of insurance, donor funding i ' DfcXi Vh' j Uf]ci g i ' 5VghfUvH' Ā H ]g' dYfYgYb]h]cb' YI Ua ]bYg' hY' fc' Y' cZa ]Wc]bgi fUbW' ]b' dfcj ]X]b[ 'dfcUUVY' f]g\_ 'a UbU[ Ya Ybhc]d]cbg' Zcf' hY'ck ! ]bVta Y'a Uf\_Yh' hY' dYfYgYb]h]cb' g' hY' Uhi Ya Yf[ ]b[ 'a Uf\_Yh' g' k ] " Ya Yf[ Y' Ug' hY' Z'cb]h]f' Zcf' ]bgi fUbW' ]b' hY' &%gh' Wbhi f' hY'ck ' ]bVta Y' dcdi ' U]cb' Z' Wg' U' bi a VYf' cZf]g\_ g' such as the death of an income earner, health YI dYbgYgž UbX' d'fcdYf' m'icgg" hY'fY' ]g' U' bYyX' h'c' ]XYb]h]Z' f]g\_ gž UggYgg' hY' Ya ' UbX' g' Yh'ci h'f]g\_ management strategies for the poor. It states h' U]h' A ]Wc]bgi fUbW' f' YZ' f'g' h'c' f]g\_ ! d'cc' ]b[ ' d'fcXi Vh' h' U]h' UfY' Udd'f'cd'f] U]h' Z'cf' hY'ck ! ]bVta Y'a Uf\_Yh' ]b' h'f'fa g' cZ' V' g' h' gž V' ž YfU[ Y' UbX' X' Y' ] Yf' ma' Y' W' Ub' ]ga g' " GU' Y' g' h'c' h' Y'ck ! ]bVta Y'a Uf\_Yh' UfY' X' ]Z' W' h' VY' W' i' g' Y' cZ' U' W' cZ' \_ bck' YX[ Yž' ]a ]h' X' f' Y' g' ci f' W' g' UbX' X' ]Z' W' h' U' W' gg' ! h' Y' g' Y' d'fc' V' Ya g' W' b' V' Y' g' c' j YX' k ]h' appropriate products, good prices, education UbX' U' W' gg' ]V' ]m' h' Y' f' Y' ]g' U' b' Y' Y' X' h'c' "cc\_ U]h' the basic premium components that would a U\_Y' a ]Wc]bgi fUbW' k' cf\_ " hY' d'fYgYb]h]cb' also states that investors have various cd]h]cbg' gi W' Ug' a ]Wc]bgi fUbW' V' fc' YfU[ Yž microinsurance company replication. In this V' U' g' Yž\_ Ym' V' b' g' ]X' Y' f' U]h]cbg' Z' cf' hY' ž h' f' Y' k' ci ' X' include new delivery channels, remittances UbX' Y' Y' V' f' cb] W' Y' Z' W' Y' b' W' h' f' f' Y' [ i a ž&\$\$+Ł

' ) "A WcfXZA " f&\$\$) V' e' " K \U]h]g' bYyX' YX' Zcf' a ]Wc]bgi fUbW' gi W' W' gg' 3 DfYgYb]h]cbž Microinsurance Centre. i ' ?Ymk cfXg. fY[ i ' U]h]cbž X]g' h'f]Vi h]cbž d'fcXi Vh' ]ggj Ygž d'fcUUV' ]]m' i ' DfcXi Vh' j Uf]ci g i ' 5VghfUvH' Ā H ]g' dYfYgYb]h]cb' X]g' W' gg' Yg'

\_Ym]ggi Yg' h'c' [ YbYfU]h]b[ 'a ]Wc]bgi fUbW' success, focusing on products, delivery W' UbbY' gž fY[ i ' U]h]cb' UbX' gi dYfj ]g]cb' " hY' presentation describes an institution where ]bgi fUbW' ]g' VYghia UbU[ YX' " f' h' ]g' h' Y' \_Ym' lessons for product design, product delivery, evolution and management and governance. Finally, the presentation concludes that a ]Wc]bgi fUbW' W' b' V' Y' d'fc' U' U' V' Y' X' Y' d' Y' b' X' ]b[ ' cb' Y' Z' W' Y' b' W' Y' gž V' e' b' h' f' c' " ]b[ ' cd' Y' f' U]h]cbg' V' e' g' h' gž g' Y' d' U' f' U' h' 'a ]Wc]bgi fUbW' U' W' ]j ]h' Y' gž' f]g\_ management quality, and microinsurance W' b' f' Y' g' d' c' b' X' h'c' h' Y' b' Y' Y' X' g' c' Z' h' Y' 'ck ! ]bVta Y' a Uf\_Yh' f' f' Y' [ i a ž&\$\$+Ł

' \* "A WcfXZA " >" f&\$\$ \$' e' " hY' DUf]bYf] 5[ Ybhi A cXY' . 7 \ U' Yb[ Yg' UbX' Cdd'cf' h' b]h]Yg' " f' 7 " 7 \ i f' W' ] " f' X' " e' " Protecting the Poor: A Microinsurance Compendium' f] ) +! +\* Ł ; YbYj Už Gk ]h' Yf' UbX. " @ " i ' ?Ymk cfXg. X]g' h'f]Vi h]cbž f' U' b' g' U' W' ]cb' V' e' g' h' gž business models, voluntary vs. compulsory i ' DfcXi Vh' j Uf]ci g i ' 5VghfUvH' Ā H ]g' W' U' d' h' Y' f' X' Y' g' W' ]V' Y' g' h' Y' d' U' f' b' Y' f' U[ Y' b' h' i' a cXY' ž YI d' U]bg' \ ck ' ]h' k' cf\_ gž UbX' reviews its challenges and opportunities. It focuses on MFIs as agents, describing the ]a d' c' f' U' b' W' c' Z' U' b' X' ]b[ ' Udd'f'cd'f] U]h' U[ Y' b' h' gž V' U' f' ]h]b[ ' d' U' f' h' Y' g' h' c' Y' g' UbX' Y' Z' W' Y' b' W' h' ]b' implementation. It also describes the potential advantages and disadvantages cZi g]b[ ' hY' d' U' f' b' Y' f' U[ Y' b' h' i' a cXY' Z' f' ca ' hY' perspective of the agent, insurer, and clients. hY' V' e' b' W' g]cb ]g' h' U]h' h' Y' a cXY' ž k' \ ]Y' U' Uk YXž \ U' g' ] [ b] U' W' b' h' d' c' h' Y' b' h' U' "

' + "A WcfXZA " >" f&\$\$, e' " j ]g]cbg' cZ' h' Y' : i h' f' Y' cZ A ]Wc]bgi fUbW' ž UbX' h' c' i [ \ h' g' cb' ; Yh]b[ ' hY' f' Yž A ]Wc]bgi fUbW' B' c' h' Y' , - " 85=" i ' ?Ymk cfXg. h' W' V' bc' c[ rā U' W' ]Yj ]b[ ' g' W' Yž X' c' b' c' f' and government funding i ' DfcXi Vh' j Uf]ci g i ' 5VghfUvH' Ā H ]g' d' U' d' Y' f' U' X' X' f' Y' g' Y' g' h' Y' achievements necessary to generate a Ugg' U' W' h]cb' ]b' h' Y' a ]Wc]bgi fUbW' U' Y' X' UbX' the innovations necessary to reach those achievements. Drawing on case studies UbX' j ]Yk' g' cZ' YI d' Y' f' h' g' ]b' h' Y' U' Y' X' ž ]h' X' Y' g' W' ]V' Y' g' business models, the role of infrastructure and technology, and the roles of donor and government funding.

' , "A WcfXZA " >" ž 6c' Y' f' cž: " ž / ' A WcfXž > "



G" f&\$\$) E" 5= ' I [ UbXUž5'A Ya VYf'cZħY' ěhYfbUĥcbU'; fci d'cZ7ca dUb]Yg. 7; 5D' K cf\_]b[ ; fci d'cb'A ]Mfc]bgi fUbW. ; ccX'UbX' VUX'dfUM]Wg'cb'a ]Mfc]bgi fUbW. 7UgY'ghi Xm bc"- "; YbYj UžGk ]mYf'UbX. @C'GcVU' : ]bUbW' Dfc[ fUa a Y"

i ' ?Ymk cfXg. I [ UbXUžX]ghf]Vi ĥcbžUM]Yj ]b[ ' gW]Yži bXYfgĥbX]b[ 'cZ]bgi fUbWždfcUĥU] ]mž reinsurance, silo, voluntary vs. compulsory

i ' DfcXi Vĥ [ fci d'dYfgcbU' UM]Ybhf D5ŁdfcXi Vĥ

i ' 5VgrfUMĥ Ĩ ě% - \* žħY'a UbU[ Ya YbhcZ: B75' I [ UbXU'fI l žU'a ]MfcU'UbW ]bgh]ĥ ĥcb'fA : ěž UddfcUM]YX ĥY'5a Yf]Wb' ěhYfbUĥcbU'; fci d' f5= E' I [ UbXU'hc'XYj Y'cd'Ub ]bgi fUbW' dfcXi Vĥ Zcf'ħY'A : ěg'W]Ybĥg' 5'VUg]MdfcXi Vĥk Ug' 'Ui bW]YX ]b% - +žUbX'Ub'YI dUbXYX'j Yfg]cb' of the product, including coverage for the spouse and four children, was introduced in % - - "9[ \ ĥmYUfg'UZħYf'5= ' I [ UbXU'VYVUa Y' involved in microinsurance, this case study `cc\_g'Uhk \Uh\Ug'VYVěa Y'U'gi W]gg'gĥcfm ]b'gYj YfU'k Uhg' : cf'ħY'a ]MfcU'UbW' W]Ybĥgž 5= ĥg [ fci d'dYfgcbU' UM]Ybhf] D5ŁdfcXi Vĥ has been useful and affordable in managing traumatic lifecycle events. Ugandan MFIs that participate in the scheme have generated revenues and helped improve loan portfolio ei U' ]mž5= ' I [ UbXU'\Ug'gYb'ħ.]g dfcXi Vĥ become its number one generator of fYj Ybi Y'UbX' dfcU'g' ĥ' ĥY'YI ĥYbh'ħ.Uh]ĥ\Ug' UĥfUM]YX'UĥYbĥcb'UM]cgg'ħY'fY[ ]cb'Zcf'5= ' ěhYfbUĥcbU'"Cb'U'a UM]c'Yj Y'žħY'gi W]gg' cZĥ.]g dfc[ fUa a Y'\Ug'VYbYUĥY'Vch' I [ UbXU' UbX'ħY' [ 'cVU'a ]MfcU'UbW' Věa a i b] ]mž Besides the importance of actively managing product evolution, several other lessons have been learned since the product inception ]b% - +ž]bW] X]b[ . U'a ]Mfc]bgi fUbW' product can be developed and implemented reasonably well without external funding, and MFIs must represent their clients in negotiations related to the insurance dfcXi Vĥ' fĥY[i a ž&\$\$+Ł

' - "A WcfXžA " >ž/ ' ĥi fW.]ž7" f&\$\$) E" 8YHU'@ZY' 6Ub[ \UXYg.\. 7; 5D' K cf\_]b[ ; fci d' cb'A ]Mfc]bgi fUbW. ; ccX'UbX' VUX'dfUM]Wg' cb'a ]Mfc]bgi fUbW. 7UgY'ghi Xm bc"- +"; YbYj Už Gk ]mYf'UbX. @C'GcVU' : ]bUbW' Dfc[ fUa a Y"

i ' ?Ymk cfXg. 6Ub[ \UXYg'žĥfUbgUM]cb' Věgĥgž distribution, composite products, dual bottom line, quality of data, segmentation

i ' DfcXi Vĥ' ]ZY'a ]Mfc]bgi fUbW

i ' 5VgrfUMĥ Ĩ 8YHU'@ZY' ěgi fUbW' 7ca dUbm' k Ug'Zci bXYX' ]b' UĥY'%, \* 'gccb'UZħYf' the denationalization of the Bangladesh ĚbUbVU' gYVĥcf' 8YHU'@ZY'ĥg' ]b]ĥU' dfcXi Vĥg' consisted primarily of endowment policies. ě% , , ž]bgd]fYX'VmħY' [ fck]b[ 'gi W]gg'cZ ĥY'; fUa YYb' 6Ub' UbX'chYf'a ]MfcW]YX]ĥi schemes in Bangladesh, Delta launched Ub'YI dYf]a YbhcZ]ĥg'ck bž; fUa YYb' 6]a U'cf' village insurance. Delta then developed its ck b'XY'j YfmbYĥk cf\_ UbX'ei ]W'mfYU' ]nYX' ĥY'VYbYU'g'cZgY'' ]b[ ' ]ĥg'ck b'dc' ]W]g'" Subsequently it developed and introduced an i fVub'a ]Mfc]bgi fUbW' dfc'V]Vě; cbc' 6]a Už which offered a similar endowment product. ě% - %žħY'Věa dUbm]VY[ Ub']bĥcXi V]b[ ' loans to complement the endowment dc' ]Mĥ'ħY' `cUbg'k YfY' ]bĥYbXYX' ĥ' gĥ]a i ' UĥY' additional income for policyholders, which would help to promote their economic XYj Y'cda Ybhk \]Y'a U\_]b[ ' ]ĥYUg]Yf'Zcf'ħY'a ' ĥ' dUmħY'f'dfYa ]i a g' ĥ.]g'dfcj YX'X]gUĥfci g'" FYdUħa YbhZ'' ĥ' U'Vci ĥUž'mdYfW]bĥi UbX' 8YHU'k Ug' Yžĥk ]ĥ' U'g] [ b]UM]bĥ'cUb' `cgg'" ě ĥY'a ]X' ĥ' UĥY' % - \$gž 8YHU'@ZY'ĥg' microinsurance programmes experienced Uĥc]b]g' ]b[ [ fck ĥ' "ĥc [ YĥYfž; fUa YYb' UbX' ; cbc' 6]a U' [ fYk' Zca ' Ygg' ĥ' Ub' ( \$žžžž' bYk' dc' ]W]g' ]ggj YX' ]b% - ( ' ĥ' a cfY' ĥ' Ub' ( ) \$žžžž' dc' ]W]g' ]ggj YX' ]b% - , " 5g' ĥY' decade came to a close, however, Delta felt ĥY' YZZYVĥg' cZĥ.]g' fYV\ Ygg' [ fck ĥ' " ĥY' fUd]X' YI dUbg]cb' fYj YU'YX'g] [ b]UM]bĥk YU\_bYggYg' in information systems, internal controls UbX'UXa ]b]gĥfUĥcb'" DfcU'g'k YfY' U'gc'g'ck' ĥ' come, or at least that was the impression. In &\$\$&ž 8YHU'ĥg' VcUfX' XYW]YX' ĥ' gd]b' cZZ; cbc' UbX'; fUa YYb' 6]a U' ]bĥ' U'bcb'dfcU'ħVěa dUbm' However, after an actuarial report later that year showed that the microinsurance projects k YfY' UM] U'mVěbĥf]Vi ĥ]b[ ' ĥ' dfcU'gž]ĥk Ug' decided to retain the projects and reorganize ĥY'a Zcf' [ fYUĥYf' YZUM]bV]Yg' 5' fYb[ ]bYf]b[ ' of the microinsurance operations in 2002 and 2003 included the improving internal controls and upgrading information systems to provide VYĥYf' UbU'nh]W] ]bZcfa Uĥcb' " ĥY' WUgY'ghi Xm also examines lessons that Delta Life has learned in building its institutional capacity and designing and delivering its products over ĥY' dUĥĥk c' XYW]YX'g' fĥY[i a ž&\$\$+Ł

( "\$A WcfXžA " >ž-ĥYfbž>ž/ ' <Ug\Ya ]žG'"



A "f&\$\$%&A [Mfc]bgi fUbW. '5'7UgY'Gh Xm  
 cZUb'9l Ua d'Y'cZH.Y: i ""GYfj ]W'A cXY'cZ  
 A [Mfc]bgi fUbW Dfcj ]g]cb'GY'Z9a d'cmYX'K ca Ybfj  
 5ggcVU]h]cb'fG9K 5L''A [Mfc]GUj Y"  
 i ?Ymk cfXg. 'bX]UzX]ghf]Vi h]cbzdfcXi Vh]ggi Ygz  
 understanding of insurance, trust and service,  
 dfcUUV] ]h]Vi g]bYgg'a cXY'g'z' c'i bUfmj g"  
 compulsory, donor and government funding  
 i DfcXi Vh'Vta dcg]h' ]Z'Z'X]gUV] ]m\YU'h'z'UbX'  
 property microinsurance  
 i 5VghfUvH' I g]b[ 'VUgY'gh' X]Yg'z'h ]g'dUdYf'  
 discusses the provision of insurance products  
 to the poor, delving into the mechanisms and  
 practicalities of the Full Service model, as well  
 as an indication of the level of satisfaction  
 cZH.Y]f'a Uf\_YH' h.Y'XcW'a Ybh]XYbh]UYg'  
 h.Y'VYbYUhg'UbX' d'fcV'Ya g'UbX'fYj ]Yk g'h.Y'  
 process by which a product was developed,  
 tested, and implemented to provide  
 information on the process itself. It examines  
 ]ggi Yg']b' h.Y' d'fcXi Vh]VW'UbX'cc\_g'Uh'h.Y'  
 Zi f' [YbYfU'a cXY'g'fDUf'hbYf]5[ Yb'z: i ""  
 GYfj ]WZA i h U'UbX'Dfcj ]XYf'cZ]bgi fUbW'  
 d'fcj ]g]cb'i gYX'Vmcf[ Ub]nU]cbg" h ]g'  
 document also explores the impact of grants  
 on sustainability of insurance programmes.  
 GdYVUW' n] ]hd'fYgYbhg' h.Y'UbX]b[ g'cZ  
 U'fYVbh'fYgYUfW'cb' h.Y'GY'Z9a d'cmYX'  
 K ca Ybfj'5ggcVU]h]cb'fG9K 5L'h'Uhd'fcj ]XYg'  
 Full Service Model of insurance provision to  
 its clients, reviewing its activities primarily  
 k ]h ]b ]hg'fc'Y'Ug'U'Z' ""gYfj ]W' ]bgi fYp' h.Y'  
 U' h.c'fg'UbX' h.Uh'G9K 5'cZYfg'U'VfcUX'fUb[ Y'  
 cZ]bgi fUbW'Vtj YfU[ Y'f]Z'Z'X]gUV] ]m\YU'h'z'  
 and property) under one premium with life  
 coverage provided as an agent and the others  
 provided under a full service model. However,  
 they question the impact of health insurance  
 cb'V]Ybhg[ ] j Yb' h.Y'Ua ci bh'cZ]h'a Y' ]h'U'Yg'  
 from hospital discharge to receipt of the claim  
 dfcWYXg" h.Y'dUdYf'fYj YU'g'h.Uh'h.Y'gYfj ]Wg'  
 cZG9K 5'Uj Y'Y'dYX'h.Ya' h'VYVta Y'a cFY'  
 U' h'cbca ci g'UbX'gY'Z'fY' ]Ubh'UbX'Vt'bw'XYg'  
 h.Uh'Ug'U'gh'UbX]U'cbY' d'fcXi Vh]h.Y'G9K 5'  
 ]bgi fUbW' ]g'h'c' ]a ]h'X'h'c'a U\_Y'U'g] ]b]UW]bh'  
 impact. However, as a component of an  
 ]bh'f' fU]YX'gng'h'a 'k ]h ]b' h.Y'VfcUX'G9K 5'  
 structure, they are able to improve the overall  
 effectiveness of their care for members.  
 H'i g' ]b ]b[ ]bgi fUbW' h' h.Y'G9K 5'6Ub'U'g'  
 d'fcXi W'X'ja d'cf'Ubh'VYbYUhg'f' f6Y[ i a z&\$\$+L'

(% "A W'cfXZA "">žF Ua a ž; "ž/ 'A W i ]bbYggž

9" f&\$\$\* L" A [Mfc]bgi fUbW' 8Ya UbX' / 'A Uf\_Yh  
 DfcgdYV]g' i 'bXcbYg]U' "5" ]Ubn'5; ž'h.Y'8Yi hgWXY'  
 ; YgY'gWUZhiZ f'HYV]b]gWXY'Ni gUa a YbUfVY]h'  
 f] HNE; a V< / ' l b]h'X'BU]cbg'8Yj Y'cda Ybh'  
 Dfc[ fUa a Y'f] B8DE'  
 i ?Ymk cfXg. 'bXcbYg]UzX]ghf]Vi h]cbzUW'Y] ]b[ '  
 scale  
 i DfcXi Vh'j Uf]ci g  
 i 5VghfUvH' I K ]h '&' , 'a ]' ]cb'dYcd'Yž' bXcbYg]U'  
 has one of the largest populations in the  
 world, in which a great number of people are  
 gY'ZYa d'cmYX' ]b'ck !]bVta Y'UW]j ]h]Yg" 'K \]Y'  
 dYcd'Y' ]b' h.Y'ck !]bVta Y'gY[ a Ybh'VYbYUhi  
 Z'ca' h.Y'dfcj ]g]cb'cZ'Ub'UbW'U'gYfj ]W'g'gi W'  
 as credit and savings, these services are not  
 always enough to support families during  
 V]gYg" h ]g'ZU]h'YX' h' h.Y'gh' X'mVt'bx' Vh'X'  
 Vm'5' ]UbW'5; ž; H'UbX'h.Y' l B8D'cb' h.Y'  
 potential for microinsurance in Indonesia.  
 H.Y'gh' X'm]ja YX' h' Ygh'a U'h' h.Y'XYa UbX'Z'f'  
 microinsurance in Indonesia, understand the  
 d'ch'bh]U'gi dd'm]UbX'f]g' ]h]U'Yfg'UbX'VYVta Y'  
 Uk UfY'cZH.Y'X]ZYfYbh'XY'j Yfm'U'UbbY'g' h.Y'  
 study found that despite the demand for  
 microinsurance, very few insurance providers  
 \UX' hUddYX' h.Y'a Uf\_YH' <ck Yj Yfz'h YmX]X'  
 'cc\_'Uh'dch'bh]U' d'Uf'hbYfg'k ]h' a [Mfc]bgi fUbW'  
 d'fcj ]XYfg' dYcd'Y'g'7fYX]h'6Ub'z'Vta a YfV]U'  
 6Ub\_g'za ]Mfc'Ub'UbW' d'fcj ]XYfg'UbX'j ]'U[ Y'  
 VUb\_g" h.Y'gh' X'mVt'bw'XYg' h.Uh]b'cfXYf'Z'f'  
 a [Mfc]bgi fUbW' ]bh'fj Ybh]cbg'h' h'U'Y'd'UW'  
 in Indonesia, capacity development for agent  
 fU]b]b[ 'UbX'a Uf\_YhYX'i W]h]cb ]g'bYVW'ggUf'm'  
 f6Y[ i a ž&\$\$+L'

( &'F ch'ž>" f% - - L' 'bZ'fa U' A [Mfc]Ub'UbW'  
 schemes: The case of funeral insurance in South  
 Africa. GcV]U' : ]bUbW' l b]h'k cf\_]b[ 'dUdYf'bc""&&"  
 ; YbYj UžGk ]mYf'UbX. 'eC"  
 i ?Ymk cfXg. fY[ i 'U]h]cbzX]ghf]Vi h]cbz'  
 understanding of insurance  
 i DfcXi Vh'Z' bYfU' ]bgi fUbW'  
 i 5VghfUvH' I H ]g'Uf]h]W'cc\_g'Uh'ck' h.Y'  
 bereaved cover funeral expenses from a  
 number of sources including informal credit,  
 ]bZ'fa U' ]bgi fUbW' UbX'Z' ]YbX'mgcV]h]Yg" H'k c'  
 a U]b' h'm]Yg'UfY'Z'f'd'fc'Uh'UbX' b'ch'Z'f'd'fc'Uh'  
 : cf'd'fc'Uz'h'm]W' m'f] b'V'm'ck bYfg'cZ'Z' bYfU'  
 parlours who sell insurance schemes for  
 fY'U]h] Y'm]l dYbg]j Y'gYfj ]W'g'h'ck !]bVta Y'  
 \ci gY'c'Xg'UbX' b'ch'Z'f'd'fc'Uz'h]g'a ]Uf'h'  
 FCG75gžZ'fa YX'V'm'h'cgY" ]j ]b[ ]b' h.Y'gUa Y'  
 neighborhood. Detail of obtaining credit is



principles that are integral to management of a microinsurance program and ten microinsurers. It describes some special considerations to be given in evaluating performance.