

PROTECTING THE WORKING POOR



International  
Labour  
Office

ANNUAL REPORT 2010



MICROINSURANCE INNOVATION FACILITY

MICROINSURANCE  
INNOVATION FACILITY

**PROTECTING** THE WORKING POOR

ANNUAL REPORT 2010

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*“The global microinsurance market has a potential of covering up to 4 billion people through market-based risk transfer solutions and public-private partnerships. This translates into a potential premium volume of up to US\$40 billion. Microinsurance offers a viable alternative for low-income people to manage their risks. At the same time, it is increasingly being viewed as a vast untapped growth segment for the insurance sector. Insurers targeting microinsurance are not only serving current unmet risk protection needs, but also are creating a strong brand value, building a large client base and supporting the economic and insurance growth of emerging markets.”*

Swiss Re, *sigma* No.6/2010

## FACILITY MILESTONES AND EVENTS, 2010

<b>January</b>	Participated in the launch of I4, Italy
<b>February</b>	Participated in a health care financing workshop, India Participated in a round table on livestock insurance, India Conducted an evaluation of consumer education initiatives in South Africa
<b>March</b>	Called for research grant applications (Round 3) Participated in the International Actuarial Congress, South Africa Deadline for applications for Round 4 innovation grants and capacity-building support Two new staff joined the Facility team
<b>April</b>	Initiated mid-term reviews, the first one on MNYL's Max Vijay project Steering Committee approved the knowledge management strategy Organized a capacity-building workshop, Germany
<b>May</b>	Attended the Steering Committee meeting for the Global Database for Microinsurance, USA Organized a capacity-building workshop at the AIO General Assembly, The Gambia Developed new formats for Facility grantee budgets, work plans and milestones Attended the Steering Committee meeting in Germany to select speakers for the 6 <sup>th</sup> International Microinsurance Conference Steering Committee finalised selection of Round 4 innovation grant applicants, except health projects
<b>June</b>	Visited health innovation grant applicants (through to August) Participated in the Microinsurance Network members' meeting, Germany Introduced learning diaries (a knowledge management tool) to Facility grantees Participated in the 7 <sup>th</sup> Annual Conference of Sanabel
<b>July</b>	Conducted initial assessments of shortlisted applicants for Round 4 capacity-building support Disseminated Facility's knowledge management strategy to grantees and partners Piloted Learning Journeys (a knowledge management tool)
<b>August</b>	Steering Committee finalised selection of health Round 4 innovation grant applicants
<b>September</b>	Participated in the CEAR workshop, USA Completed first batch of grantees' Learning Journeys Finalized three Briefing Notes: consumer education, psychology of microinsurance, health microinsurance Participated in the CPRC conference, UK
<b>October</b>	With GIBS, co-organized a training course in microinsurance, South Africa Participated in the Foromic conference, Uruguay
<b>November</b>	Called for applications for Round 5 innovation grants Organized two workshops for consultants, Fellows and joint-mission participants, Philippines Organized the 3 <sup>rd</sup> Microinsurance Innovation Forum, attracting about 100 participants, Philippines Participated in the 6 <sup>th</sup> International Microinsurance Conference, Philippines Launched the new Facility website, incorporating the Knowledge Management Portal Launched the online registry of Facility consultants Revised the Facility's research strategy and selected new thematic study topics Introduced <i>Emerging Insights</i> , an online lessons alert
<b>December</b>	Selected seven new research grantees Completed the selection of applicants for Round 4 capacity-building support Published revised edition of the Fellowship booklet Organized a half-day training session during the European Microfinance Platform

# INTRODUCTION

The concept of microinsurance was developed as a means of protecting the poor against risk, particularly those working in the informal economy. It was seen as a high-potential tool that could enhance social protection and accelerate poverty reduction. In an effort to move forward rapidly on these two fronts and reduce the vulnerability of millions of low-income people, the International Labour Organization (ILO), with funding from the Bill & Melinda Gates Foundation, launched the Microinsurance Innovation Facility in 2008.

## Box 1 THE VISION OF THE ILO'S MICROINSURANCE INNOVATION FACILITY

We believe that:

- low-income people should be able to benefit from valuable insurance services and make informed choices to manage risk
- increasing access to insurance and creating a better understanding of its value will help reduce vulnerability and poverty among low-income people
- creating an insurance culture enables low-income people to appreciate the utility of insurance and demand better quality services

To achieve its ambitious mandate, the Facility implemented four sets of activities geared towards learning how to extend better microinsurance coverage to the working poor, with the overall aim of developing and sharing good practices. These activities focused on:

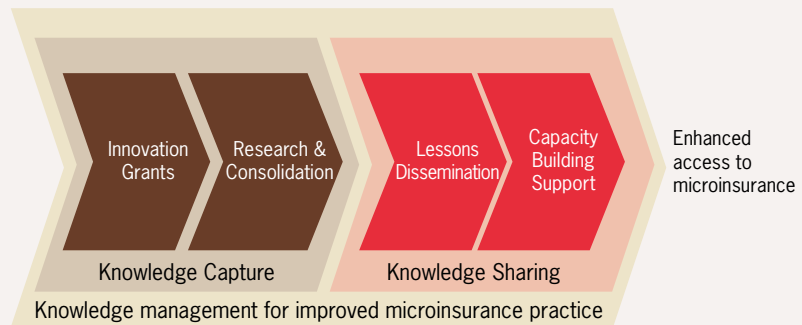
- **providing innovation grants** to help institutions test new models and approaches that would offer better insurance products to low-income people in developing countries
- **building capacity** by increasing the availability of expertise in microinsurance and creating greater demand for that expertise
- **supporting research** to identify successful approaches and assess the impact of insurance on low-income policyholders
- **disseminating information and lessons learned** to key stakeholders

The Facility remains involved in these activities, but they have been reconceptualized within a knowledge management framework, where the two main threads are **knowledge capture** and **knowledge sharing** (see Figure 1), hence the new structure of this year's *Annual Report*.

Developing a new industry that lies at the crossroads between insurance and development is a complex process that requires engaging with a range of experts and stakeholders. These include: **risk carriers** (e.g., insurance companies, semi-formal microinsurers); **delivery channels** (e.g., NGOs, labour unions, employer associations, banks, insurance brokers, health care providers); **insurance industry players** (e.g., claims processors, training institutions,

insurance associations, IT providers, database management services, consultants); **researchers** working in institutes, networks, universities, local resource centres; and **consultants and organisations** that understand the technical aspects of both insurance and development.

**Figure 1** FACILITY ACTIVITIES WITHIN THE KNOWLEDGE MANAGEMENT FRAMEWORK



By the end of 2010, the Facility had completed four rounds of innovation grants and had launched its fifth call for applications in November. After three years of operation, it had provided innovation grants to 48 organizations to support their efforts to develop and try out new products, institutional models and consumer education strategies. It had also provided more than 35 organizations with capacity-building support packages through various mechanisms, including fellowships, mentoring, technical advisory and consultancy services. A total of 27 research grants had been provided to research partners, and the Facility had published six thematic studies and initiated 12 impact studies.

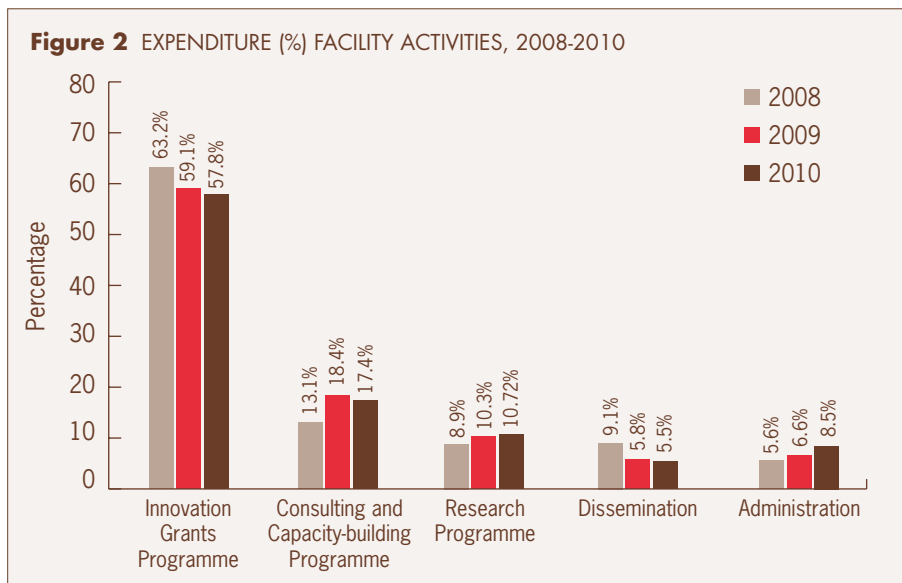
Underlying all these activities during 2010 was a deliberate effort to strengthen its regional dimension to provide region-specific approaches to microinsurance.

By the end of the year, the Facility was supporting the development of microinsurance in 15 countries in Africa and the Middle East, 10 in Asia (with a strong presence in India with 14 innovation grantees and capacity-building partners), and 10 in Latin America.



Denis Garand and Tara Sinha (SEWA) discussing issues raised at the health roundtable during the Innovation Forum

With the wealth of data starting to be generated from its various activities, the focus of the Facility's work during 2010 began to move towards capturing the knowledge generated by these activities and sharing it with microinsurance players around the world. A central element in this strategy is the Knowledge Management Portal, a key component of the Facility's website, which was launched in November at the 6<sup>th</sup> International Microinsurance Conference in Manila, the Philippines. It is designed to expedite the capture, analysis and sharing of lessons emerging from all the Facility's activities.



# INVESTING IN KNOWLEDGE SHARING AND PARTNERSHIPS:

ENCOURAGING INSURANCE PROVIDERS TO ADDRESS  
THE NEEDS OF THE WORLD'S WORKING POOR



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CRAIG CHURCHILL

Team Leader, Microinsurance Innovation Facility,  
International Labour Office

For those committed to promoting financial inclusion, 2010 was a turbulent year. The global financial crisis caused large-scale job losses and a pervasive lack of social protection mechanisms. In response, during the G20 Summit in Seoul, Korea, world leaders endorsed a financial inclusion action plan designed to ensure that all households have access to appropriate financial services to enable them to build assets, smooth consumption and manage risks. Yet, ironically, at about the same time, the microfinance world experienced a serious crisis in the Indian state of Andhra Pradesh, resulting from a combination of factors, including over-indebtedness.

These concurrent events highlight the critical role of microinsurance. Insurance is a key, yet often overlooked, entrée on the financial inclusion menu. Not only can it assist the poor to manage their risks more efficiently, but it can also help the microfinance industry recover from the crisis and evolve to better meet the diverse financial service needs of low-income households.

Given the increasing relevance and importance of microinsurance, it is useful to reflect briefly on the origins of the ILO's Microinsurance Innovation Facility, before summarizing the Facility's accomplishments in 2010.

## ORIGINS OF THE FACILITY

The impetus for the ILO's Microinsurance Innovation Facility came from the Good and Bad Practices project of the Consultative Group to Assist the Poor (CGAP) Working Group on Microinsurance (now the Microinsurance Network), which reviewed the operations of 40 schemes around the world that were providing insurance to low-income people. The analysis of those case studies, which was

synthesized in the book *Protecting the Poor: A Microinsurance Compendium*, published in 2006 by the ILO and Munich Re Foundation, yielded two overarching conclusions:

- insurance services for the poor can be viable under certain circumstances, particularly group policies linked to another financial transaction
- insurance products often do not provide the poor with particularly good value – there is significant room for improvement

With this background, the Facility was launched with a dual agenda. First, through the analysis of the case studies, we had amassed numerous lessons, ‘dos and don’ts’ that needed to be actively promoted. To do this, we needed a larger cadre of experts who understood the lessons and were interested in a career path that enabled them to propagate the findings of good and bad practices.

The second agenda was to make microinsurance work better for the poor; to stimulate innovations and to attract new entrants to push the frontier. We believed that if we could entice smart insurance professionals and companies to tackle the challenges of designing and delivering insurance for the poor, they would come up with clever solutions to improve distribution, reduce operating costs, and enhance take up and retention.

The Facility was built on the assumption that the poor can and should benefit from insurance protection. While the microfinance discourse focused largely on interventions intended to boost incomes, build assets and create employment, a corresponding effort was required to manage risk and reduce vulnerability. To break the cycle of poverty, investments in production must be accompanied by a similar emphasis on protection; otherwise, households that are succeeding in improving their lot in life can easily lose any gains if they experience an illness, a death in the family or other crises, and be worse off than they were before.

Yet we recognized that the evidence to justify the assumption that insurance is beneficial to the poor is largely anecdotal and theoretical, and a more careful analysis of risk and the role of insurance in managing risk for poor households is required to enable policy-makers and donors to make informed choices about how to employ subsidies to bolster efforts to protect the poor. Consequently, the design of the Facility also stressed the need for research to better understand the extent to which low-income households benefited from insurance, and under what conditions.

### ANSWERING KEY QUESTIONS

After three years, four requests for proposals, over 600 applications and almost 50 innovation grants, we are now beginning to see the fruits of our labours.



Research Officer Michal Matul (centre) at a meeting during the Max Vijay mid-term evaluation in India

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*There are a lot of reasons to think in theory that microinsurance could have big impacts but hopes and promises don't always get met. The real answer comes from doing rigorous evaluations to help understand under what circumstances, for what types of people, what types of insurance are going to have big impacts and what are not. It is not sufficient to just see that something works operationally to know whether it is something we should put in our arsenal in the fight against poverty.*

Dean Karlan,  
Professor of  
Economics, Yale  
University, USA

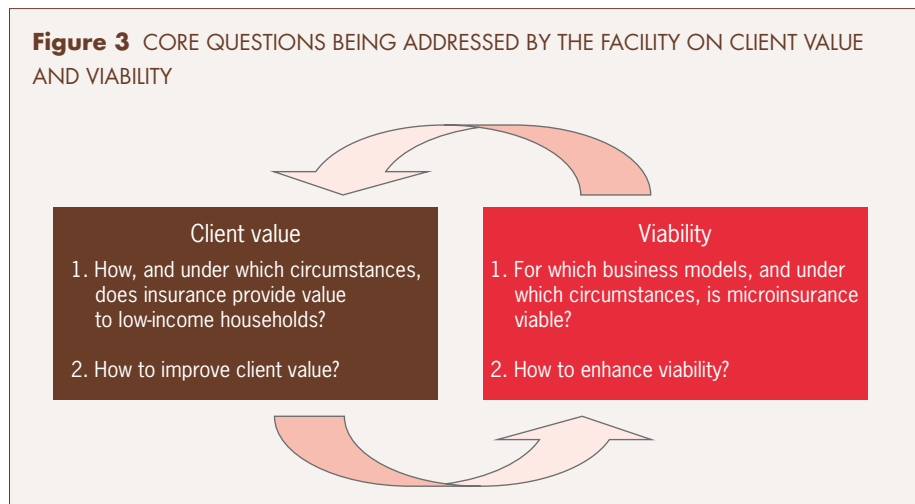
Several grantees are beginning to generate results, so we can start answering two core questions:

- Do low-income households benefit from insurance?
- Is the provision of insurance to the poor viable?

These questions hark back to the findings in the *Microinsurance Compendium* where we confirmed that microinsurance can be viable under a narrow range of circumstances, but the benefits for the insured were quite limited. With five more years of experience and the emergence of some innovative efforts, we expect that the results will have evolved considerably.

To ensure that they continue to evolve, these questions have two dimensions. First, we are looking for evidence that will allow us to **prove** that microinsurance is indeed viable and does benefit the poor; second, we are looking for insights to **improve** the answer to the first dimension, to enhance viability and increase client value.

These questions are two sides of the same coin, as illustrated in Figure 3.



If insurance does not provide value to the poor, if they are not deriving some benefit from the coverage, then there will not be a market for it. If organizations cannot be viable while providing insurance to the poor, then they will not do it, at least not for long.

But it will take time, especially on the demand side – time for insurers to prove to the poor that they will pay claims and they are providing a valuable risk management service. The low-income market tends to be quite reticent about insurance, so the demonstration effect might need several years to take root. Once insurers have the opportunity to consistently demonstrate their reliability, there will be a greater demand for their services, and for better products – a self-perpetuating cycle of improvement.

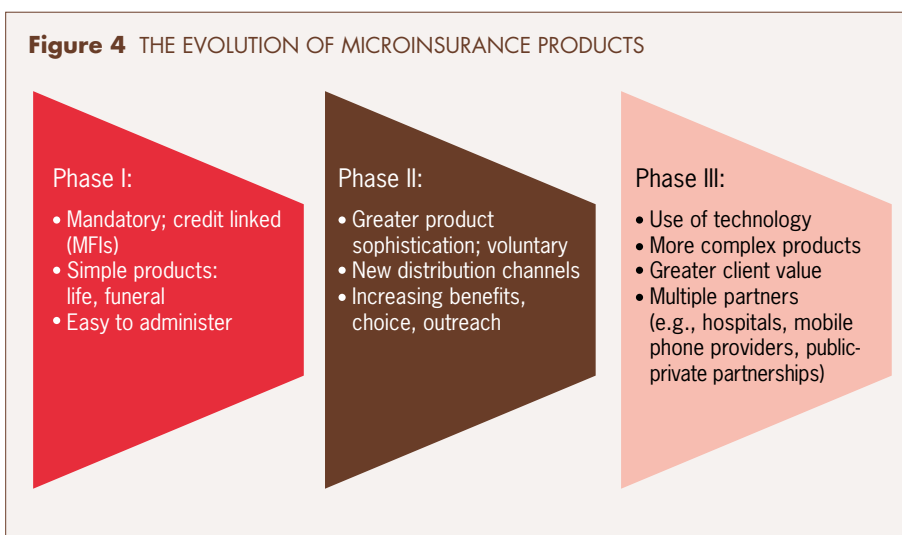
As a relatively new field of inquiry, microinsurance is on a steep learning curve. Consequently, any answers to the client value and viability questions are linked to ongoing improvements in operations, distribution and product design. Figure 4 illustrates how insurance for the poor has developed in some markets, such as India and South Africa, and we expect to see a similar progression elsewhere. The real question is: How long will it take for this evolution to occur? Unfortunately, we are not seeing a linear trend; many organizations are taking two steps forward and one step back as they make mistakes and then make adjustments. We hope we can reduce the mistakes that are being made by broadcasting the experiences of others.



© Munich Re Foundation

*The impact of microinsurance is difficult to measure. It comes from the household altering its other risk-taking decisions and observing what happens when the loss occurs. The former can be measured only by examining activity unrelated to the insurance transaction. The latter only when the loss happens – which may take years. Carefully constructed collaborative projects between academics and industry may be key to demonstrating impact more quickly.*

Richard Phillips, Professor, Georgia State University, and Co-editor, Journal of Risk and Insurance



To answer these key questions, the Facility is relying on findings that are emerging from a variety of sources. Evidence to prove or demonstrate client value will come mainly from our research grants, and from the rigorous longitudinal studies.

To answer viability questions associated with improving efficiency and effectiveness, we will learn primarily from our innovation grantees (see Annex 1) and capacity-building partners, as well from consultants and Fellows (see Annex 2).

Undoubtedly, both good and bad practices will emerge from our partners – more of the former, we hope – which will provide guidelines for others to follow if they want to offer more valuable insurance services to greater numbers of low-income households.

## DISSEMINATING LESSONS AND BUILDING CAPACITY

Generating the lessons is only half the battle. We also need to make sure that we actively promote the emerging experiences. Consequently, the Facility’s communications activities have gone through a major transition this year, shifting from efforts to stimulate interest in microinsurance and in the Facility, to the promotion of lessons to improve practices.

After a trickle of research papers, thematic studies and briefing notes over the past three years, now we are poised to produce a flurry of publications, including the second volume of the *Microinsurance Compendium*, scheduled for printing at the end of 2011. Perhaps more important than the publications, however, is the increased insight into our grantees' projects that is now available through our recently launched Knowledge Management Portal.

Clients of the PROFIN Foundation, a Round 4 grantee, from Bolivia



© Profin

To influence microinsurance practitioners, however, it is not enough to publish a book or put information on a website. These passive knowledge dissemination methods must be complemented with efforts to proactively encourage the adoption of good practices. We are likely to have greater success in changing behaviours and practices through interactive dissemination tools, including webinars, virtual conferences, workshops and the Thematic Pages on the Knowledge Management Portal. The Facility's capacity-building activities are therefore a critical dissemination strategy for influencing

the practices of microinsurance providers at large, as consultants, Fellows and eventually local partners will be able promote the lessons from the innovators. This brings us back to the initial dual agenda of the Facility: promoting lessons learned, while pushing the frontier of what is effective and viable.

## KEY ACHIEVEMENTS IN 2010

The year 2010 was a very productive one for the Facility. In the early part of the year, we were evaluated by the MicroInsurance Centre. In response to the evaluation's recommendations, we refocused our research efforts on viability and client value, and redesigned our organizational structure. The evaluation also led to a one-year extension of the Facility's relationship with the Gates Foundation, until the end of 2013, to give us more time to monitor the progress of our partners, including the Round 5 grantees to be announced in 2011.

The key accomplishment this year was to set up the systems and processes to extract lessons from our stakeholders and share them with the wider community. As described in more detail elsewhere in this report, the process of generating and disseminating lessons has become the Facility's *raison d'être*.

We successfully completed the fourth round of innovation grants, where the focus on health insurance and capacity-building added some exciting new initiatives to the Facility's partnership portfolio. Due to financial constraints, however, we could not support all the projects that we would have liked to, and we are grateful to all applicants for their innovative ideas and the efforts that they made to participate in the application process.

During 2010, we also began to benefit from our investments in professional development – through the joint mission and Fellowship programmes – as a new generation of microinsurance experts started to emerge. Thanks to the efforts of key mentors, we now have a new crop of actuaries and other professionals with a good understanding of how to combine insurance and development. These new experts are critical resources for the industry at large but especially for the Facility, as they assist us with grantee evaluations, and contribute to thematic studies and tool development. Some of them will also play a key role in mentoring the next wave of prospective experts, and assist the Facility in analyzing the outputs emerging from grantees and partners. For a list of the Facility’s mentors, Fellows and joint-mission participants, see Annex 2, under ‘Capacity-building partners, 2008-2010’.



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Participants in the Facility's Innovation Forum held in Manila, Philippines

More detail on these and other accomplishments – including the publication of microinsurance and research papers, the revision of the research strategy, improvements to the website and a major media push to raise awareness about microinsurance – is provided in the main text of this annual report.

We have been able to achieve these results for three main reasons.

First, we rely heavily on **partnerships and collaborations**, not only with grantees and capacity-building partners, but also with a range of other actors. For example, we work with the European Development Research Network (EUDN) to support our research activities, and the International Institute for Education (IIE) manages our Fellowship programme. We also collaborate with many thought leaders in the field, including the Centre for Insurance and Risk Management (CIRM), the Centre for Regulation and Financial Inclusion (Cenfri), Quindiem, the MicroInsurance Centre and the Microinsurance Academy. Naturally, the Microinsurance Network is a major sounding board and key partner; representatives from the Facility participate in most of the Network’s working groups (see Annex 6). Funding from the Z Zurich Foundation made it possible to offer the fifth round of innovation grants, and the Munich Re Foundation is contributing to the development of the next *Microinsurance Compendium*. As a small, Geneva-based team, our success also depends on the efforts

and insights of many players. We welcome collaboration with new organizations and are interested in exploring ways to leverage our Knowledge Management Portal so that it could be used by others.



© Facility

Members of the Facility's team and Steering Committee during the Steering Committee meeting in May

Second, we have an **outstanding team of committed professionals** who have been flexible and willing to adapt to new roles. For example, now that our grant portfolio has largely been selected – with only the Round 5 innovation grants remaining – grant officers are evolving into lesson extractors, drawing insights from their regular interaction with our grantees and partners. This transition reflects a natural progression of their responsibilities, which they have seamlessly integrated into their grant management functions.

The team received a huge boost this year with the addition of three new staff members: Virginia Bethe, Grant Officer (from the United States); Jasmin Suministrado, Knowledge Officer (from the Philippines); and Aida Lindmeier, Project Assistant (from Kosovo). We also received valuable assistance from several interns in 2010, and I would like to use this opportunity to thank Abby Gray, Cassandra Cacéres, Lauren Peterson and Brian Clayton for their hard work and contributions to the success of the Facility.

The third key to our success is our **Steering Committee**. I would like to thank them for their ongoing support and engagement. Their availability, insights and encouragement have been crucial contributions. They have had to make some hard choices, but the end result is an outstanding portfolio of activities that should enable us to have a better understanding about the provision of insurance to low-income households.

The extension of the first 5-year term of the Facility to December 2013 is an important step towards achieving our objectives, but we are also realistic enough to know that our work will not be done. By then, some of the learning will remain thin or inconclusive as the development of inclusive insurance markets follows an incremental path towards maximizing viability and client value. Consequently, in 2011 we will begin to formulate some initial thoughts on a second 5-year plan (2014-2018), and we would welcome input and guidance from practitioners, thought leaders and other collaborators on possible directions for the Facility after 2013.

# KNOWLEDGE GENERATION AND CAPTURE

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The reconceptualization of the Facility’s activities within a knowledge management framework, with the two main threads of **knowledge capture** and **knowledge sharing**, is reflected in the structure of this *Annual Report*. This first section, ‘Knowledge Generation and Capture’, looks initially at the Facility’s learning framework and its knowledge capture strategy, and then at its main knowledge generating activities – supporting innovation and conducting research. The second section, ‘Knowledge Synthesis and Sharing’ (page 27) outlines the Facility’s knowledge sharing strategy and then describes its main knowledge sharing activities – synthesizing and packaging knowledge, disseminating knowledge and building capacity.



© FAI

*Economists think that the more choices you have, the better off you are because you just ignore the ones that are irrelevant for you. But, when trying to choose overly complicated options, we often become overwhelmed with so many choices and end up choosing none.*

Jonathan Morduch,  
Managing Director,  
Financial Access  
Initiative, New York  
University, USA

## LEARNING FRAMEWORK

In 2010, the Facility aligned its research, knowledge management and communication strategies to create a coherent framework for capturing, analyzing and sharing lessons learned from its past and current activities.

The goal of this framework is to learn how insurance can best benefit low-income households, and to use this knowledge to contribute to the development of appropriate products, business models and consumer education approaches. The current focus is on generating key findings and lessons relating to two fundamental questions:

- Do low-income households benefit from insurance (i.e., client value)?
- Is the provision of insurance to the poor viable (i.e., viability)?

To answer these questions on client value (see Box 2) and viability (see Box 3), the Facility has put together a set of hypotheses that will help prioritize its activities and generate tangible outputs in the coming years:

### Client value

1. *Access and usage:* Policyholders are satisfied with microinsurance and willing to renew their policies if what is offered is appropriate, accessible and affordable
2. *Risk management:* Insurance enables low-income households to manage risks more efficiently than other risk-management mechanisms, especially in the case of mature insurance products that have improved over time
3. *Health outcomes:* Access to insurance improves health-seeking behaviours and the quality of health care services for the poor, leading to better health
4. *Investment:* Insurance protection triggers more investment in high-risk, high-return activities
5. *Welfare impact:* Use of microinsurance leads to improved well-being at the household and community levels, reduces vulnerability to risk and breaks the poverty cycle

**Box 2** CLIENT VALUE

The impact of microinsurance is strongly determined by the value as seen from the client's, rather than the seller's, perspective. Drawing on its many research and innovation projects, as well as on literature reviews and stakeholder feedback, the Facility has developed a strategy to analyse client value that accommodates both the development and marketing viewpoints.

From a development perspective, the issue is to what extent microinsurance improves the welfare of policyholders. This client-focused approach accords with the marketing goal of satisfying the needs of clients and showing them how the benefits of insurance outweigh the costs. Other issues involved in analysing client value include: the value creation process (from product development to purchase and use); the balance between profits and client value; and client demand and perceived value of a product.

The Facility's strategy for analysing client value involves examining each stage of the value chain according to product value, perceived value, received value, outcomes and welfare impact (see Figure 5). This analysis is intended to illustrate the building blocks of value creation and identify stages at which client value can be improved. The results might also help donors justify additional investment in supporting the development of protective financial instruments such as insurance.

**Viability**

1. *Demand:* A mix of consumer education, marketing, branding, staff incentives and customer service is necessary to create an insurance culture and sustain the demand for microinsurance
2. *Business models and products:* Microinsurance can be viable under certain circumstances, but some products and some business models are more viable than others
3. *Health:* The viability of health microinsurance depends on well-designed products, strong IT and efficient processes, as well as a broad risk pool, ideally with an element of redistribution
4. *Distribution:* Microfinance institutions are not the only means, and possibly not the best means, of extending insurance to low-income households
5. *Business processes and information technology (IT):* Re-engineering business processes and the use of technology leads to significant efficiency gains

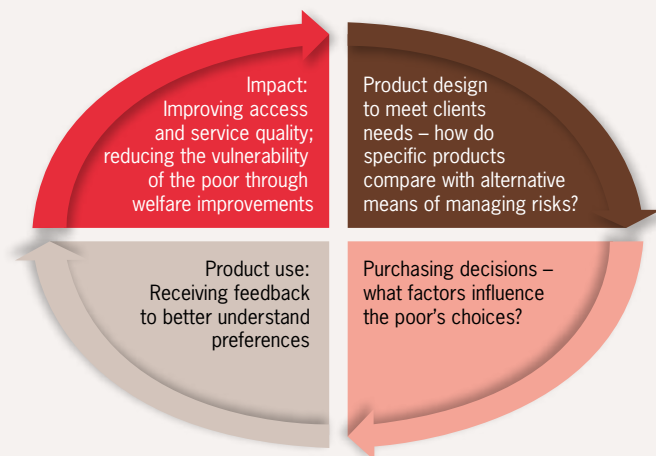
A Facility Fellow, Eamon Kelly, interviewing clients of Jamii Bora during a client value study in Kenya



© Facility

From all the Facility's work done to date, health insurance has emerged as the priority in most developing countries, hence the emphasis on it. Similarly, consumer education – what it involves and how it is delivered – appears to be an important factor affecting the take up of microinsurance. The importance of processes, from product development and pricing to marketing, distribution, claims administration and reinsurance, has also become apparent.

**Figure 5** THE VALUE CREATION CYCLE



**Box 3** VIABILITY

Can insurance companies make a profit in the low-income market while delivering value-for-money products? This is fundamental to the successful expansion of insurance in the low-income sector. Only if insurers see low-income households as a viable market opportunity will they make the necessary human, financial and technological investment. Insurers entering this sector primarily for social responsibility reasons are unlikely to achieve the scale required for viability in the absence of ongoing subsidies.

The Facility initiated a detailed analysis of viability in 2010. The actuarial consultants contracted to conduct it, Quindiem, were asked to look at several companies' microinsurance products and their relationship with other company products, at how microinsurance was structured within the company, and at the markets served and delivery channels used, and then to provide a financial analysis of product profitability.

Among the companies studied was an innovation grantee, the Cooperative Insurance Company (CIC) in Kenya. Quindiem focused on two CIC microinsurance products: credit life and Bima ya Jamii ('insurance for the community', a composite insurance product). The study tools included desk-based research on contextual factors; financial analysis of data that CIC provided; and interviews and workshops with insurers and clients.

The study illustrated the benefits of using the credit life business (where profitability is generally good) as the initial step into the microinsurance market. CIC took advantage of the widespread availability of microfinance institutions (MFIs) and co-operatives in Kenya as potential partners. It also illustrated, however, through CIC's loss-making experience with its first bundled health insurance product, the risks of expanding into business lines where the insurer has less experience and faces the challenge of balancing customer demand for enhanced benefits with the need to manage claims costs. In addition, the slow growth of policies for CIC's Bima ya Jamii product reflected the high costs of selling and distributing the product, and the consequent negative impact on business profitability. Overall, however, CIC's financial results indicated that both products were profitable.



© Allianz

*For us, microinsurance isn't a charity or donation. It's a business. We make money. On the other hand, it's a way for us to contribute to lower-income people in this country.*

Joachim Wessling, President, Allianz Life, Indonesia



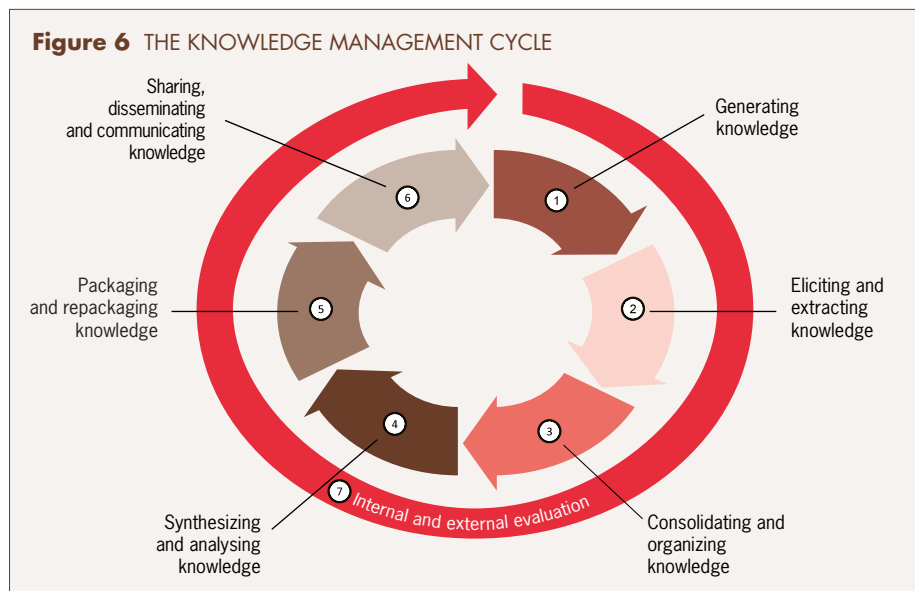
© RVD

*Sharing more widely what we already know and testing emerging models more broadly will bring financial inclusion. Resources are needed, but it is not fundamentally a question of more money. Drawing on lessons from pilot programs and innovative partnerships, we must now seek replication, scale and sustainability in order to provide quality financial services to as many people as possible around the world.*

HRH Princess Máxima of the Netherlands, UN Secretary-General's Special Advocate for Inclusive Finance for Development

## KNOWLEDGE CAPTURE STRATEGY

Signalling the transition from providing grants to extracting lessons from grantees and partners, in 2010 the Facility launched its knowledge management strategy. The aim of the strategy is to improve the tools for capturing lessons from grantees and partners, and to create effective mechanisms for analyzing, synthesizing, packaging and sharing these lessons in formats that are relevant to the Facility's target audiences (see Figure 6). Applying these lessons within the microinsurance sector should lead to improved practices and the generation of new lessons.



While the primary focus of the knowledge management strategy is on the Facility's core partners – innovation and research grantees, consultants and capacity-building partners – it also accommodates the need for internal knowledge management (to increase the Facility's operational efficiency and effectiveness in managing grants, providing capacity-building support packages and other activities) and external knowledge management (to address the knowledge needs of the broader microinsurance community, beyond the Facility's core partners).

The knowledge management strategy is based on the use of a variety of tools and approaches. The key mechanism for implementing it is the Knowledge Management Portal launched in November 2010 and accessed through the Facility's website. The two main components of the portal are:

- **Knowledge capture:** This component enables partners to access their project documents; reflect on and record lessons learned; use the portal's Learning Diary tool; compile project reports in a convenient and straightforward way;

and easily retrieve documents needed at any time. It also helps the Facility to manage its project portfolio, compile internal reports and keep track of grantee communication.



© Dalal

*To understand the real value of insurance literacy and risk management education, it is important to isolate the effect of the consumer education program from the product itself.*

Aparna Dalal,  
Independent  
Financial  
Consultant, UK

- Knowledge sharing:** This component enables partners and other registered users to track lessons learned using the portal’s Learning Journey tool; learn about and comment on developments in microinsurance via the portal’s Thematic Pages; exchange views with other partners through Discussion Forums and web conferencing; contact experts via the consultants registry; upload tools that are useful in microinsurance practice; and maintain their own space where they can, for example, provide updates on their project, post news and pictures, and upload product details

**Box 4** LEARNING DIARIES

A Learning Diary is used to capture the lessons that a project generates while working toward its milestones. This tool enables the project team to reflect on what’s been done and to identify learning points. It is in a table format, with four headings:

- Learning points** – listing topics considered important to analyze and understand, based mainly on the project’s learning agenda
- What happened while you were working towards your milestone?** – at each learning point, noting what happened, what was going well and what was not going as planned
- Why did it happen that way?** – giving reasons for what happened, noting success factors, hindering factors and unanticipated challenges
- What would you have done differently?**– noting what approaches the team would change and what new ones it would try

A member of the grantee’s project team is assigned the task of documenting lessons, and these are then entered into the diary according to a schedule agreed with the Facility and based on major project activities or milestones featured in the project work plan. The lessons identified in the diary are then consolidated and repackaged by the Facility into the project’s Learning Journey, as well as being synthesized with lessons produced by other projects before being made publically available (see Figure 7 for a sample Learning Diary).



© CNSeg

Street Theatre in Santa Marta near Rio de Janeiro, part of an insurance education campaign launched by CNSeg

**Figure 7** A SAMPLE LEARNING DIARY

Learning Points	What happened while you were working towards your milestone?	Why did it happen that way?	What would you have done differently?
1. On the viability of the church as a distribution channel	We were having difficulties setting launching schedules with two dioceses. We hope to get a schedule within this quarter.	We find that for these dioceses, the migrants' desks are either not ready or non-existent. Our contact person is trying to find a work around to proceed with the launches given this.	We would have studied the structure of the church, particularly the nuances and intricacies. We would have approached the Social Activities group as opposed to the migrants' desk because we learned that this group is present in all dioceses.
2. On the impact of financial literacy training on behavior of target client	As per schedule, no activity implemented yet.		
3. On marketing	For the two mini-launches conducted, conversion rate was still at a low of 20% (versus target of 80%).  Our approach to get partner establishments who can offer discounts and other benefits to club members is very well received. In fact, many members are joining because of this.	We suppose it is because pre-event hype activities were lacking so people didn't really know what would be discussed, and some came to the launches without money.  We also note from the surveys that people still have a negative perception about insurance.  Our assessment is that customers are really looking more at tangible benefits. Many in fact still show aversion to insurance, but the extra benefits are additional selling points for them to be club members.	Distribute reply slips before the event. Have a calendar of activities for all launching schedules.
4. On the use of technology	To date, nobody has stopped up using mobile technology.	We are learning that people are still wary about monetary transactions that do not involve personal interaction.	Make the mobile technology available at the level of the coordinators who can receive the money for top up. This way, clients interface with a person, and that person is enabled by technology to top ups efficiently. We need to orient and make the coordinators comfortable with this.
5. Other	Identify any other Learning Points here that have not been pre-identified but come about as the project is implemented.		

The Learning Points are topics that are important to analyze and understand, and from which you want to document lessons. Learning Points are derived from your learning agenda and possibly other areas of interest. The Learning Points will be agreed upon between you and your Grant Manager. When you access your Diary, you will see that this column is already pre-populated.

Tell us what happened for each point of learning. Of particular interest are things that went well, and those that did not proceed as planned.

Identify reasons why you think your results turned out the way they did. What were success factors? What were hindering factors? What challenges were unanticipated?

If you were to do this again, is there any approach or strategy that you would change? What new things would you try?

## KNOWLEDGE GENERATION ACTIVITIES

There are two components of the Facility’s knowledge generation activities. One is the innovation grants programme, which enables the Facility to gather evidence-based material, and the other is the research that is conducted to analyse this material.

### SUPPORTING INNOVATION

By the end of 2009 the Facility had completed three grant application rounds, attracting 357 applicants, and it awarded more than US\$9 million to 36 grantees in 20 countries. In 2010, Round 4 led to more than US\$1.9 million being awarded to nine grantees in eight countries. The Facility issued its final call for applications, Round 5, in November, with 25 January 2011 as the deadline for applications.

Until 2010, the programme focused on attracting grant applications and ensuring that the application process was easily understood and efficient, adapting it where necessary to accommodate different types of applications. For example, in 2009 a simplified online process was introduced for applicants not seeking large sums. In 2010, the programme began to move from grant making to grant management. This involved implementing new grant monitoring and evaluation procedures, including using the Key Performance Indicators (KPIs) (see Box 5). These procedures highlighted projects that could be viewed as success stories, as well as challenges (see Boxes 6 and 7).



© Facility

Grant Officer Pranav Prashad at a rain gauge station during a visit to the Dhan Foundation, a Round 2 grantee, in India

#### Box 5 KEY PERFORMANCE INDICATORS

In November 2009 the Facility initiated a more systematic collection of performance data from partners who had received innovation grants and/or capacity-building support packages.

Using a factsheet developed by the Microinsurance Network (MIN), Appui au Développement Autonome (ADA) and the Belgian Raiffeisen Foundation (BRS), Facility partners give details about their organization and product and then provide information according to a set of Key Performance Indicators (KPIs) related to: **Product Value** (incurred expense ratio, incurred claims ratio, net income ratio), **Service Quality** (promptness of claims settlements, claims rejection ratio), **Product Awareness and Client Satisfaction** (renewal rate, coverage ratio, growth rate) and **Financial Prudence** (solvency ratio, liquidity ratio).

Various challenges have arisen in collecting the data, with some partners needing assistance to fill in the factsheet and others reluctant to provide some data or finding it difficult to analyze their data at the level of detail required. It is also clear that not all KPIs suit all organizations; in some cases, some KPIs need to be excluded.

To improve the submission of performance indicator information, the Facility is collaborating with the Microinsurance Network Working Group on Performance Indicators to provide assistance to partners. In July the Facility sponsored the participation of several partners in India in a KPI workshop in Bangalore.



© WWB

*Women, more often than not, are the family's primary caregiver. During a health event, there's more than just medical expenses – lost wages, childcare, even transportation to and from the hospital – all add pressure on that household during a tough time.*

Mary Ellen Iskenderian,  
President and  
CEO, WWB, USA

### Box 6 INNOVATION GRANT PROGRAMME SUCCESS STORIES

Among the Round 1, 2 and 3 grantees who have used their innovation grants to reach new clients are **Guy Carpenter**, a global reinsurance broker awarded a grant in 2008 to establish a micro-reinsurance facility, and the **Microfund for Women (MfW)**, an NGO in Jordan awarded a grant in 2009 to develop a health insurance product.

Guy Carpenter's micro-reinsurance programme seeks to give microinsurance providers the access to reinsurance that most of them lack, thus encouraging them to include catastrophic risk in their portfolios. It is focusing on a few key territories, including India and Peru, and is in contact with more than 100 microfinance institutions and microinsurance providers, from whom it has obtained data on nearly 20 million policies, most of which are for health insurance. It has succeeded in gaining the support of seven leading international reinsurers domiciled in multiple jurisdictions, as well as commitment from local government agencies, to facilitate reinsurance for a hospitalization scheme in Tamil Nadu covering 13 million people.

Working in collaboration with Women's World Banking (WWB), MfW used its grant to create Caregiver, a simple and affordable product intended to cover the costs incurred by women in the event of someone in the family being hospitalized. MfW started piloting Caregiver in two of its 22 branches in April 2010. The success of the pilot encouraged it to improve the processes for administering Caregiver and, in November, to begin rolling it out to all its branches. Included in the Facility's support was the placement of one its Fellows, Eamon Kelly, with MfW. An actuary with broad insurance and consulting experience, Eamon played an integral part in managing the pilot and rolling out the product. WWB is now looking to replicate the Caregiver product in other developing countries and will begin testing the replication in 2011.



© Facility

Steering  
Committee  
meeting to  
select Round 4  
applicants

During 2010, in line with the implementation of the knowledge management strategy, Grant Officers were involved in creating the knowledge management tools, including helping the grantees compile Learning Diaries and repackaging information into Learning Journeys (see Box 10).

The Round 4 call for innovation grant applications emphasised health microinsurance. Alongside the usual application process, there was a separate two-phased process for health-related applications, the first phase involving expressions of interest being submitted to the Facility by March 2010, at the same time as non-health grant applications. The Facility is prioritising health microinsurance because it has become clear that this is where pioneering work is most needed (see page 14).

Round 4 attracted 235 applications, the highest number yet (57% higher than Round 3, with many more applications from Africa and from Asia outside of India than in previous years). Of these, 96 were health-related expressions of interest, 56 were for capacity-building support packages, 83 were for other products. In May, six non-health grantees were selected and eight health-related applicants were invited to develop detailed proposals, with the help of Facility staff and consultants who visited several of the applicants in June and July. The health-related grantees were selected in August. All grantees were given clear

guidance on developing their project budgets, work plans and learning agendas, and familiarized with the knowledge management activities they would need to carry out, such as keeping Learning Diaries (see Figure 7) and validating Learning Journey entries (see Box 10).



© CIC

*Hindrances to insurance penetration are often high administration costs and lack of elaborate distribution and payment mechanisms. We want to address these handicaps and change the way insurance is priced and packaged in Kenya to unlock growth.*

Nelson Kuria,  
Managing Director,  
CIC Insurance,  
Kenya

**Box 7** INNOVATION GRANT PROGRAMME CHALLENGES

Two key lessons emerging from the innovation grants programme are: the need to set realistic, even conservative, targets; and the advantages of working with other organizations as part of a consortium, where the organizations can leverage each other's strengths and overcome each other's limitations. The Facility recognizes, however, that some organizations have difficulty collaborating, and therefore a key focus of its learning efforts will be on how to design and implement mutually beneficial partnerships.

Among the projects that have run into problems are Seguros Argos (Mexico) and Bima Ya Jami (Kenya). Founded in 2002, **Seguros Argos** focused on developing products suited to Mexico's lower-middle to low income classes. The Facility awarded the company a grant in 2008 to create mutual insurance schemes for rural and semi-rural women that would be implemented through organizations working in the target areas. A change in management and the financial crisis led the company to refocus its activities, get out of microinsurance and terminate the project. Nevertheless, one of the lessons that came out of the project was that at the level of the insurers a strong commitment is needed from both the management and executive board to reach this market. Without this commitment it is hard to carry on with a project during troubled times, like those experienced during the financial crisis. A strong board engagement with the low-income market will commit the necessary time and resources (human and financial) in developing products and solutions that take longer to develop than other products.

**Bima Ya Jami** was set up to provide a composite microinsurance product covering hospitalization, accidental death and disability, and funeral costs to low-income people. It was run by three organizations: CIC, the risk carrier for the accidental death and funeral components; Swedish Cooperative Centre (SCC), responsible for project management and capacity-building; and the National Hospital Insurance Fund (NHIF), the risk carrier for the hospitalization component. The project began in 2008, but by late 2010 it was terminated mainly because:

- product uptake was very low, reaching only about 5% of the proposed target of 200,000 members
- the NHIF's decision in 2010 to expand the cover to include outpatient costs significantly increased the premium
- an evaluation in 2010 revealed shortcomings in the organizations' capacity to effectively market and sell the product and highlighted the need to harmonize the CIC and NHIF systems and processes

Despite the challenges, CIC and NHIF still believe that, in the long-term, a public-private partnership is the way to go to provide comprehensive coverage. SCC played an instrumental role in bringing together two partners with very different organizational cultures. This was an important success factor in building a sound partnership in 2008-2010. Other success factors include transparency and a willingness to share information and solve problems as they occur.

The capacity-building programme integrated its support application process with the innovation grant application process for Round 4 (see page 39) and began working more closely with innovation grantees.

The focus of the Round 5 call for applications is on scale and efficiency, highlighting the use of technology and other innovations to help organizations to reach large numbers of households. Priority will be given to projects with the potential to provide information on such issues as:

- the extent to which technology can reduce administration costs and improve risk management
- the costs and benefits of using various types of technology (e.g., cell phones, smartcards) to improve efficiency
- whether technology can increase the value proposition for the poor via lower transaction costs, fewer claims rejections, faster claims payments and higher renewal rates
- how technology can help microinsurance providers scale up their operations significantly
- the obstacles to using technological solutions for microinsurance and how to overcome them



© Tenger

Tenger Insurance (formerly PGI), a Round 4 innovation grantee, launching its microinsurance product in Mongolia

financial services provider with a global network of subsidiaries and offices, serving customers in more than 170 countries. The Foundation donated CHF 3 million to fund the Round 5 grants, with the Bill & Melinda Gates Foundation continuing to cover the Facility's costs of selecting and managing the grantees. This move is in line with the Facility's efforts to extend its outreach to private sector organizations, as implementers of microinsurance projects and as a funding source for future activities.

The Round 5 application process will follow the two-phase process used for health microinsurance in Round 4, with all organizations asked to submit expressions of interest, and then those that are shortlisted asked to develop detailed proposals, with Facility assistance (as illustrated in Box 19 d).

A significant change in Round 5 was the sponsorship received from the Z Zurich Foundation. Founded in 1872, the Zurich Financial Services Group is an insurance-based



## CONDUCTING RESEARCH

As part of its Research Programme, the Facility implements a range of research activities aimed at generating knowledge on the potential of microinsurance to help low-income households manage risk and how to use this learning to develop and deliver appropriate microinsurance products. In 2010, these activities focused on four main areas:

- providing research grants to improve the understanding of microinsurance
- commissioning longitudinal and thematic studies to assess the benefits of microinsurance
- conducting assessments of projects to extract lessons from the Facility's action research partners

**Research grants.** Working in collaboration with the European Development Research Network (EUDN) (see Box 8), the Facility issues calls for academics and other researchers to apply for grants to conduct studies on issues relevant to microinsurance in developing countries. Preference is given to applications that focus on specific issues relating to the Facility's research strategy and propose a rigorous economic or social research methodology. The first call for grant applicants was made in November 2008, the second in June 2009 and the third in March 2010. The first two calls attracted 140 proposals for studies to be conducted in 30 developing countries.

The themes highlighted in the 2010 call for applications were:

- value of existing microinsurance products
- impact of health microinsurance on behaviour, access, use and quality
- factors behind low policy take-up and renewal
- public-private partnerships in microinsurance
- profitability of comprehensive health microinsurance
- efficiency of microinsurance distribution
- incentive systems for promoting and selling insurance
- affordable product pricing and the role of subsidies

The third call attracted 60 proposals and, in November, eight research grants were awarded. By the end of 2010, the Facility had a pool of 28 research grantees based in both developed



© Lépine

*Thanks to the research grant, we now have a great dataset that we are using for our PhD. We had very useful comments on the research methodology and on the paper that will be published by ILO. We also had the opportunity to meet renowned researchers working on the same topic as us.*

Aurélie Lépine and Alexis Le Nestour, PhD students, University of Otago, New Zealand



© Facility

Facility Fellow, Clemence Tatin-Jaleran (second from right), visiting distribution partners during the Max Vijay mid-term evaluation in India

and developing countries. Details on all the research topics addressed by research grantees in the 2008-2010 period are given in Annex 3.

**Longitudinal studies.** The Facility's longitudinal studies are intended to establish how, and to what extent, low-income households benefit from microinsurance. The studies are rigorous and provide information on the most effective methods for stimulating demand and measuring outcomes, such as changes in health-seeking behaviours resulting from access to health microinsurance. Twelve longitudinal studies have been set up with the Facility's partners, two of them being initiated in 2010 in Kenya and India (see Annex 3).

### Box 8 RESEARCH PARTNERS

To fulfill its research agenda, the Facility works with several partners. Prominent among them is the EUDN, which helps run the research grant programme. The network links members of European development research institutions, particularly in the field of development economics, with the rest of the world. EUDN research fellows have an extensive background in investigating risks, poverty and vulnerability issues in developing countries.

Some of the research work is conducted in collaboration with the Financial Access Initiative (FAI) and Innovations for Poverty Action (IPA)/Abdul Latif Jameel Poverty Action Lab (J-PAL). The FAI is a consortium of researchers, drawn from the IPA and the universities of New York, Harvard and Yale, working on how financial sectors can better meet the needs of poor households. The Facility is collaborating with them on research to improve and develop new consumer education programmes (as described in Briefing Note 3, see Annex 4).

The Facility is currently exploring links with institutions that might be able to fund additional studies. These efforts, coupled with the work conducted by the Microinsurance Network's Impact Working Group, the Index Insurance Innovation Initiative (II, set up in 2009 to reduce risk and poverty among small-scale agricultural and pastoralist households) and the MicroInsurance Centre should generate a sufficient body of evidence to generate some initial conclusions to the two key questions on client value and viability.



© Louis Jouve

A Freedom From Hunger pilot project on a consumer education model for health microinsurance in Ghana

The Kenya study is being conducted by Oxford University in collaboration with three Kenyan partners, CIC, SCC and NHIF (see Box 7). Designed as a randomized control trial, the study is assessing the impact of consumer education on client behaviour and insurance take-up and retention, and evaluating the impact of a composite health and life microinsurance product on household welfare. The baseline data was collected in 2010; another survey will be conducted in 2011 and the study is due to be completed in 2012.

The India study, being conducted by the University of Namur, is an impact assessment of the Swayam Shikshan Prayog (SSP) health insurance programme in India, which received a Facility innovation grant in 2010. Baseline data were collected in March 2010, before the project started, and an *ex post* assessment will be conducted in mid-2011, with the study due for completion in December 2011. Using an approach based on treatment and control villages/communities, the study will test the value of an approach intended to make insurance more acceptable by bundling it with other more attractive services.

**Thematic studies.** The purpose of the thematic studies is to fill knowledge gaps in microinsurance and explore cross-cutting issues. Conducted by various consultants and research partners, the studies usually take the form of desk studies, stocktaking exercises or case study evaluations, and once completed are published as part of the Facility's series of Microinsurance Papers (see Annex 4).

By the end of 2009, four thematic studies had been completed, covering microinsurance literature, the use of technology in microinsurance, gender and microinsurance, and microinsurance in Africa. A further 10 studies were launched in 2010. They involve many research partners and cover a wide range of topics, from consumer education, health microinsurance and distribution channels to client value, microinsurance profitability and migration-linked insurance (see Annex 3).

Many of these studies will contribute to chapters in the second volume of the *Microinsurance Compendium* (see page 8).

**Reviews and assessments.** Two other knowledge-generating research activities are playing a more central role in the Facility's work: mid-term reviews of Facility-supported projects, and assessments of programmes implemented by other agencies that could provide valuable lessons. In 2010, after four rounds of innovation grants, the Facility began conducting reviews on the progress of the projects and to extract lessons from them. First in line for review was Max Vijay, an initiative that was awarded a Facility grant in 2008. During 2010 the Facility also commissioned an assessment of the insurance education programme launched by the South African Insurance Association (SAIA – see Box 9).



© CGAP

*If you think about the enabling environment for health insurance to work, it's quite clear that the underlying provision of services is very important. There is no point in having health insurance if there is no clinic or hospital to go to.*

Tilman Ehrbeck,  
CEO, CGAP, USA

**Box 9** MID-TERM REVIEWS AND PROGRAMME ASSESSMENTS

Max New York Life (MNYL), which has more than 360 offices across India, launched **Max Vijay** to develop a model designed to serve millions of low-income households by improving access to life insurance and minimizing transaction costs. In 2008 the Facility awarded Max Vijay a grant to help it develop the model. The project review, conducted in April 2010 with CIRM, involved meetings with senior and branch managers, visits to delivery channels and interviews with clients and frontline staff.

The review showed that 90,000 new policies had been sold to low-income households since 2008 and that the project was on track, although the financial projections needed to be revised. The lessons extracted by the review included the following:

- to ensure product viability, regular savings behaviour needs to be sustained
- some delivery channels suit policy initiation (push), others suit top-ups (pull), and often a mix of channels is desirable (in this project, the best mix was manual/call centre/e-portal for initiation, and mobile or scratch cards for top-ups)
- a key to success is retailer selection, training and engagement (as delivery channels)
- sustaining interest in the product requires significant marketing expenditure
- the infrastructure for top-ups should be present from the outset
- the right processes need to be in place before trying to automate them through technology
- MNYL is a good example of customer service, information accessibility and misselling control

The Facility commissioned an assessment of **SAIA's insurance education programme**, partly to help maximize programme impact, but also to make the programme lessons widely available, particularly with regard to methods aimed at ensuring that low-income people understand how insurance works and can therefore make informed purchasing decisions. The assessment findings included the following:

- the short-term insurance sector should focus on consumer education specific to short-term insurance, rather than on general financial education
- the target market should be expanded to include people in a slightly higher income category who, although they have assets, do not understand insurance
- the cost-effectiveness of consumer education projects, and their impact on knowledge, skills and behaviour, is difficult to measure, hence the need to include monitoring tools right from the outset
- *ad hoc* interventions seldom bring lasting impact, whatever media are used (including workshops)
- project monitoring and evaluation are not rigorous enough to assess actual project impact.



Top-up cards used in the Max Vijay project, awarded an innovation grant in 2008

© Facility

# KNOWLEDGE SYNTHESIS AND SHARING

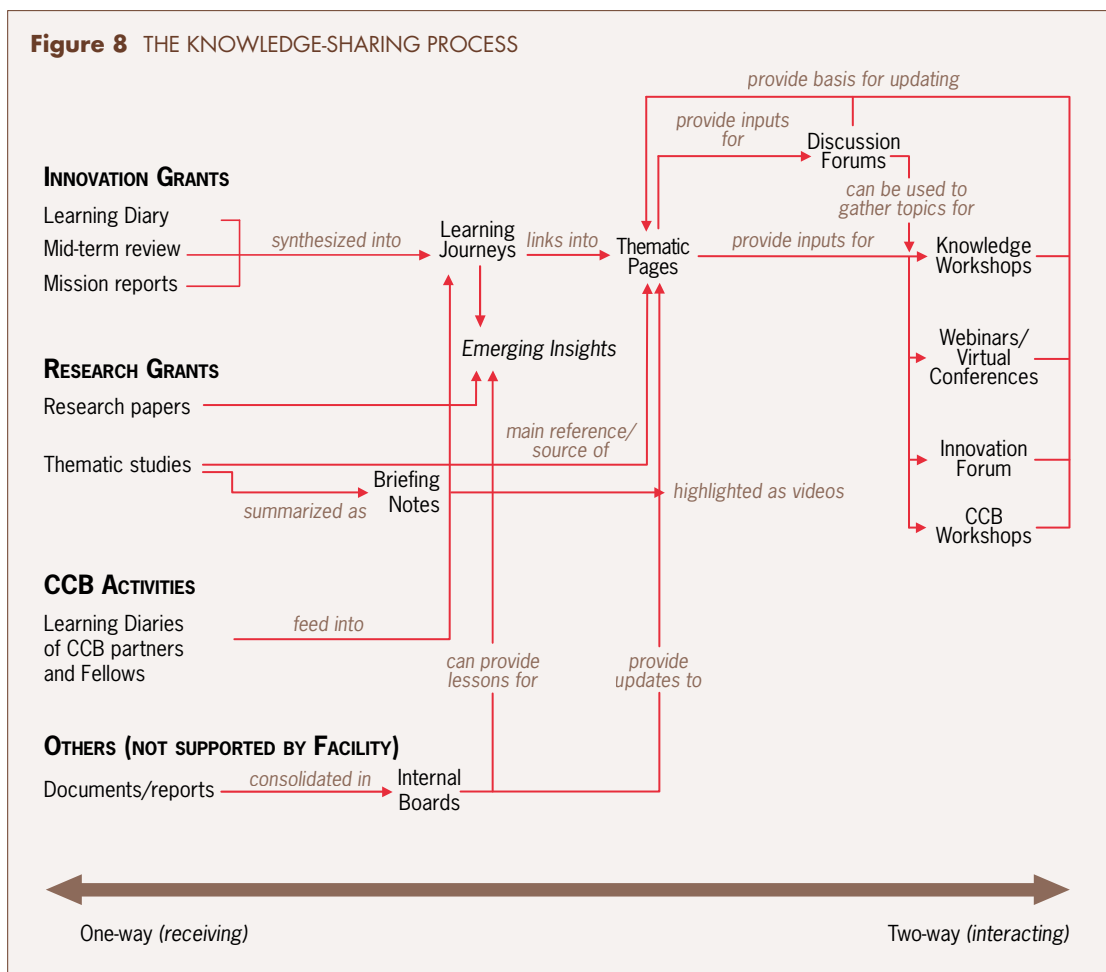
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While the first section of this *Annual Report* focused on the Facility’s learning framework, its knowledge capture strategy and its main knowledge generating activities, this second section opens with an outline of the Facility’s knowledge sharing strategy and then describes its main knowledge sharing activities – synthesizing and packaging knowledge, disseminating knowledge and building capacity.

## KNOWLEDGE SHARING STRATEGY

As described on page 13, the Facility’s knowledge management strategy has two major components – knowledge capture and knowledge sharing – and is implemented using a variety of tools. Whereas the knowledge-capture tools focus on generating and recording knowledge, the knowledge-sharing tools are concerned with packaging and disseminating it, and using it to build capacity in the microinsurance sector (see Figure 8).





© Bradesco

*First, we achieved the goal of being the bank for all the Brazilians, with branches in every city in the country. Then, we reached the goal of having at least one insured family in each city. In our view, social inclusion and financial education should be central to this service.*

Eugênio Velasques,  
Executive Director,  
Bradesco Seguros

The knowledge-sharing process begins with using data primarily from project progress reports, Learning Dairies and mid-term reviews to create a Learning Journey (see Boxes 4, 9 and 10). The information from Learning Journeys is used both to extrapolate lessons, which are disseminated weekly to target audiences (see Box 12), and to contribute to the Facility's thematic studies, which constitute one of the main inputs for Thematic Pages (see Box 11).

#### Box 10 LEARNING JOURNEYS

A Learning Journey is a chronological and narrative account of all lessons learned by a partner during project implementation, covering both the successes achieved and the challenges experienced during this process. There are four main components in a Learning Journey:

- **Project basics:** providing an overview of the project, the organization and the product
- **Project updates:** presenting the KPIs and describing activities undertaken as of each date in the project's Progress Report
- **Project lessons:** the main section of the document, divided into sub-sections that address each issue in the project's Learning Agenda, as well as non-agenda issues
- **Next actions:** providing a summary of planned activities and anticipated milestones

The Facility, sometimes in collaboration with the grantee (when available, with the grantee's Learning Coordinator), drafts the first version of the Learning Journey based on information from the Progress Reports and other sources. The draft is then reviewed and the information in it validated and, if necessary, elaborated upon by the grantee.

By the end of 2010, 27 Learning Journeys had been drafted and validated. An example of a Learning Journey is presented in Box 19 (c).

Hand-held terminal used in the project launched by CARE, a Round 2 innovation grantee in India

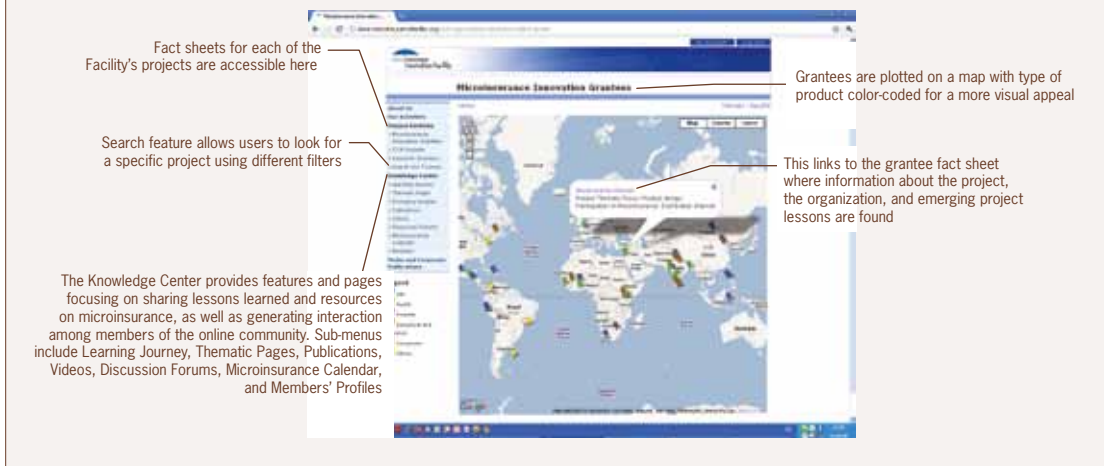


© Care

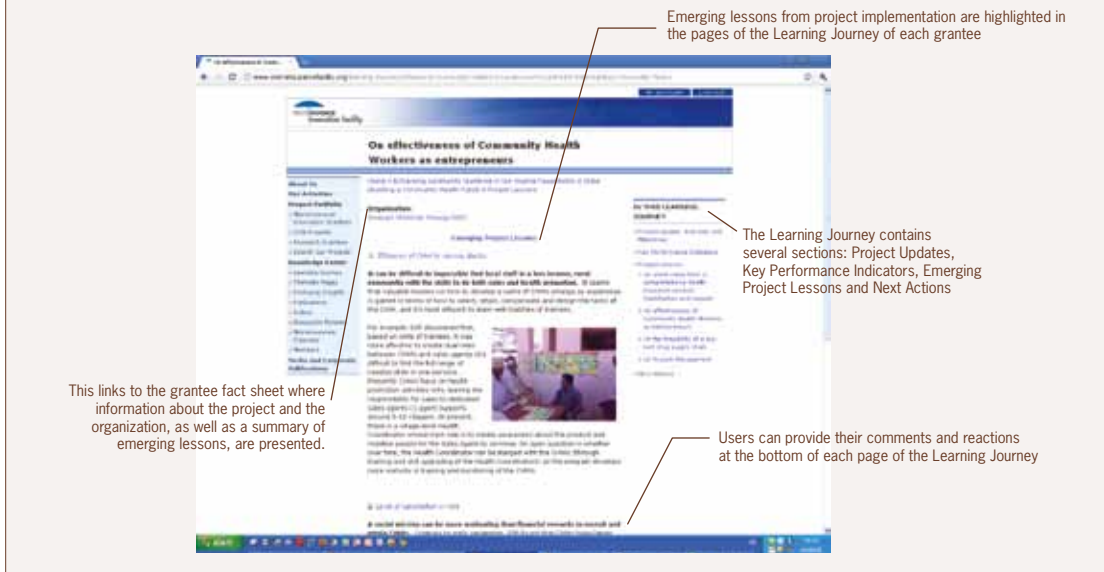
Supporting this process is the knowledge-sharing space in the Knowledge Management Portal, which contains a Knowledge Centre and factsheets on all Facility-supported innovation, capacity-building and research projects. In the Knowledge Centre, users can access the Learning Journey tool (see Figure 10), read and comment on Thematic Pages, exchange views through Discussion Forums, access publications and video interviews, and consult the calendar of microinsurance events worldwide.

Thematic Pages focus on knowledge gathered on a specific topic and draw mainly on the thematic studies conducted by the Facility (see page 25 and Annex 3). They present emerging lessons on that theme and encourage microinsurance practitioners to comment on them. By the end of 2010, three Thematic Pages had been created (on consumer education, technology and health microinsurance) and put on the Knowledge Management Portal.

**Figure 9** SCREENSHOT OF THE PORTAL SHOWING KNOWLEDGE-SHARING SPACES



**Figure 10** SCREENSHOT OF A LEARNING JOURNEY PAGE



**Box 11** THEMATIC PAGES

Typically, a Thematic Page on the Facility's Knowledge Management Portal will include:

- an introduction to the theme
- a reference to the relevant thematic study
- lessons emerging from the study
- sources of further information (e.g., print publications, links to online sources, and videos)
- links to related Learning Journeys on the portal
- links to related news and events

## KNOWLEDGE SHARING ACTIVITIES

The Facility shares the knowledge generated from its various activities by repackaging it in the form of accessible information products, incorporating up-to-date guidance on useful lessons and good practices, and then by disseminating these products through a wide range of media.

### SYNTHESIZING AND PACKAGING KNOWLEDGE

The knowledge generated from the Facility's Research Programme, from lessons emanating from projects supported by innovation grants and from experiences with the capacity-building support packages, is analyzed and synthesized by the Facility team, and is initially produced in three main types of information products:

- publications (Microinsurance Papers, Briefing Notes and research papers, in print and electronic formats)
- bite-sized lessons (*Emerging Insights*, in electronic format)
- videos (with authors of studies and with microinsurance practitioners)

The **Microinsurance Papers** repackage information generated from the thematic and longitudinal studies (see Annexes 3 and 4). In 2010, the Facility published two new papers in the series:

- *The Psychology of Microinsurance: Small Changes Can Make a Surprising Difference*. Microinsurance Paper 5. Led by the FAI, this paper presents laboratory and field research examples of behavioural economics and provides insights into how households think about losses and gains, weigh current and future tradeoffs and are influenced by the way risk-management choices are framed.



- *Innovations and Barriers in Health Microinsurance*. Microinsurance Paper 6. This paper includes a literature review and interviews with experts representing 25 organizations. It focuses on private sector health microinsurance and discusses the challenges limiting growth and innovations that might enhance it, including collaboration with public programmes.

The **Briefing Notes** are short papers on research topics and include summaries of the longer Microinsurance Papers (see Annex 4).

The Facility’s **research papers** emanate from the research grants awarded to academics to conduct studies on relevant microinsurance issues (see page 23). A list of all research grant topics since the Facility was set up, including the names of the authors of the papers, is given in Annex 3. The four papers completed in 2010 were:

- *The Economic Value of the Willingness to Pay for a Community-Based Prepayment Scheme in Rural Cameroon* (University of Yaounde II, Cameroon, and University of Western Cape, South Africa)
- *Microinsurance Product Design: Consumer Preferences in Kenya* (VU University Amsterdam, The Netherlands)
- *Health Care Utilization in Rural Senegal: The Facts Before the Extension of Health Insurance to Farmers* (University of Otago, New Zealand)
- *Impact of Financial Literacy on Weather-Index Insurance Take-Up in India* (Harvard Business School, USA, the Indira Gandhi Institute of Development Research (IGIDR), India, and the Wharton School, University of Pennsylvania, USA)

**Emerging Insights** was developed in 2010 to disseminate ‘bite-sized’ lessons to microinsurance practitioners on a regular basis in email format. The lessons are drawn from the Learning Journeys, Thematic Pages and other sources.

**Box 12** EMERGING INSIGHTS

**Emerging Insights No. 1**

*On: Consumer education*

*From: South African Insurance Association (SAIA), CARE India and Bajaj Allianz*

**Adhoc consumer education is a waste of money**

A long-term, comprehensive approach is important to develop and deliver effective consumer education to improve risk-management capacities of low-income households. Careful identification of topics crucial to develop insurance and product awareness is required, along with the ongoing use of consistent, integrated messages delivered by multiple channels.

The experience of SAIA provides a useful reminder of why one-time activities are not an effective way to build an insurance culture. As part of a broader consumer education initiative, SAIA supported a project that provided financial literacy through a series of well-designed one-day workshops in rural areas. After one year, SAIA found that 57% of the participants interviewed did not remember participating in the workshop. According to staff, one of the main reasons for the poor recall rate was that the education was delivered in a stand-alone workshop rather than a continuous learning process facilitated by refresher messages in various forms and integrated with access to microinsurance products.

On a similar note, in partnership with Bajaj Allianz, CARE India found that certain topics, such as risk pooling and claims procedures, need continuous emphasis and repetition. In terms of product education, CARE India also reported that explaining the value of life insurance was more difficult than for other kinds of insurance, because life insurance does not offer a tangible benefit to the policyholder. Additional focus on how life insurance helps beneficiaries was required.

*Emerging Insights – bringing you regular lessons emerging from microinsurance initiatives*



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*We believe it is critical to our long-term business success to play our part in delivering sustainable, long-lasting solutions to important and relevant economic, social and environmental challenges. In these difficult times of market recovery, it is important to underpin our commitment to corporate responsibility and actively support the development of better insurance services for the less fortunate.*

Martin Senn,  
Zurich's Group  
Chief Executive  
Officer and  
Chairman of the  
Board of Trustees  
of the Z Zurich  
Foundation

They might, for example, provide tips on effective tools or processes, a word of caution on an aspect of project implementation, anecdotal evidence submitted by a practitioner, or the results of a client evaluation survey. The lessons are compiled on spreadsheets and then organized by region (Africa/Middle East, India, Asia and Latin America) and theme (health, consumer education, client value, viability, processes). Each week the Facility selects one lesson to feature in *Emerging Insights*. The first issue of *Emerging Insights* was emailed in November (see Box 12). All issues are available in English, French and Spanish on the Knowledge Management Portal.

**Video** interviews with the authors of the studies and with microinsurance practitioners are aimed at drawing out key findings and major lessons and gaining the interviewees' insights on microinsurance processes, innovations and challenges. By the end of 2010, the number of video-taped interviews with Facility partners and other players in the microinsurance sector had reached 60 (see Annex 4).



© CNSeg

The Facility recognizes that it alone cannot influence the practices of old and new microinsurance practitioners, and is therefore committed to creating a community of practice among practitioners and experts that will expedite the development and wide dissemination of good practices. The creation of this community involves disseminating lessons and insights through both communication and capacity-building activities. This should not only lead to improved practices along the microinsurance value chain, but also help to stimulate the generation of new findings as stakeholders begin to realize the benefits of sharing their experiences.

## DISSEMINATING KNOWLEDGE

The Facility uses a variety of tools to share the knowledge generated by its activities. Key tools include publications and videos, media coverage of the Facility and its partners, the website with its Knowledge Management Portal, and various social media platforms. Conferences and workshops are also important forums for disseminating the emerging experiences of grantees and partners.

The **publications** produced in 2010 included Microinsurance Papers, Briefing Notes and research papers (see Annex 4). The Facility also published its 2009 *Annual Report* in English, French and Spanish and mailed copies to 800 people, and four issues of its newsletter, *Innovation Flash*, in all three languages and emailed it to 15,000 people. By the end of 2010, 15 Facility publications were available online.

Working with the **media** was a major component of the Facility's work in 2010. Several press releases were distributed to a media list of 2,000 people. These included one in January on support from the Z Zurich Foundation (see page 9), one in May on the study of microinsurance of Africa (see Annex 4) and one in November on the call for applications for grants and capacity-building support. The Facility also managed many media requests for interviews with members of its team. In total, it contributed to the publication of more than 20 articles related to microinsurance and emerging lessons in a variety of media outlets around the world; a list of the most informative articles is given in Annex 4.

The **website** underwent a major restructuring in late 2010, with the overall aim of positioning the Facility as an information leader in the microinsurance sector. Underlying this work was the need to integrate the website with the new Knowledge Management Portal (see page 16) and to extend the target audience from the current microinsurance community to those outside it. This includes people who want to learn about microinsurance and could contribute to it, and influential stakeholders in the development aid and insurance sectors who, if convinced of its value, could help increase its outreach. The revamp and the launch of the portal attracted more than 7,800 visits to the website in November. The Facility will work hard to develop the loyalty of these visitors and maintain this high level of interest. In total, in 2010 the website attracted more than 55,000 visits and more than 30,000 unique visitors, an increase of 25% compared with 2009.

The Facility pro-actively used a range of **social media** in 2010, reflecting the huge growth in the use of these tools around the world. It started using LinkedIn in late 2009, to provide a space for the microinsurance community to exchange information, and is now connected to 1,600 interested parties worldwide. Membership of the Facility's LinkedIn microinsurance group increased from about 100 at the end of 2009 to 950 by the end of 2010, making it the leading microinsurance networking location on LinkedIn, with the most postings and



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*With over 2 billion adults having no access to financial services, IAIS has strengthened its commitment to provide additional guidance on the applicability of insurance core principles and standards that should foster proportionate regulation and supervision of insurance markets and facilitate the availability of not just insurance but quality insurance to low-income consumers.*

Yoshi Kawai,  
Secretary General,  
IAIS, Switzerland

**Figure 11** A SAMPLE OF PRESS COVERAGE OF THE FACILITY AND ITS PARTNERS IN 2010



active discussions. The Facility also developed its space on Slideshare, and connected this to the LinkedIn space. The Facility's YouTube channel ([www.youtube.com/user/MIinnovationFacility](http://www.youtube.com/user/MIinnovationFacility)) was launched in July; it carried 55 videos by the end of 2010 and was being viewed by an average of 300 visitors a month. The most frequently viewed topics were consumer education and the use of technology to prevent fraud.

We also use the opportunities presented by major **conferences** to share the Facility's research findings. Among such events in 2010 was the conference at the Chronic Poverty Research Centre (CPRC), an international partnership of universities, research institutes and NGOs housed at the University of Manchester, UK. The Facility's Research Officer presented a paper on 'New Frontiers in Microinsurance', describing the main challenges facing the expansion of microinsurance – product design, stimulating demand, and distribution channels – and discussing the practical solutions being tested in the field. A key element of the Facility's presence at such forums this year was the transition from promoting microinsurance and the Facility to promoting emerging lessons from the activities of the Facility and its partners.

**Box 13** THE 6<sup>TH</sup> INTERNATIONAL MICROINSURANCE CONFERENCE

“If you are studying or working in the field of microinsurance, the annual International Microinsurance Conference, jointly hosted by the Munich Re Foundation and the Microinsurance Network, is the place to be” wrote Aparna Dalal, an independent consultant and former FAI Director of Special Projects, on attending the 6<sup>th</sup> International Microinsurance Conference. Held in Manila, the Philippines, from 9 to 11 November, the conference attracted 520 participants from 50 countries this year.

These annual conferences are a major event in the Facility’s calendar, enabling it to share information on the outputs of its research and other activities. This year, among the Facility partners giving presentations were: Barbara Magnoni, who described the preliminary results of the thematic study on microinsurance and migration; Anja Smith, who spoke on alternative delivery channels; Doug Lacey, who presented a paper on profitability; Rob Rusconi, who shared his findings on savings and insurance; and CIRM, the Facility’s strategic partner in India, which presented the microinsurance map that highlights emerging trends in India. The Facility also co-organized a workshop on consumer education with the MicroInsurance Network Working Group, and hosted a session focusing on the Max Vijay case study (see Box 9).



Some of the Facility grantees’ posters displayed at the Conference

As in previous years, the Facility organized various events prior to the conference opening. From 5 to 7 November it ran a course designed to give consultants fast-track training in project design; it introduced them to results-based management and its application in project design, and presented a model for aligning expected results with predefined objectives. The Facility also ran two capacity-building workshops on ‘Building Successful Organizations’ and ‘Climbing the Learning Curve’. The main event organized by the Facility was the Innovation Forum, held on the day before the opening of the main conference (see Box 14).

The stand attracted many visitors. Staff handed out a range of publications, including flyers and brochures, the 2009 *Annual Report*, Briefing Notes and Microinsurance Papers. They also conducted interviews with many conference participants and captured some of the sessions to add to the Facility’s video resources.



The Facility’s stand during the Conference

**Box 14** THE 3<sup>RD</sup> FACILITY INNOVATION FORUM

The Facility's 3<sup>rd</sup> Innovation Forum was held in Manila, the Philippines on 8 November, the day preceding the opening of the 6<sup>th</sup> International Microinsurance Conference (see Box 13). The Forum attracted 110 participants from around the world, including key players in the insurance industry and international development agencies.

An invitation-only event for Facility grantees, partners and consultants, the Forum opened with a Poster Session on Learning Journeys, depicting key lessons learned from innovation grant projects. This was followed by the launch of the Knowledge Management Portal, the primary tool now being used by the Facility to capture and share lessons (see page 16). The launch presentation outlined the Facility's knowledge management framework and the structure, use and benefits of the portal.



© Facility

Participants in one of the thematic sessions organized during the Facility's Innovation Forum in Manila, Philippines

The third session of the Forum consisted of two Learning Clinics. The first one focused on 'Capturing Useful Lessons to Enhance the Success of Microinsurance Projects', after which the participants formed groups to discuss various issues related to knowledge capture. The second clinic consisted of a series of sessions on KPIs, client satisfaction and Learning Diaries. The clinics were followed by parallel group sessions on various themes, including technology, bundling insurance with other financial services, health insurance, consumer education, and distribution. In order to provide video summaries of the thematic sessions, the session facilitators presented the questions raised by participants and the solutions discussed.

The Forum ended with 'The Manila Derby', a quiz on microinsurance practices. Participants were divided into teams to support eight horses (represented by Facility team members or partners), and had to answer 10 questions. The questions were designed to provide insights into good and bad practices, with a special focus on customer needs, service and education, product design and financial processes, and they engendered lively team discussions. The winner? Horse number 5, 'ridden' by Gaby Ramm! Prizes were awarded to the winner and to members of audience who had 'bet' on the winner.

In a subsequent survey of Forum participants, 79% said the content was good or very good, and 97% said their expectations of the session on knowledge management were fully met. A common request was that the 2011 Forum provide more opportunities for participants to share experiences. Some suggested that some improvements could be made to the format of the learning clinics and thematic discussions, and 88% of the participants said they would probably attend the Facility's 2011 Innovation Forum.



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Participants answering questions in the «Manilla Derby» quiz



© Facility

A microinsurance consultant, Michiel Berende, parading before the start of the «Manilla Derby»

## BUILDING CAPACITY

Besides the knowledge dissemination tools described on page 35, the Facility also uses capacity-building activities to disseminate knowledge generated by its activities. Following the restructuring of the Consulting and Capacity-building Programme in 2009 to provide more holistic support, the focus in 2010 was on consolidating the programme's core components: advisory services, professional development and training.

The Facility's **advisory services** focus on partnership and capacity development, rather than financial assistance. The packages offer various services, tailored to the needs of the applicant, including access to the Knowledge Centre, workshops and training courses, grants to purchase expertise, and Fellows to help build capacity. As noted earlier (see page 19), the Round 4 call for applications for innovation grants was integrated with a call for applications for capacity-building support packages, with priority given to organizations already involved in microinsurance but needing support to develop and deliver better products.

The Facility received 56 applications, indicating a significant demand for these packages, and it conducted an initial assessment of 12 of the applicants (see Box 15).



© Patankar

*The tools introduced in the [capacity-building] workshop, particularly concerning stakeholder analysis, are directly useful for better planning of my work ahead.*

Mangesh Patankar, Facility Fellow hosted by the Philippines Crop Insurance Corporation

### Box 15 THE INITIAL ASSESSMENT PROCESS

When considering an application for a capacity-building support package, an initial assessment is made by a Facility-appointed consultant of the applicant's environment, organization and microinsurance activities. The aim of the assessment is to ensure that the market conditions support microinsurance development and to identify challenges facing the applicant and specific interventions that could overcome these challenges.

The three steps in the initial assessment process are:

- *Due diligence*: involves gathering and analyzing information about the organization; assessing its commitment to meeting client needs, and how support will help it provide better services and improve its ability to reach low-income clients; and recommending whether or not the Facility should support it
- *Diagnostics*: goes a step beyond due diligence, completing the picture of the organization's microinsurance activities, structure and culture, as well as the environment in which it operates, in order to identify specific microinsurance challenges
- *Capacity-building plan development*: identifies the interventions that can effectively and optimally address the specific microinsurance challenges revealed by the diagnostics, and then creates a holistic plan to serve as a road map for the organization to fulfill its capacity-building objectives

John Wipf, a consultant appointed by the Facility to carry out the initial assessment of the Equity Bank in Kenya, which had requested support in product design and monitoring, noted that the assessment benefited not only the Facility but also the bank itself. "During our assessment they really learned a lot about what it actually takes to set up a microinsurance programme. They also learned what the Facility can provide and what it cannot provide, because sometimes the expectations are set high. In this context the consultant assists in levelling the expectations of the applicant."

By the end of 2010, six applicants had been approved (see Annex 2). In addition, two stand-alone capacity-building grants were awarded during the year, one to Coopérative des Ouvriers du Bâtiment (COB), a cooperative for construction workers in Senegal (to help it conduct a feasibility study on designing a viable composite product and improving processes) and the other to FOSIS, part of the Ministry of Planning in Chile, set up to finance programmes aimed at helping individuals and families overcome poverty. Stand-alone grants are approved only when the Facility considers that an applicant needs only a grant to generate useful lessons and/or provide valuable insurance to low-income people.

The Facility's **professional development** activities include three main components: the fellowship programme; joint missions; and workshops to improve the effectiveness of microinsurance consultants.

Seven fellows completed their fellowships in 2010. One is now an independent consultant, three have been employed by microinsurance organizations (GRET, MIA, and Planet Guarantee), one is seeking further professional opportunities in microinsurance, one has returned to her previous job but is involved in the Microinsurance Working Group of the IAA, and one has returned to academia to complete his masters degree. Eight new fellows were approved in 2010, three of them from developing countries in 2010, and a further four fellowship applications were in the pipeline by the end of the year.

Among the improvements made to the fellowship programme during the year was the development of processes to:

- select, place and manage Fellows more effectively
- capture and report lessons learned during fellowships
- broaden Fellows' exposure through additional learning activities
- increase the involvement of the Institute of International Education (IIE) in programme administration, allowing Facility staff to focus on capturing lessons

Grant Officer, Caroline Phily (left) and Capacity-building Officer, Mary Yang, discussing applications for Round 4 innovation grants



© Facility

A revised version of the *Fellowship Booklet* was produced, describing the benefits of a Facility fellowship, the qualifications required, the application process, mentoring and other programme components.

The joint-mission programme accepted three new entrants in 2010, two of them from developing countries. Joint missions are also used to help Fellows broaden their microinsurance exposure.

Excerpts from interviews conducted with some Fellows and joint-mission are presented in Boxes 16 and 17.

**Box 16** INTERVIEWS WITH SOME CURRENT AND FORMER FACILITY FELLOWS



Manoj Pandey

© Pandey

Among the Fellows interviewed in 2010 were **Manoj Pandey** (from India), **Derek Poulton** (US) and **Eamon Kelly** (Ireland). Manoj, whose background is in rural management, said that the most challenging aspect of his fellowship was to understand, at the outset, the economic context in which a provider was operating. “Working in Sri Lanka and then in Kenya, it was a challenge to understand the social and economic situation there, the view people had of social security, what formal and informal measures were available and how they were used.” Derek noted that what had attracted him to apply for a fellowship was the opportunity “to tap into the resources of the Facility [which would provide] a very unique and rich experience that will help me in the future.” An actuary assigned to work with the Microfund for Women in Jordan (see Box 6), Eamon considered that the main ways in which Facility Fellows and consultants could help to expand microinsurance was to help providers “get an independent view of their current activities, where the gaps are and where they need help”.



Paola Romero

© Facility

Two former Fellows felt that the experience had been very worthwhile. **Paola Romero** (Colombia), who did her fellowship with INISER in Nicaragua, mentored by Barbara Magnoni from EA Consultants, said the experience had “not only added value by boosting my knowledge in many ways, but also proved helpful when I was searching for a new job”. In November she started working for a French NGO on health insurance programmes in Cambodia and Laos. **Clemence Tatin-Jaleran**, who had a 6-month fellowship in Bolivia and a 12-month one in with CIRM in India, said she would advise anyone entering the world of microinsurance to “hit the field, meet people, understand the context and read, especially case studies”.

**Box 17** INTERVIEWS WITH SOME JOINT-MISSION PARTICIPANTS



Chia Lee Wong

© Facility

**Chia Lee Wong** (from Singapore) is a microfinance consultant who joined Lisa Morgan (see below) as a joint-mission participant to conduct an initial assessment of an applicant for capacity-building support, based in Vietnam. She said that her experience had shown her that capacity-building has a huge role to play in microinsurance, not only to enable organizations to do what they want to do, but even just to envisage what they could do, given the right support.



Lisa Morgan

© Morgan

**Lisa Morgan** (South Africa), who works at Milliman, an actuarial consultancy in London, has participated in two joint-mission projects, one in South Africa to work on microinsurance demand and feasibility study, the other helping to design and price a maternity microinsurance product in India. “I find the work very satisfying, and with each new project I learn so many new things about the particular country and project under consideration. I have access to many sophisticated Milliman tools and well-furnished health care datasets. Working in microinsurance has broadened my experience and also given me the chance to go back to basics.” Lisa is now on the Facility’s register of microinsurance consultants.



© Tendek

*In Mongolia the lack of education and understanding of insurance as a means of risk management makes low-income people unwilling to pay the premiums unless they need the benefits immediately.*

Kelly Rendek,  
Facility Fellow  
working in  
Mongolia

As part of its efforts to develop a pool of expertise to build capacity in the microinsurance sector, the Facility has created a registry of microinsurance consultants and a Microinsurance Consultants' Charter. By the end of 2010 there were 58 registered consultants with product specialisations in life, property, agricultural, health and pensions. Between them, these consultants speak more than 15 languages and their expertise ranges from technology, financial education, market research and feasibility studies to staff training, product design, actuarial calculation and microinsurance regulation. The Facility draws on this pool for various activities, such as conducting initial assessments and mentoring joint-mission participants and also organises workshops to build the capacity of the consultants. The main purpose of the register, however, is to provide the general public with information about consultants in the microinsurance industry. It should help bring the supply of services closer to the needs of practitioners. The register is accessible via the Facility website.

Several other capacity-building tools were developed 2010, including: a Field Visit Key Learning Sheet; a Reading List; a Needs Assessment Sheet; an Initial Assessment Guide; a Study Tour Guide; a Guide to Providing Consulting Services; and a Guide to Using Consulting Services.

The Facility's **training** activities include organizing workshops for consultants, Fellows and joint-mission participants. In 2010 it organized one workshop in Germany, and two others during the Facility's Innovation Forum in Manilla (see Box 14). The Facility also started using the case methodology in order to share the emerging lessons from its grantees (see Box 18). During the 6<sup>th</sup> International Microinsurance Conference Facility staff organized an interactive presentation of the results emanating from the mid-term evaluation of Max Vijay (see Box 9).

Participants in a capacity-building workshop for consultants, organized in Germany by the Facility



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**Box 18** MICROINSURANCE EDUCATION AND THE CASE METHOD

A key tool used in educating adults, especially those in management positions, is the case methodology commonly used in business schools. To help students to identify with the content, this training tool typically involves a short case study written in an accessible narrative prose describing real-life business situations and the people involved in them. The case ends with a dilemma or uncertain outcome, and therefore serves as a useful springboard into a facilitated discussion that can be a valuable way for trainees to learn as they explore what they might do if they were the managers in that situation.

In an effort to strengthen tools and resources to share microinsurance lessons and experiences, the Facility has begun developing case studies and using them in training. The two cases completed in 2010 were:

- **BancoSol and Zurich:** This long-standing partnership between an insurance company and MFI in Bolivia provides useful insights into how insurers and delivery channels can structure their roles and responsibilities, and manage their partnership and product evolution, to provide better value to low-income households over time
- **Max Vijay:** This innovative brand for the low-income market in India, managed by MNYL (see Box 9), is experimenting with a non-lapsable life insurance product delivered through various channels, including mom-and-pop retail shops. The case provides lessons about the challenges of being an industry pioneer and provokes interesting discussions about distribution, trust and the viability of products designed for households with irregular incomes.



Craig Churchill, the Facility's Team Leader, presenting the Max Vijay case during the International Microinsurance Conference in Manila, Philippines

© Facility

**Box 19** BUILDING REGIONAL CAPACITY

To adapt its interventions to different contexts, the Facility's uses regional approaches for four regions: Africa/Middle East; Latin America; India; and Asia (excluding India). A Grant Officer is allocated to each region. Besides managing innovation grants, their responsibilities include:

- implementing the knowledge management strategy in their regions
- managing relationships with capacity-building partners
- backstopping Facility Fellows and joint-mission participants
- engaging with microinsurance consultants and identifying prospective ones
- working with strategic partners and exploring ways of organizing these partnerships.

Chief Project Manager Jeanna Holtz and a microinsurance consultant, Francis Somerwell, during a Round 4 follow-up visit to a potential health microinsurance grantee in India



© Facility

The first strategic partnership that the Facility set up, with CIRM in 2009, is providing valuable lessons for a decentralized model of interventions. The Facility also maintains relationships with Cenfri in South Africa and the Instituto de Estudios de Peruanos (IEP) in Peru, and is exploring with other regionally based organizations.

**AFRICA / MIDDLE EAST**

Microinsurance has been available in Africa for several decades, mainly through cooperatives in the 1970s, community-based health insurance schemes in the 1980s and commercial insurers entering the market in the 1990s. It is now widely seen as a promising form of intervention for helping the continent's low-income people manage risk. Some 700 million people in Africa fall into the main groups targeted by microinsurance – the working poor and the vulnerable non-poor – representing a significant opportunity for insurers.

In 2010, activities in Africa and the Middle East included:

- working with Fellows: **Bénédicte Ya Manan** (from Côte d'Ivoire) was placed with the Union Nationale des Coopératives d'Épargne et de Crédits de Côte d'Ivoire (UNACOOPEC) to help the MFI network improve its delivery of microinsurance products; **Josef Tayag** (Philippines, US) helped MicroEnsure and the Anglican Health Network in Tanzania launch a health microinsurance programme; **Manoj Pandey** (India) worked at CIC in Kenya, providing technical input and helping to make its microinsurance programme more efficient (see Box 7); and **Eamon Kelly** (Ireland) was assigned to work with MfW, playing a key role in rolling out their health insurance product (see Box 6)
- monitoring joint-mission participants: **Abissa Vance** (Ivory Coast) participated in assessing an applicant for capacity-building; **Pierre Antoine** (France) worked with Quindiem assessing Kenya Orient; and **Eamon Kelly** worked in Kenya on client value
- organizing a microinsurance workshop at the 37<sup>th</sup> AIO conference in The Gambia, attended by 30 representatives of insurance companies; it focused on key principles for microinsurance success, with the emphasis on product design and effective partnerships
- in collaboration with GIBS, running a microinsurance training course in South Africa, where participants explored product design and distribution, the microfinance/microinsurance overlap, consumer education and sales practices, using mobile technology to scale up, and low-income household spending patterns
- building contacts in priority Middle East/North African countries – Egypt, Jordan, Lebanon and Morocco
- participating in the 7<sup>th</sup> Annual Conference of Sanabel, a Cairo-based network set up in 2002 to advance microfinance in Arab countries; a Facility Fellow and the Senior Grant Officer gave a presentation on the Facility's work and lessons being learned about launching microinsurance products.

**Box 19 (a) KENYA, A SOURCE OF MANY VALUABLE MICROINSURANCE LESSONS**

Kenya has an interesting microinsurance landscape, with many players. In 2010, seven organisations in the country were receiving Facility innovation grants or capacity-building support (see Annexes 1 and 2). These included **CIC** (see Box 7); **Pioneer** (commercial insurance providing a comprehensive health product); **Britak** (using a capacity-building grant to enhance an endowment product for tea farmers and improve operational processes); **Kenya Orient** (using a capacity-building grant to develop a transport insurance product, with assistance from a joint-mission participant, Pierre Antoine, mentored by Quindiem Consultants); Among the Facility's other activities in Kenya in 2010 were the completion of a study on microinsurance viability (see Box 3) and the collection of data from CIC, Pioneer, Britak and Jamii Bora (whose in-patient product is proving successful, partly because it is cheaper than similar products on the market) for a study on client value. The Facility's Research Officer also worked with grantees, **Microfinance Opportunities** (MFO) and the **Association of Kenya Insurers** (AKI) to develop radio programmes on microinsurance consumer education.



© Profin

*Financial innovation is a very dynamic process that requires the participation of a large number of actors in the private and public sector; it is a process that demands a real exchange between the different actors: one needs to listen well and share perspectives often.*

Nathalie Wyser,  
Consultant,  
PROFIN  
Foundation, Bolivia

**LATIN AMERICA**

In Latin America, microinsurance has developed mainly in two ways: in countries with a mature microfinance sector (e.g., Bolivia, Ecuador and Peru), it has developed naturally via microfinance, whereas in countries with a mature insurance industry (e.g., Brazil and Mexico) companies have taken the opportunity offered by microinsurance to reach a wider market. In some countries (e.g., Colombia) both routes have come into play. In Central American countries, which have a strong microfinance sector but little technical expertise in insurance, microinsurance is fairly undeveloped and work is being done on the best way to provide it.

Facility activities in Latin America in 2010 included:

- making a particular effort to identify projects, especially in health microinsurance and in countries where the Facility had no presence (Bolivia, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Panamá and Paraguay)
- working with Fellows: **Paola Romero** (from Colombia) who was based in Nicaragua working in the capacity-building project with INISER, developing a microinsurance strategic plan; and **Derek Poulton** (USA) who was based in El Salvador working with innovation grantee Seguros Futuro on developing remittance-linked insurance
- monitoring joint-mission participants: **Jeff Blacker** (USA) who worked with INISER in Nicaragua; **Patricia Rojas** (Bolivia) who worked with FOSIS in Chile; and **Maud Monget** (France) who worked in Mexico
- identifying potential consultants, with the aim of developing the region's microinsurance consulting capacity; and creating a regional list of service providers with the aim of bringing microinsurance supply and demand closer
- collaborating with the Inter-American Development Bank (IADB) to set up 'communities of learning' and consolidate knowledge from microinsurance projects

Technical Officer  
Miguel Solana  
visiting rural  
microinsurance  
clients in Peru



© Facility

- co-sponsoring workshops, including the Foromic conference in Uruguay, where the Facility had a stand and, co-sponsored, with the Federación Interamericana de Empresas de Seguros (FIDES), the 'Infer-American Microinsurance Forum' held on the day preceding the conference opening

### Box 19 (b) CHILE, LEADING THE WAY IN MICROINSURANCE

In 1990, FOSIS, housed in Chile's Ministry of Planning, initiated an innovative microcredit programme that provided incentives for banks and NGOs to lend to the poorest segments of society. Since then, the microcredit market has grown significantly, reaching more than 450,000 microentrepreneurs. In 2010, the Facility worked with FOSIS to increase its knowledge about microinsurance, design a programme to support the development of the microinsurance market nationally and create awareness of the project among a wide range of stakeholders.

The programme will target low-income microentrepreneurs, working through various delivery channels, including MFIs and the FOSIS network of cash transfer and training programmes. A pilot was prepared for implementation in 2011, bringing the first set of products to the market via carefully selected channels. One of the challenges of the programme will be to overcome the negative impressions of insurance created in recent years with the aggressive expansion of mass-market insurance products through retailers such as supermarkets and department stores.

## INDIA



Clients of Dhan Foundation, a Round 2 innovation grantee

Triggered by legislation requiring insurance companies to direct a specified percentage of their work to rural and social sectors, and by the commercial opportunity offered by the large size of the market, microinsurance is growing rapidly in India. Current players in the market include MFIs, NGOs, self-help community groups and the microinsurance agents who are expanding outreach and providing valuable feedback on product design for low-income markets. A large portion of the demand for microinsurance products is from the agriculture sector, for crop and livestock insurance and for rural workers' health insurance schemes.

© Dhan

Activities in India in 2010 included:

- working with Fellows: **Joyce Tong** (from Australia), who worked with the Uplift India Association to help restructure its mutual health insurance product; **Heidi McGowen** (USA) who was placed with MIA to coordinate work on a Practical Guide on evaluating microinsurance impact; and **Roberto Zanchi** (Italy/UK) who worked with ICICI Prudential to help design its microinsurance strategy and products
- working with CIRM, the Facility's strategic partner in the region, on planning its spatial mapping project, improving its personnel recruitment processes, and fortifying its role as the learning coordinator for several of the Facility's innovation grants
- working with the United Nations Development Programme (UNDP) to provide support for some of the non-selected applicants for innovation grants and capacity-building support packages
- coordinating the viability study undertaken by **Arman Oza**, who analysed the profitability of two ICICI Lombard's microinsurance products

**Box 19 (c) DELIVERY CHANNELS, LESSONS FROM A LEARNING JOURNEY**

ICICI Prudential, one of the largest private insurance companies in India, works with many MFIs to provide microinsurance. It was awarded a Facility innovation grant in 2008 for a life insurance product aimed at tea plantation workers, using the plantations themselves to deliver the product and using technology to improve efficiency, reduce transaction costs and improve customer service.

ICICI Prudential's Learning Journey shows that it has learned that partnerships between insurers and delivery channels work better if the channel understands how microinsurance can serve its constituents and sees the partnership as clearly beneficial for itself. ICICI Prudential has also learned that a partnership's operational processes must reflect the reality of the delivery channel.

These and other lessons have led to several adjustments being made: the premium frequency, initially a monthly salary deduction, has been changed to a weekly deduction because wages are paid weekly; when absenteeism means non-payment of a wage, the premium is deducted from the wage of the spouse or other family member with the policyholder's authorization; and, in the case of a death claim, policy proceeds are given to the beneficiary via the plantation, as many policyholders do not have bank accounts.

**ASIA**

With the significant increase in applications from Asia in Round 4, the Facility was able to extend its reach in the region through innovation grants and capacity-building partnerships. Interest is growing throughout this vast area in exploring the creative and effective use of microinsurance as a risk-management tool for the working poor, who constitute the majority of people in Asia. The region defies a 'one size fits all' solution to microinsurance development because of significant differences among Asian countries at the micro, meso and macro levels.



© Naya Jeevan

Asher Hasan, CEO of Naya Jeevan, a Round 4 grantee, with two clients

Facility activities in Asia in 2010 included:

- working with Fellows: **Kelly Rendeck** (from Canada), an actuary who provided assistance to Tenger Insurance (formerly Prime General Insurance), a 2009 grantee aiming to position itself as a leader in microinsurance in Mongolia, and **Mangesh Patankar** (India) who was working on weather index insurance with the Philippines Crop Insurance Corporation as part of a multi-UN agency project coordinated by ILO-Manila; and working with joint-mission participants such as **Prince Rajbahandari** (Nepal), who helped with the initial assessments of applicants for capacity-building support in his home country;
- visiting potential applicants in China, Indonesia, Mongolia and the Philippines and attending Facility-related meetings; these included the International Finance Corporation (IFC) Weather Index Seminar in Indonesia, convened to present the findings of an IFC-sponsored feasibility study on the technical feasibility for covering weather risk in maize production



© Facility

*Designing survey questions for people with little formal education on the abstract concept of insurance is a challenging task. I have learned that language itself plays an important role in designing such questions. In the Kikuyu language, which is spoken in the Central Province of Kenya, there is no word for insurance, and as such one has to think carefully about explaining the concept of insurance.*

Job Harms, Facility Fellow hosted by SCC-CIC-NHIF, Kenya

#### **Box 19 (d)** TWO-STEP GRANT APPLICATIONS, AN ILLUSTRATION FROM PAKISTAN

Naya Jeevan ('new life') is a US-based NGO dedicated to providing low-income families in developing countries with affordable access to good quality 'catastrophic' health care. In 2010 it was awarded an innovation grant to develop its microinsurance product in Pakistan after completing the two-step selection process trialled for health microinsurance applicants in Round 4. In the first step, the applicant submits an expression of interest; if shortlisted, the applicant is then asked to develop detailed proposals, with Facility assistance.

Naya Jeevan submitted an expression of interest in March 2010 and was among eight health applicants shortlisted in May. The aim of its proposed project was to provide insurance for low-income workers in the supply chains of corporations, using those corporations as distribution channels. In June the Chief Project Manager visited Pakistan to learn more about the NGO and the health product. She held meetings with key people in Naya Jeevan and with prospective project partners to assess the NGO's capacity to implement the project and to discuss the project goals, target market and distribution strategy.



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# ANNEXES

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## ANNEX 1: INNOVATION GRANTEES, 2008-2010

For more details on these grantees, please refer to the Facility's 2008 and 2009 Annual Reports

ROUND 1			
GRANTEE	PROJECT	PROJECT COUNTRY	PRODUCT TYPE
Alternative Insurance Company (AIC)	Launching a funeral insurance product on a mass scale	Haiti	Life
Asociación Mexicana de Uniones de Crédito del Sector Social (AMUCSS)	Developing an institutional model to provide microinsurance to marginalised rural communities	Mexico	Multiple
Centre for Insurance and Risk Management (CIRM)	Mapping of microinsurance products and best practices in India	India	Multiple
Centre International pour le Développement et la Recherche (CIDR)	Health product diversification and improvement of institutional efficiency	Guinea	Health
Développement International Desjardins	Developing a strategy for indexed agricultural insurance	Sri Lanka	Agriculture
Hollard Insurance Group	Developing house and contents insurance policies	South Africa	Property
ICICI Prudential Life Insurance	Offering term life insurance with a savings component	India	Savings, life
La Positiva Seguros y Reaseguros SA	Designing and delivering microinsurance products for farmer via rural water boards	Peru	Multiple
PlaNet Guarantee	Developing crop insurance for farmers	Mali	Agriculture
Swedish Cooperation Centre (SCC)	Launching a composite product	Kenya	Composite
Union des Assurances du Burkina Vie (UAB)	Improving the delivery of a life and disability microinsurance product	Burkina Faso	Life
ROUND 2			
GRANTEE	PROJECT	PROJECT COUNTRY	PRODUCT TYPE
Calcutta Kids	Enhancing and sustaining health microinsurance through outpatient counselling	India	Health
CARE Foundation	Insuring primary care – sustainable financing solution for rural primary health	India	Health
Centre International pour le Développement et la Recherche (CIDR)	Health product diversification and improvement of institutional efficiency	Guinea	Health
Dhan Foundation	Adapting to climate change through crop insurance	India	Agriculture

ROUND 2			
GRANTEE	PROJECT	PROJECT COUNTRY	PRODUCT TYPE
Freedom from Hunger	Designing health microinsurance consumer education	Global	Consumer education
Guy Carpenter	Setting up a micro-reinsurance facility	Global	Re-insurance
Max Vijay	Reducing costs and educating the market to bring insurance to the poor	India	Savings, life
People's Insurance Company of China (PICC)	Providing migrants with personal accident and accidental medical insurance	China	Life, accident
Seguros Argos	Creating mutual insurance schemes for rural and semi-rural women	Mexico	Life
VimoSEWA (Self Employed Women's Association)	Measuring the impact of integrating community health activities with health insurance	India	Health
ROUND 3			
GRANTEE	PROJECT	PROJECT COUNTRY	PRODUCT TYPE
Centre de recherche médecine, sciences, santé et société (CERMES)	Developing insurance products for migrants' families in their home countries	Mali, Senegal	Health
Confederação Nacional das Empresas de Seguros e Vida (CNSeg)	Changing the perception of microinsurance	Brazil	Consumer education
Fundación de Aseguradores Colombianos (FUNDASEG)	Promoting insurance literacy	Colombia	Consumer education
IFFCO-TOKIO General Insurance Co. Ltd.	Using electronic chip technology to reduce fraudulent livestock insurance claims	India	Livestock
International Livestock Research Institute (ILRI)	Piloting index-based livestock insurance	Kenya	Livestock
Microfinance Opportunities (MFO)	Consumer education in insurance	Kenya	Consumer education
Microfund for Women (MfW)	Pioneering the Caregiver Product	Jordan	Health
Old Mutual South Africa	Delivering a broad spectrum of financial services	South Africa	Multiple
Palmyrah Workers' Development Society (PWDS)	Mainstreaming access to insurance services for rural communities	India	Health
Pioneer Life Inc.	Combining financial education with microinsurance products	Philippines	Savings, life
Prime General Daatgal Insurance (PGI) (now Tenger Insurance)	Providing the self-employed with health and accident microinsurance products	Mongolia	Health

ROUND 3			
GRANTEE	PROJECT	PROJECT COUNTRY	PRODUCT TYPE
Rehabilitation and Development of the Landless (RADOL)	Developing inclusive insurance through an NGO-insurer partnership	Bangladesh	Life
Sanasa Insurance Company	Developing index-based crop insurance	Sri Lanka	Agriculture
Seguros Futuro	Improving access to microinsurance among remittance recipients	El Salvador	Life
Swayam Shikshan Prayog (SSP)	Enhancing community resilience in low-income households	India	Health
Weather Risk Management Services Ltd (WRMS)	Developing comprehensive risk management solutions for farmers	India	Agriculture
Zurich Brazil Seguros	Improving access to composite microinsurance products	Brazil	Composite

SPECIAL PROJECT			
GRANTEE	PROJECT	PROJECT COUNTRY	PRODUCT TYPE
Centre for Insurance and Risk Management (CIRM)	Strategic Alliance between the Institute of Financial Management and Research's (IFMR), CIRM and ILO's Microinsurance Innovation Facility	India	Multiple

Also Round 3 but approved after the 2009 Annual Report went to press, and therefore not covered in that report:

### **Pioneer Assurance Company Ltd**

*Project:* Delivering the Med-Life health insurance product

*Country:* Kenya

Pioneer's main partner in delivering microinsurance is Faulu Kenya Deposit Taking Microfinance Ltd. The project focuses on providing 20,000 Faulu clients in seven Kenya provinces with comprehensive voluntary medical insurance cover through the product Med-life Faula Afya ('good health') within 2 years. Faula Afya includes unlimited access to inpatient and outpatient care, flexible premium payment schedules and three levels of coverage to choose from.

### **Protecta Compañía de Seguros SA**

*Project:* Providing low-cost life insurance through the municipalities of metropolitan Lima

*Country:* Peru

Known as *Seguro Mi Familia Municipal*, the project seeks to develop a model to address the widespread problem of lost income in the event of the death of the primary breadwinner in a household. The microinsurance product will temporarily substitute lost income and cover the most urgent related expenses. It includes providing managerial and operational support to the municipalities who will act as the agents in delivering it. An education campaign will also be implemented in order to test the impact in terms of product awareness in the target populations.

**ROUND 4****AFRICA****Union technique des mutuelles du Mali (UTM)**

*Project:* Piloting a model for merging mutual schemes

*Country:* Mali

The UTM, in collaboration with the Société de coopération pour le développement international (SOCODEVI, a Canadian non-profit NGO) and Mutuelle Assurance des Commerçants et Industriels de France (MACIF, a French cooperative insurance company), are piloting their health microinsurance project, Keneya Sabatili ('insuring and maintaining health'). The goal is to prepare for the future national law by testing the extension of health mutual schemes in two districts, Sikasso and Koutiala, mainly by creating the required organizational structure and implementing government co-financing of the insurance premium.

**LATIN AMERICA****Aseguradora Rural**

*Project:* Developing and delivering health microinsurance products

*Country:* Guatemala

The aim of the project is to design, test, improve and deliver health products initially with two groups of clients: microcredit clients and women holding a savings account, with the aim of reaching 70,000 low-income people, mainly rural women. The products will be marketed through the branches of BanRural (the largest microfinance bank in Guatemala). If the project is successful, Aseguradora Rural will look at the feasibility of rolling the product out to other low-income client groups of BanRural.

**PROFIN Foundation**

*Project:* Providing a composite insurance product

*Country:* Bolivia

Working in collaboration with Nacional Vida Seguros de Personas SA and Latina Seguros Patrimoniales SA, the local NGO PROFIN is developing a composite insurance product, VidaAgricola, which covers agriculture, life and property. The consortium will seek assistance from regional governments to subsidize part of the premium, select distribution channels and provide training, and launch a promotional campaign.

**INDIA****ICICI Lombard General Insurance Company Ltd – ICICI Foundation**

*Project:* Providing access to comprehensive health care through private-public partnership

*Country:* India

The aim of the project is to develop a good quality health insurance product through a private-public partnership with the government's RSBY hospitalization scheme. It envisages developing a model for providing outpatient cover using rural points-of-sale; developing an efficient premium collection mechanism using the rural financial network as intermediaries; and creating an environment conducive to delivering the product which will include good outpatient centres, doctors' panels, inpatient care providers and pharmacy chains.

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**SBI Life Insurance Co. Ltd**

*Project:* Providing comprehensive coverage to vulnerable groups

*Country:* India

This project involves introducing and testing a composite product (with a life and non-life component), based on a high level of service and efficiency aimed at reducing distribution and administrative costs. SBI Life will work with a non-life insurer to develop the product and will then pilot it, incorporate the lessons from the pilot and scale up the project to reach the target group – the rural and urban poor who are economically active but lack access to financial services.

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**ASIA**

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**Allianz Life Indonesia**

*Project:* Piloting a voluntary group micro-endowment product

*Country:* Indonesia

In this project, Allianz is collaborating with Vision Fund, the microfinance arm of WorldVision, the SMERU Research Institute in Indonesia and the University of Manheim. The product, called Tamadera, is a voluntary group micro-endowment product combining systematic savings with insurance, with weekly contributions starting as low as US\$1 and paid over five years. The initial beneficiaries of the project will be Vision Fund's micro-loan customers in Jakarta and Surabaya.

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**International Center for Agricultural and Rural Development (ICARD)**

*Project:* Piloting an innovative agricultural microinsurance product

*Country:* China

In this project, ICARD is collaborating with the International Food Policy Research Institute (IFPRI) and two Chinese organizations – the People Life Insurance Company and the Animal Husbandry Bureau of Zizhong County. The project aims to introduce swine insurance for smallholder farmers. It will test an alternative premium collection design whereby farmers are allowed to defer premium payment until the end of their insured period, ensuring they can still benefit from insurance despite any liquidity constraints they face and improving farmers' trust and confidence in insurance products.

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**Naya Jeevan**

*Project:* Developing a managed health care solution

*Country:* Pakistan

The 'HMO for the Marginalized' project will provide low-income segments of the population – informal sector employees and domestic workers – with value-added preventive health, wellbeing and educational services. To effectively reach the targeted segments, Naya Jeevan will test outreach through multinational corporations (MNCs) with contract employees, MNC employees who employ domestic staff, NGOs and SMEs.

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**Rural Bankers Association of the Philippines (RBAP)**

*Project:* Developing a distribution network for cost-efficient mainstreaming of microinsurance access

*Country:* Philippines

With rural banks in the Philippines now being allowed to offer microinsurance services, a microinsurance distribution channel has opened which could reach more than five million low-income clients. The project involves the RBAP capitalizing on its existing capacity for training and development to help about 100 rural banks (comprising about 1,000 branches) to become microinsurance agents and to launch new products. Key project outputs include standardized agent training and licensing materials, online and SMS-based consumer feedback mechanisms, and consumer education.

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## ANNEX 2: CAPACITY-BUILDING PARTNERS, 2008-2010

### A SELECTION OF TECHNICAL ASSISTANCE RECIPIENTS, 2008-2009

For more details on recipients of Technical Assistance grants prior to the programme being restructured to create the Consulting and Capacity Building Programme, please refer to the Facility's 2008 and 2009 Annual Reports

ORGANIZATION	TYPE	COUNTRY
La Fédération des Sociétés d'Assurances de Droit National Africaines (FANAF)	Insurance association	Côte d'Ivoire
Commercial Insurance Company	Risk carrier	Lebanon
Red Financiera Rural	Distribution channel	Ecuador
Alternative Insurance Company (AIC)	Risk carrier	Haiti
SAJIDA Foundation	Distribution channel	Bangladesh
Centre for Insurance and Risk Management	Research centre	India
Union des Assurances du Burkina Vie (UAB)	Risk carrier	Burkina Faso
Kenya Orient Insurance	Risk carrier	Kenya
Financial Systems Development Services AG (FIDES)	Distribution channel	Namibia
British American Insurance Company Ltd (BRITAK)	Risk carrier	Kenya

### CAPACITY-BUILDING SUPPORT PARTNERS, 2010

#### **Mutual & Federal**

##### *South Africa*

In 2011 the Facility will provide Mutual & Federal, a South African commercial insurance company, with internal capacity-building assistance as the company expands its recently launched livestock insurance programme. This assistance will be given in the form of coaching and mentoring on internal process development and sales force training.

#### **National Rural Support Program (NRSP)**

##### *Pakistan*

The NRSP, a large community development NGO in Pakistan, serves as a distribution channel for a health microinsurance scheme. Capacity-building assistance will be provided by the Facility in 2011 to improve the NRSP's internal ability to manage and interpret claims and other data for strategic decision-making and for assessing its microinsurance function.

#### **Nepal Federation of Savings and Credit Unions (NEFSCUN)**

##### *Nepal*

The NEFSCUN cooperative has been engaged in microinsurance since 2005. To facilitate its ambitious expansion plan over the next 5 years, the Facility will provide it with capacity-building assistance to source the training needed to improve its marketing and outreach through its savings and credit cooperative society members.

## SAJIDA

*Bangladesh*

A Bangladesh-based community development NGO, SAJIDA is seeking to improve and expand its current microinsurance programme. In 2011 the Facility will provide SAJIDA with strategic planning assistance and internal microinsurance programme management coaching and mentoring.

## The Mutual Assistance Fund (MAF)

*Vietnam*

Launched in 1996, the MAF is the microinsurance project developed by the Vietnam Women's Union. Currently operating in conjunction with the Tao Yeu May (TYM) Fund (the Women's Union microfinance organization), MAF hopes to register and operate sustainably as an independent microinsurance provider. To facilitate its work as a pioneering mutual insurance organization in Vietnam, the Facility will provide capacity-building assistance in actuarial skills and training in best practices.

## Instituto Nicaragüense de Seguros y Reaseguros (INISER)

*Nicaragua*

The Facility has previously supported INISER's efforts to develop a microinsurance strategy, microinsurance products and a mentoring programme, and INISER had hosted a Facility Fellow. A government-owned company, INISER is the biggest insurance company in Nicaragua, with about 34% of the total underwritten premiums in the country. In terms of microinsurance, its outreach has significant potential given the market size of some Nicaraguan MFIs (e.g., Fondo de Desarrollo Local [FDL], the largest MFI in the country, with 100,000 clients; and Promujer, with 20,000 clients) and the opportunity to use non-traditional channels such as retailers.

### MENTORS CONTRIBUTING TO CAPACITY-BUILDING SUPPORT PACKAGES

The Facility team would like to thank the following people for their valuable mentoring work: Denis Garand. Barbara Magnoni, Shadreck Mapfumo, Michael J. McCord, Marc Nabeth, Arman Oza and John Wipf. Michael J. McCord also mentors the capacity-building programme.

FELLOWS, 2008-2010		JOINT-MISSION PARTICIPANTS, 2008-2010	
Graduated	Current (2010)	2008-2009	Current (2010)
Soro Defèrègou (Côte d'Ivoire)	Eamon Kelly (Ireland)	Jeff Blacker (USA)	Vance Abissa (Côte d'Ivoire)
Job Harms (Netherlands)	Heidi McGowan (USA)	Lisa Morgan (South Africa)	Fred Chan (China)
Clémence Jaleran-Tatin (France / Canada)	Mangesh Patankar (India)	JF Restrepo (Ecuador)	Prince Rajbahandari (Nepal)
Josephine Mukiibi (Uganda)	Derek Poulton (USA)	Roland Steinmann (Switzerland)	Patricia Rojas (Bolivia)
Manoj Pandey (India)	Kelly Rendek (Canada)	Donna Swiderek (Canada)	Henry Yan (Australia)
Paola Romero (Colombia)	Josef Tayag (Philippines / USA)	Clémence Tatin-Jaleran (France / Canada)	Chia Lee Wong (Singapore)
Joyce Tong (Australia)	Benedicte Ya Manan (Côte d'Ivoire)		
	Roberto Zanchi (Italy / UK)		

## ANNEX 3: RESEARCH GRANTS AND STUDIES, 2008-2010

RESEARCH GRANTS, 2008-2010			
Year	Title	Authors	Country
<b>CLIENT VALUE</b>			
2008	Does microcredit increase bonded child labour in the absence of microinsurance?	Sayan Chakrabarty, Shahnaz Haque, Mohammad Pradhan	Bangladesh
	Microinsurance utilization in Nicaragua: The demand for and effects of insurance enrolment among informal sector workers	Rebecca L. Thornton, Barbara Magnoni, Anne Fitzpatrick	Nicaragua
	Risk-modelling crop loss in Ghana	James R. Jones	Ghana
2009	Does microinsurance help the poor? Evidence from the targeted health insurance program in Vietnam 2004 - 2006	Tra Pham, Thong Pham	Vietnam
	Examining underinvestment in agriculture	Robert Darko Osei, Isaac Osei-Akoto, Dean Karlan, Christopher Udry	Ghana
2010	Weather index insurance design and agricultural intensification in south west Niger	Philippe Quirion, Antoine Leblois, Mathieu Dubreuil, Seydou Traore	Niger
	Impact of health mutuals on health seeking behaviours of their members	Roger Tsafack Nanfosso, Jean Colbert Awomo Ndongo	Cameroon
	Evaluating health-seeking behavior, utilization of care, and health risk: Evidence from a community-based insurance model in India	Ketki Sheth, Chaitanya Pant, Craig McIntosh	India
	Client-value of microinsurance products: Evidence from the Mutual Assistance Fund in Vietnam	Hong Son Nghien, Hoai-An Duong	Vietnam
	Complementarities between microinsurance products and inequality linkages: Field experiments in rural India	Sarthak Gaurav, Ashish Singh, Thiagu Ranganathan	India
	Individual discount rates and demand for microinsurance in Ghana	Wisdom Akpalu, Samuel Erasmus Alnaa	Ghana
<b>VIABILITY</b>			
2008	Experimenting with group microinsurance design	Daniel Clarke, Rocco Macchiavello	Ethiopia
2009	Integrating innovative health care provider payment systems into the expansion of community-based health Insurance in Burkina Faso	Paul Jacob Robyn, Ali Sié, Germain Savadogo, Aurèlia Souares, Till Barnighausen, Rainer Sauerborn	Burkina Faso

Year	Title	Authors	Country
2010	Understanding commissions based advice: Evidence from Indian life insurance agents	Santosh Anagol, Shawn Cole, Justin Oliver	India
<b>DEMAND</b>			
2008	Financial literacy for weather insurance	Shawn Cole, Sarthak Gaurav	India
	Economic value of the willingness to pay for a community-based prepayment scheme in rural Cameroon	Hermann P. P. Donfouet, Ephias M. Makaudze	Cameroon
	Remote sensing in agriculture insurance	Mangesh Patankar, Gargi Upadhyay, Kunal Soni	India
	Integrating savings and insurance	Jeremy Tobacman, Daniel Stein	India
	Barriers to accessing health care and the role of subsidized health insurance for farmers	Aurélia Lépine, Alexis Le Nestour, Samba Mbaye	Senegal
	Demand impacts of introducing complex bundled microfinance loans in India	Esther Duflo, Abhijit Banerjee, Richard Hornbeck	India
2009	Risk preferences and demand for insurance under price uncertainty: an experimental approach for the coffee and cocoa farmers in Côte d'Ivoire	Kouame Euphrasie, Aka Narcisse Komenen	Côte d'Ivoire
	Impacts of trust on agricultural insurance take-up	Alain de Janvry, Elisabeth Sadoulet, Jing Cai	China
	Subjective probabilities and the demand for insurance	Zaki Wahhaj, Ingo Outes-Leon	Ethiopia
	Trust, literacy and demand for microinsurance in Senegal	Philippe LeMay-Boucher, Olivier Dagnelie, Michel Tenikue, Mohamadou Sall	Senegal
	Targeting the poor by community-based health schemes in Cameroon	Fondo Sikod, Ibrahim Abba	Cameroon
	Impact of educational intervention on knowledge, attitude, and willingness to pay for micro health insurance among low-income workers in informal sector in urban Bangladesh	Jahangir Khan, Tracey Lynn Perez Koehlmoos, Ziaul Islam, Rukhsana Gazi, Mohammad Khurshid Alam	Bangladesh
	Joint liability and the demand for health insurance in micro-credit groups	Judith Lammers, Wendy Janssens, Lucas Albani Katera	Tanzania

## LONGITUDINAL STUDIES, 2008-2010

Study title	Country	Research organization (researchers)	Focus §
1. Impact of SSP comprehensive health insurance on clients health seeking behaviours and household welfare	India	EUDN (Platteau, Guirkingner)	Client value 2,3,5
2. Impact of SCC-CIC consumer education campaign on product take up and impact of the product on risk-management, productive behaviours and household welfare	Kenya	EUDN (Dercon, Gunnig, Zeitling)	Client value 1,2,3,5
3. Impact of SEWA community health workers on product renewals and households health seeking behaviours and health outcomes	India	Harvard (Mahal), SEWA	Client value 3
4. Impact of FFH consumer education in Ghana on enrolment to government health insurance scheme and impact of membership on health outcomes	Ghana	IPA	Client value 1,3
5. Impact of livestock insurance by ILRI in Kenya on economic behaviours of pastoralists and household welfare	Kenya	ILRI (Mude, Carter et al.)	Client value 1,2,4,5
6. Impact of Old Mutual consumer education campaign on product take up & impact of the product on risk-management behaviours	South Africa	IPA	Client value 1,2
7. Impact of CIDR maternity package on newborn mortality	Guinea	CIDR	Client value 3
8. Impact of FUNDASEG education campaign on creating insurance culture among low-income households	Colombia	Bogota University	Client value 1, Viability 1
9. Impact of CNSeg education campaign on creating insurance culture among low-income households	Brazil	IETS	Client value 1, Viability 1
10. Impact of AKI-MFO education campaign on creating insurance culture among low-income households	Kenya	MFO	Client value 1, Viability 1
11. Relaxing liquidity constraints in microinsurance demand. Case of swine insurance in China.	China	ICARD, IFPRI	Viability 1
12. Impact of endowment product (life insurance with long-term savings) on risk-management practices and saving behaviours	Indonesia	SMERU, Allianz	Client value 1,2

These notations refer to the hypotheses on pages 13-14.

§ **Client value:** 1: Access and Usage, 2: Risk management, 3: Health outcomes, 4: Investment, 5: Welfare impact

**Viability:** 1: Demand, 2: Business models and products, 3: Health, 4: Distribution, 5: Business processes and IT

## THEMATIC STUDIES, 2010

The Facility's thematic studies, once completed, are published as part of the series of *Microinsurance Papers* (see Annex 4). The studies initiated in 2010 were (study leaders in parentheses):

- *Landscape of consumer education*: looks at collecting existing knowledge on insurance education from a wide range of practitioners (Microinsurance Academy)
- *Health microinsurance*: focuses on innovations and challenges in this field, based on 30 key informant interviews (Sheila Leatherman, Lisa Jones Christensen and Jeanna Holtz)
- *Behavioural economics and microinsurance*: investigates how households think about losses and gains, identify priorities and are influenced by how insurance products are sold (Financial Access Initiative)
- *Third-party payment mechanisms in health microinsurance*: looks at lessons learned about setting up and managing third-party payments to provide 'cashless' access for insured persons (Pascale le Roy, Jeanna Holtz)
- *Alternative distribution channels for microinsurance*: examines the meaning of innovation in distribution and at new microinsurance business models in terms of innovation and distribution (Center for Financial Regulation and Inclusion - CENFRI)
- *Microinsurance and migration*: explores the links between migration, remittances and insurance and provides a framework for thinking about migration-linked insurance and developing migration-linked microinsurance products (EA Consultants)
- *Savings and insurance*: analyzes non-lapsable endowment products or savings and life insurance products and discusses product design from the client and institutional perspective (Rob Rusconi)
- *Improving credit life*: explores designing credit life products (a common starting point for insurers entering the microinsurance sector) that encourage customers to purchase other insurance products (MicroInsurance Centre)
- *Profitability of microinsurance*: summarizes the findings of an analysis of four insurance companies with at least 5 years of microinsurance experience to highlight the viability of microinsurance (Quindiem Consulting)
- *Analyzing client value*: highlights approaches and indicators for analyzing the value that insurance products can provide to the poor compared with alternative risk management solutions (ILO's Microinsurance Innovation Facility)

## ANNEX 4: FACILITY RESOURCES

### PUBLICATIONS

#### Microinsurance Papers (thematic studies)

Dercon, S. and Kirchberger, M. 2008. *Literature Review on Microinsurance*. Microinsurance Paper No. 1 (EUDN/ILO)

Gerelle, E. and Berende, M. 2008. *The Use of Technology in Microinsurance: Scoping Study*. Microinsurance Paper No. 2 (ILO)

Banthia, A., Johnson, S., McCord, M. and Mathews, B. 2009. *Microinsurance that Works for Women: Making Gender-sensitive Microinsurance Programmes*. Microinsurance Paper No. 3 (ILO)

Matul, M., McCord, M.J., Phily, C. and Harms, J. 2010. *The Landscape of Microinsurance in Africa*. Microinsurance Paper 4 (ILO)

Dalal, A. and Morduch, J. 2010. *The Psychology of Microinsurance: Small Changes Can Make a Surprising Difference*. Microinsurance Paper 5 (ILO)

Leatherman, S., Jones Christensen, L. and Holtz, J. 2010. *Innovations and Barriers in Health Microinsurance*. Microinsurance Paper 6 (ILO)

#### Briefing Notes

*The Landscape of Microinsurance in Africa*. 2009. Briefing Note No. 1 (ILO)

*Microinsurance that Works for Women: Making Microinsurance Programs Gender-sensitive*. 2009. Briefing Note No. 2 (ILO)

*Emerging Practices in Consumer Education on Risk Management and Insurance*. 2010. Briefing Note No. 3 (ILO)

*The Psychology of Microinsurance: Small Changes Can Make a Surprising Difference*. 2010. Briefing Note No. 4 (ILO)

*Innovations and Barriers in Health Microinsurance*. 2010. Briefing Note No. 5 (ILO)

## VIDEO

For more information on the videos that have been produced in 2008 and 2009, see the Facility website

### Presentations on microinsurance

(recorded during the International Microinsurance Conference, 2010)

New distribution channels (Anja Smith, Cenfri; Barbara Magnoni, EA Consultants, Huijing Yang, PICC; Mariana Torres de Urquidi, Banco Compartamos)

Claims handling (Tara Sinha, SEWA; Dubby Mahalanobis, MicroEnsure)

Do the poor benefit from insurance? (Dean Karlan, Yale University)

Institutional options for achieving scale and profitability – Lessons from the Philippines: cooperative model (Jamie Aristotle Alip, Rimansi); broker model (Richard Leftley, MicroEnsure); Partner-agent model (Geraldine Desiderio-Garcia, Country Bankers Insurance Corporation), Extending public insurance schemes to the low income sector (Lourdes Irene Minoz, PhilHealth)

### Interviews with microinsurance professionals produced in 2010

#### Extending microinsurance

Distribution goes hands in hands with client value (Doubell Chamberlain and Anja Smith, the Center for Financial Regulation and Inclusion)

Crossing borders: meeting the insurance needs of low-income migrants and their families (Barbara Magnoni, EA Consultants)

Microinsurance, an untapped source of social and economic development in Africa (Michal Matul, ILO)

Financial Innovation in Bolivia (Nathalie Wyser, Fundación Profin)

#### Creating business models

Savings combined to life insurance (Martin Hintz, Allianz Life Indonesia)

Three elements that triggers success (Eamon Kelly, Fellow, Microfund for Women)

Determining the profitability of microinsurance (Doug Lacey, Quindiem Consulting)

A product that incorporates clients' needs and distribution partner preferences (Paola Romero Marquez, International Development Consultant)

The challenges of public-private partnerships (David K. Ronoh, the Cooperative Insurance Company of Kenya)

#### Promoting health microinsurance

Community health workers are essential to scale up microinsurance (Prema Gopalan, Swayan Shikshan Prayog India (SSP))

Developing high quality out-patient products (Sandeep Kapila, Swasth India Services Pvt. Ltd.)

Overcoming health microinsurance challenges (Denis Garand and Tara Sinha, Health roundtable-Grantees Forum)

#### Developing consumer education approaches

Microinsurance Consumer Education – Care's experience (Aparna Dalal, FAI)

Consumer Education: Lessons Learned and Future Development (Aparna Dalal and Marcia Metcalfe: Consumer Education Roundtable-Grantees Forum)

#### Impact and client value

Finding the real value of microinsurance (Stephan Dercon, EUDN, Oxford University)

Examining low demand and mechanisms to boost uptake (Dean Karlan, Yale University)

Measuring microinsurance impact will take years (Richard Phillips, Georgia State University)

#### The role of technology to increase scale and efficiency

Using mobile phones and providing tangible services to boost enrolment (Asher Hasan, Naya Jeevan)

Insurers have to think out of the box to reach poor people (Brandon Matthews, Zurich Insurance Company Ltd.)

Integrating technology into a microinsurance scheme: selecting the right tools (Francis Somerwell and Michiel Berende: Roundtable Technology-Grantees Forum)

**MEDIA ARTICLES, 2010**

*In 2010 the Facility contributed to the publication of more than 20 articles related to microinsurance in a variety of media outlets around the world; the most informative articles are listed here.*

**Gold at the bottom of the pyramid?**

*Insurance Day, February 2010*

**When rain only tells half the story: Cotton index insurance in Mali**

*Rural 21 (No. 44), April 2010*

**How Microinsurance Plans Extend Healthcare in Africa**

*Insurance Journal, April 2010*

**Microinsurance: an old business with a new name**

*Atlas Magazine (No. 71), May 2010*

**Saving for the future, protecting migrant workers and their families**

*ILO website, June 2010*

**A micro presence**

*Financial Express, July 2010*

**Small premiums, long-term benefits: Why poor women need microinsurance**

*World of Work (No. 69), August 2010*

**Microinsurance and technology: Bringing hi-tech to low-income clients**

*ILO website, November 2010*

**Microinsurance: A business case for East Asia**

*East Asian Insurance Review, December 2010*

**New channels to get insurance to the poor**

*Microinsurance Innovation Facility website, December 2010*

## ANNEX 5: FACILITY STEERING COMMITTEE AND ADVISORY GROUP

The main responsibilities of the **Steering Committee** are to advise the Facility on the deployment of funds, to promote the Facility's activities and to recommend grant recipients to the ILO. The Committee consists of technical experts primarily from outside the ILO, participating in a personal capacity. Its members currently include two actuaries, someone with experience in health insurance operations, a reinsurance expert, someone with a mutual/cooperative background, and a social protection expert. The term for members is 12 months, on a renewable basis.

The Committee members in 2010 were:

Craig Churchill  
*Social Finance Programme, ILO*

Gabriele Ramm  
*Consultant to GTZ*

Denis Garand  
*Actuary and Independent Consultant*

Rupalee Ruchismita (appointed in 2009)  
*Centre for Insurance and Risk Management (CIRM)*

Richard Leftley  
*MicroEnsure*

Evelyn Stark (replaced Priya Jaisinghani)  
*Bill & Melinda Gates Foundation*

Brandon Mathews  
*Zurich Financial Services*

John Woodall  
*Social Security Department, ILO*

Amolo Ng'weno  
*Bill & Melinda Gates Foundation*

The Facility also relies on the guidance of an **Advisory Group**, which consists of experts from areas that are crucial to the development of microinsurance. The Advisory Group members participate in their personal capacity and on a voluntary basis. They are called upon to advise the Facility on specific strategic and technical issues related to their areas of expertise.

Don Canning  
*Area of expertise: Insurance technology, particularly software*  
Managing Director for Microsoft's insurance industry team, responsible for global strategy, investments, marketing, and product team integration

Ulrich Hess  
*Area of expertise: Agriculture/index insurance*  
Senior Economist working on innovative financing at the World Bank's Concessional Finance and Global Partnerships

Arup Chatterjee  
*Area of expertise: Insurance and microinsurance regulations*  
Senior Financial Sector Specialist (Contractual Savings), ADB

Christian Jacquier  
*Area of expertise: Social protection*  
Chief of Country Operations and Technical Cooperation for the ILO's Social Security Department.

Dr Tilman Ehrbeck  
*Area of expertise: Health insurance*  
CEO, CGAP

Steve Rasmussen  
*Area of expertise: Microfinance technology*  
Senior Microfinance Advisor and Manager in the Technology Program with CGAP, a global microfinance resource center

David De Ferranti  
*Area of expertise: Health insurance*  
President of the Results for Development (R4D) Institute, a not-for-profit organizations focusing on developing countries.

## ANNEX 6: FACILITY TEAM

The team expanded during 2010, in line with the launch of the knowledge management strategy and the growth in regional activities. Jasmin Suministrado joined the team as a Knowledge Officer; she has worked in the Philippines as a consultant, coach, researcher and implementer of knowledge management and organizational learning initiatives. Virginia Bethe joined the team as a Grant Officer; she has experience in the US financial services sector, and in non-profit grant management experience. Aida Lindmeier joined the team as a Project Assistant to support the innovation grant and the capacity-building programmes.

Craig Churchill  
*Team Leader*

Jeanna Holtz  
*Chief Project Manager*

Sarah Bel  
*Communications and Public Information Officer*

Caroline Phily  
*Grant Officer, Africa*

Virginia Bethe  
*Grant Officer, Asia*

Pranav Prashad  
*Grant Officer, India*

Béatrice Guillemain  
*Project Assistant*

Miguel Solana  
*Technical Officer, Latin America*

Heather Harris  
*Legal and Administrative Officer*

Jasmin Suministrado  
*Knowledge Officer*

Aida Lindmeier  
*Project Assistant*

Mary Yang  
*Capacity-building Officer*

Michal Matul  
*Research Officer*

Yoseph Aseffa  
*Chief Project Advisor (based in Ethiopia)*

The interns who worked with the Facility in 2010 were:

- Cassandra Cáceres, from Honduras; worked with the team from December 2009 to April 2010, mainly on developing the product database
- Abigail Gray, from the USA; worked with the team from February to July 2010, assisting with developing the microinsurance training curriculum and the compilation of volume 2 of the *Microinsurance Compendium*, drafting and editing articles on gender, distribution, marketing and index insurance
- Brian Clayton, from the USA; worked with the team from May to November 2010, helping to produce video presentations, editing the Facility newsletter and managing the contact database.
- Lauren Peterson, from the USA: worked with the team from September to December 2010, editing publications, supporting the extraction and consolidation of knowledge and helping in the preparations for the Innovation Forum in Manila.

The Facility would like to give special thanks to Robert Blasiak, who supported various knowledge sharing and dissemination activities.

### FACILITY PARTICIPATION IN THE MICROINSURANCE NETWORK WORKING GROUPS

The Microinsurance Network and the Facility work together and reinforce each other efforts to raise awareness on microinsurance, to support the development of the capacity of the sector and to produce and share actionable knowledge. The Microinsurance Network serves as an industry association and helps the Facility understand the priorities and preferences of the sector.

Working Group (Facilitator)	Facility representative	Joint outputs and coordinated activities
Agriculture (Mark Wenner, IDB)	Pranav Prashad	
Regulation, supervision and policy (Brigitte Klein, GTZ)	Craig Churchill	Creating access to the Insurance Initiative (A2ii); joint WG/IAIS meeting four times a year
Impact (Ralf Rademacher, MIA)	Michal Matul	A Facility Fellow is supporting the WG's efforts to review the impact literature on microinsurance and develop guidelines for conducting impact studies so that future studies can be more easily analyzed at the meta level
Performance indicators (Bert Ondebbeck, BRS)	Caroline Phily	Participation in the steering committee for the development of a global database on microinsurance, led by the World Bank
Insurance education (Iddo Dror, MIA)	Sarah Bel, Michal Matul	Published a Facility Briefing Note on primary research on this topic, co-financed by the Network, FAI and others
Distribution (Brandon Matthews, Zurich)	Pranav Prashad	Preparation of a thematic paper on this topic by the Facility, co-financed by the Network and SDC
Technology (F.X. Hay, MACIF)	Pranav Prashad	Produced a thematic paper on this topic, co-financed by the Network; WG provided guidance on the design of guidelines for the Round 5 innovation grants
Health (Veronika Wodsak, ILO)	Jeanna Holtz, Caroline Phily	
Social protection (Yvonne Deblon, GTZ)	Not yet appointed as the group is newly formed	
Capacity-building (Gaby Ramm, consultant)	Mary Yang, Caroline Phily	Coordinating the development of a microinsurance curriculum for training purposes

## ACRONYMS AND ABBREVIATIONS

ADA	Appui au Développement Autonome	IFMR	Institute of Financial Management and Research
ADB	Asian Development Bank	IFPRI	International Food Policy Research Institute
AIO	African Insurance Organization	IIE	Institute of International Education
AKI	Association of Kenya Insurers	ILO	International Labour Organization
AMUCSS	Asociación Mexicana de Uniones de Crédito del Sector Social	ILRI	International Livestock Research Institute
BRITAK	British-American Insurance Company	IGIDR	Indira Gandhi Institute of Development Research
BRS	Belgian Raiffeisen Foundation	INISER	Instituto Nicaragüense de Seguros y Reaseguros
CCB	Consulting and capacity building	IPA	Innovations for Poverty Action
CEAR	Center for the Economic Analysis of Risk	IT	information technology
CEFI	Community Enterprise Forum International	J-PAL	Abdul Latif Jameel Poverty Action Lab
Centri	Centre for Regulation and Financial Inclusion	KPI	Key Performance Indicator
CERMES	Centre de recherche médecine, sciences, santé et société	MAF	Mutual Assistance Fund
CGAP	Consultative Group to Assist the Poor	MACIF	Mutuelle Assurance des Commerçants et Industriels de France
CIC	Cooperative Insurance Company	MFI	microfinance institution
CIDR	Centre International pour le Développement et la Recherche	MFO	Microfinance Opportunities
CIRM	Centre for Insurance and Risk Management	MfW	MicroFund for Women
COB	Cooperative des ouvriers du bâtiment	MNC	multinational corporation
CPRC	Chronic Poverty Research Centre	MNYL	Max New York Life
EIA	Equity Insurance Agency	NEFSCUN	Nepal Federation of Savings and Credit Unions
EUDN	European Development Research Network	NGO	non-governmental organization
FAI	Financial Access Initiative	NHIF	National Hospital Insurance Fund
FANAF	Fédération des Sociétés d'Assurances de Droit National Africaines	NRSP	National Rural Support Program
FDL	Fondo de Desarrollo Local	PICC	People's Insurance Company of China
FFH	Freedom from Hunger	PWDS	Palmyrah Workers' Development Society
FIDES	Federación Interamericana de Empresas de Seguros	RADOL	Rehabilitation and Development Organization for the Landless
FINCA	Foundation for International Community Assistance	RBAP	Rural Bankers Association of the Philippines
FOSIS	Fund for Solidarity and Social Investment	SAIA	South African Insurance Association
FUNDASEG	Fundación de Aseguradores Colombianos	SCC	Swedish Cooperative Centre
GIBS	Gordon Institute of Business Science	SDC	Swiss Development Corporation
GTZ	Gesellschaft für Technische Zusammenarbeit	SEWA	Self-Employed Women's Association
HDI	Human Development Index	SME	small and medium-sized enterprises
I4	Index Insurance Innovation Initiative	SSP	Swayam Shikshan Prayog
IAA	International Actuarial Association	TYM	Tao Yeu May
IADB	Inter-American Development Bank	UAB	Union des Assurances du Burkina Vie
IAIS	International Association of Insurance Supervisors	UNACOOPEC	Union Nationale des Coopératives d'Epargne et de Crédits de Côte d'Ivoire
ICARD	International Center for Agricultural and Rural Development	UNDP	United Nations Development Programme
IEP	Instituto de Estudios de Perú	UTM	Technical Union of Mutual Schemes of Mali
IETS	Instituto de Estudos do Trabalho e Sociedade	WRMS	Weather Risk Management Services
IFC	International Finance Corporation	WWB	Women's World Banking
IFFCO	Indian Farmers Fertilizer Cooperative		



microInsurance  
Innovation facility  
■ PROTECTING THE WORKING POOR

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International  
Labour  
Office



*This is the third Annual Report of the Microinsurance Innovation Facility, launched in 2008 by the International Labour Organization (ILO) with the support of the Bill & Melinda Gates Foundation.*

*Microinsurance is a mechanism aimed at protecting poor people against risks – such as accidents, illnesses, death in the family, natural disasters and property losses – in exchange for insurance premium payments tailored to their preferences and capacity to pay.*

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