

# Innovation Flash

Issue 2, February 2009

The Newsletter of the Microinsurance Innovation Facility

## INNOVATION GRANTS

### Third Round is released

At the end of January, the ILO's Microinsurance Innovation Facility launched its new round of innovation grants. Check out the application guidelines (pdf) or go to the online application. Besides our standard grant window, we have two new areas of emphasis: 1) small grants to kick off a project and 2) projects that educate prospective consumers about insurance. If you wish to apply, please submit your proposal by 10 March 2009.

### The new grantees' profiles are on line

The addition of 9 new grantees from Round 2 brings the Facility's total portfolio of innovation grantees to eighteen, as summarized in the table below. For details about these organizations and their projects, see our grantees page.

### SUCCESSFUL INNOVATION GRANT APPLICANTS, 2008

	AFRICA	ASIA	LATIN AMERICA/ CARIBBEAN
INSTITUTIONAL MODELS	SCC / CIC / NHIF (Kenya)		La Positiva (Peru) AMUCCS (Mexico) Seguros Argos (Mexico)
HEALTH	FINCA / Microcare (Uganda) UMSCG-CIDR (Guinea)	Calcutta Kids (India) VimoSEWA (India)	
PROPERTY / AGRICULTURE	Holland (South Africa) PlaNet Guarantee (Mali)	DID / SICL (Sri Lanka)	
LIFE / ACCIDENT	UAB (Burkina Faso)	Max Vijay (India) PICC (China) ICICI Prudential (India)	AIC (Haiti)
OTHER		CIRM (India)	Guy Carpenter (Latin America)

## TECHNICAL ASSISTANCE

### First steps to build a TA providers "community of practice"

The Facility launched a series of conference calls in January with our designated TA providers, conducted in English, French and Spanish. The purpose was to inform the community of the Facility's development, facilitate peer to peer knowledge sharing and strengthen the linkages among TA providers. Topics covered in the first set of calls included benefits of participating in this community of practice and technical assistance tool development. The TA providers also benefited from Q&A sessions on Round 3 Innovation Grants. If you want to know more about the TA providers' community of practice, contact [microinsurancetechassist@ilo.org](mailto:microinsurancetechassist@ilo.org).



Mary Yang, the TA Officer monitoring the dialogue within the TA experts community



### Grantee: In Focus

Max New York Life Insurance Company Ltd. has developed 'Max Vijay', a business model designed to serve 100 million low-income households in India by improving access to life insurance and minimizing transaction costs. The model is based on extensive and widespread distribution of a simple, tangible savings and insurance product through non-conventional

insurance channels like small retailers, NGOs and MFIs, and leveraging IT, including handheld terminals, mobile phone and Internet portals, to manage payments that are likely to be small and irregular. The Facility grant will support the purchase of low cost, wireless, printer integrated hand-held terminals (HHT) that can be used to collect small amounts at convenient locations. The grant will also be used to test new technology methods using mobile phones and Internet portals.

### TA grants offered on a rolling basis

Microinsurers often need valuable expertise to launch a new scheme or improve their products. The Facility offers technical assistance grants to help current or prospective microinsurers upgrade operations, obtain reinsurance, conduct market research, price products, and so on. The TA grants help to cover some of the expenses associated with the short-term assignments conducted by the Facility's designated TA providers. Check out the TA grant guidelines.

## Practising through joint missions

To build a new cadre of microinsurance experts, the Facility arranges for persons with relevant expertise to participate in joint missions (JM) with our designated TA providers. Roland Steinmann, an expert in risk solutions, was on such a mission in Vietnam with Michael McCord in January. He kindly answered a few questions.

### F: HOW WOULD YOU DESCRIBE THE JM OPPORTUNITY?

R.S.: The mission has been very insightful and provided ample opportunity to observe, interact and learn together with local insurance practitioners as well as other stakeholders.

### F: WHAT ARE THE MAIN LESSONS LEARNT?

R.S.: My most important insight gained during this mission was that delivery of microinsurance is most often the bottleneck in the whole process. I also realized that some insurance companies need basic insurance training rather than assistance for microinsurance development.

### F: WHAT SURPRISED YOU?

R.S.: What struck me most was the openness for collaboration, the receptiveness for external inputs and the eagerness to learn from other experiences with which almost everybody we contacted responded to our ideas.

### F: WHAT WOULD BE YOUR ADVICE TO OTHER JM APPLICANTS?

R.S.: Do not only observe, but also challenge statements and practises of well-known experts. Try to get information from a wide panel of potential stakeholders - and even beyond. Always remember that it is often more difficult to achieve efficient delivery than to design an attractive product.



Roland Steinmann in a training session

## Preliminary results from the research grants

To stimulate useful analysis while encouraging academics to become more involved in microinsurance, the Facility is providing ten small research grants each year for the next four years.

In response to our request for proposals announced in November 2008, we received 62 applications focusing on a variety of experiences in developing countries, including 23 in Asia and 21 in Africa. The selection process will involve our academic partners, the European Development Research Network (EUDN); the ten grantees will be announced in early March.

### Proposed focus of the grants

Agriculture	15%
Climate risks	10%
Health	19%
Life	5%
Non specified	51%

## NEWS

### A new intern joins the team

Ahmed Sekou Camara, from Guinea, is supporting the Facility for five months. He's conducting a desk survey to map the organizations in the Facility's circle of influence. He is also developing a media database and identifying journalists from developing countries that have an interest in microinsurance. Ahmed graduated with a degree in economics (Université de Conakry), and is studying financial and monetary economics at the University of Geneva. His thesis analyzed the social and financial performance of microfinance institutions.



Ahmed Camara

## RESEARCH

### Third-Party Payment Solutions in Health Microinsurance

To provide real value for the poor, health insurance schemes need to limit the amount of cash policyholders have to advance when they use health care services. As long as this is feasible, health microinsurance schemes can effectively alleviate financial barriers to health care by setting up a third-party payment mechanism with selected health care providers.

Together with the ILO's STEP programme and the health working group of the Microinsurance Network, the Facility has launched a study to map the existing mechanisms in a variety of settings, analyze in-depth a series of case studies, and summarize the key lessons and success factors to implement an efficient cashless mechanism.



For those interested in sharing information on their third-party payment systems or getting involved in the study, contact [microinsuranceresearch@ilo.org](mailto:microinsuranceresearch@ilo.org).

### TA benefit from external guidance

The Facility appointed Michael J. McCord, the founder of the Microinsurance Centre, as our lead TA mentor. Specializing in institutional development for microinsurance, new product development, and the analysis of microinsurance programmes, he brings extensive and invaluable experience and expertise to the Facility's TA activities in general and to our fellowship programme in particular.



Michael McCord In a training session in Vietnam

## MICROINSURANCE NEWS

### Munich Re Foundation Microinsurance Conference

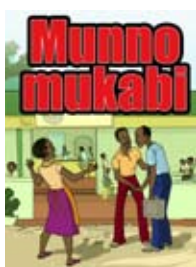
Reserve in your agenda 3 to 5 November 2009 for the 5th International Microinsurance Conference taking place in Dakar, Senegal. Main topics are: 1) providing health insurance to the poor, 2) linking microfinance and microinsurance and 3) the African microinsurance experience. If you want to make a presentation at the conference, please complete the proposal form. The deadline for submissions is 15 May 2009. Contact: [info@munichre-foundation.org](mailto:info@munichre-foundation.org)

### MicroEnsure develops new training and education programmes



MicroEnsure, in partnership with Microfinance Opportunities, world leader in financial education, has developed a new insurance module

for training of trainers (TOT) as well as a range of comic books as a tool for client education. Development of both TOT and client programmes is based on extensive research including focus group discussions and interviews with clients and MicroEnsure staff in Uganda and the Philippines. The module is designed to be flexible so it can be adapted to a range of insurance products and markets. The basic insurance comic book has already been supplemented by a crop insurance version. The comic books relate closely to the local cultural environments and will be translated into several languages and dialects for maximum effectiveness in the market.



### The Microinsurance Network (MiN) is growing

The Microinsurance Network has set up a new working group dedicated to promoting microinsurance education. Led by Iddo Dror (MIA) and Peter Wrede (AKAM), the group includes a variety of actors keen to move the topic forward, including FASECOLDA, MIAN, Microfinance Opportunities, University of Koln, Insurance Education Institute, and the Facility. The group has identified 3 main objectives: 1) compile the existing documentation and lessons learnt; 2) set up an e-knowledge platform to promote information exchange and dialogue with all interested parties; and 3) document success stories to convince providers to work more consistently with education when implementing a scheme.

For more information, email [iddo@mia.org.in](mailto:iddo@mia.org.in).

### Zurich and Women's World Banking launch "Caregiver"

Zurich and Women's World Banking (WWB) will pilot and then roll out insurance products designed to support clients of WWB affiliate institutions during hospitalization and increase access to health insurance. According to Mary Ellen Iskenderian, WWB CEO, "insurance is a relatively new area in addressing poverty. 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. The Caregiver program is designed to address just that issue."

## RESOURCES

### Research publications are released

#### • Literature review

This paper provides a selective overview of the current state of research on microinsurance. Its key purpose is to identify knowledge gaps that deserve further investigation.

#### • Technology paper

This study was part of the effort by the CGAP Working Group on Microinsurance (now the Microinsurance Network) and the Facility to compile an inventory of information technologies that are or could be applicable in the extension of insurance services to low-income households.

### Interviews with Microinsurance practitioners

We have released a series of 17 video interviews with key stakeholders on our website.

### A new portal

A new source of information on microinsurance - for Spanish "readers" - has been launched: [www.microseguros.info](http://www.microseguros.info)

### The Facility's annual report is in print: reserve your copy!

If you want to receive a copy of our first report and get a good overview of what we are doing, the opportunities we can provide, and our partners in developing countries, please send an email with your mailing address to [microinsurancemedia@ilo.org](mailto:microinsurancemedia@ilo.org).



## OPPORTUNITIES

To nurture a new generation of TA providers and assist insurance professionals in expanding their expertise, the Facility has developed a fellowship programme. Fellowships enable professionals to gain in-depth experience in microinsurance by working onsite for 6-12 months under the guidance of a mentor. We are currently looking to fill fellowship positions in China, India, Sri Lanka, Nepal, Mexico and Burkina Faso. If you want to know more and apply, contact [microinsurancetechassist@ilo.org](mailto:microinsurancetechassist@ilo.org).

GTZ's Microinsurance Innovations Program for Social Security (MIPSS) in the Philippines plans to conduct a microinsurance demand study (carried out between 25.03 / 11.04.2009) and is looking for an international MI expert to lead the study group. Contact: [Dante.Portula@gtz.de](mailto:Dante.Portula@gtz.de).

For all enquiries, please contact us at:  
[microinsurancemedia@ilo.org](mailto:microinsurancemedia@ilo.org)

