

## **Training Programme Overview - Programme in Microinsurance Business Strategies for East African Markets**



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## 1. Training Plan Overview

The programme in Microinsurance Business Strategies for African markets aims to provide participants with an understanding of what is needed when operating in the microinsurance space and appropriate case studies and ideas for informing microinsurance business strategies. Figure 1 below provides a framework for the course. The focus of the training is on **providing the pre-requisite context and support for generating appropriate ideas to develop a microinsurance business plan**. Going forward participants can seek additional, customized capacity building for implementation of the business plan.

The programme is intended to facilitate knowledge sharing between faculty and participants, as well as between participants. In this regard, the proximity of the training will impact upon which sessions are presented to ensure that the trends and session content are relevant to the participants and can draw from their experience (for example the sessions on health microinsurance and usage trends – which are both more contextual).

The training will explore:

- Insurance market context provided by country-level experts and FinScope data;
- Client value and market research to understand client needs in microinsurance to help inform product design and ensure needs are met;
- Private sector opportunities and innovative business models that are reaching low-income clients;
- Business-relevant regulatory barriers and opportunities for the development of insurance markets.

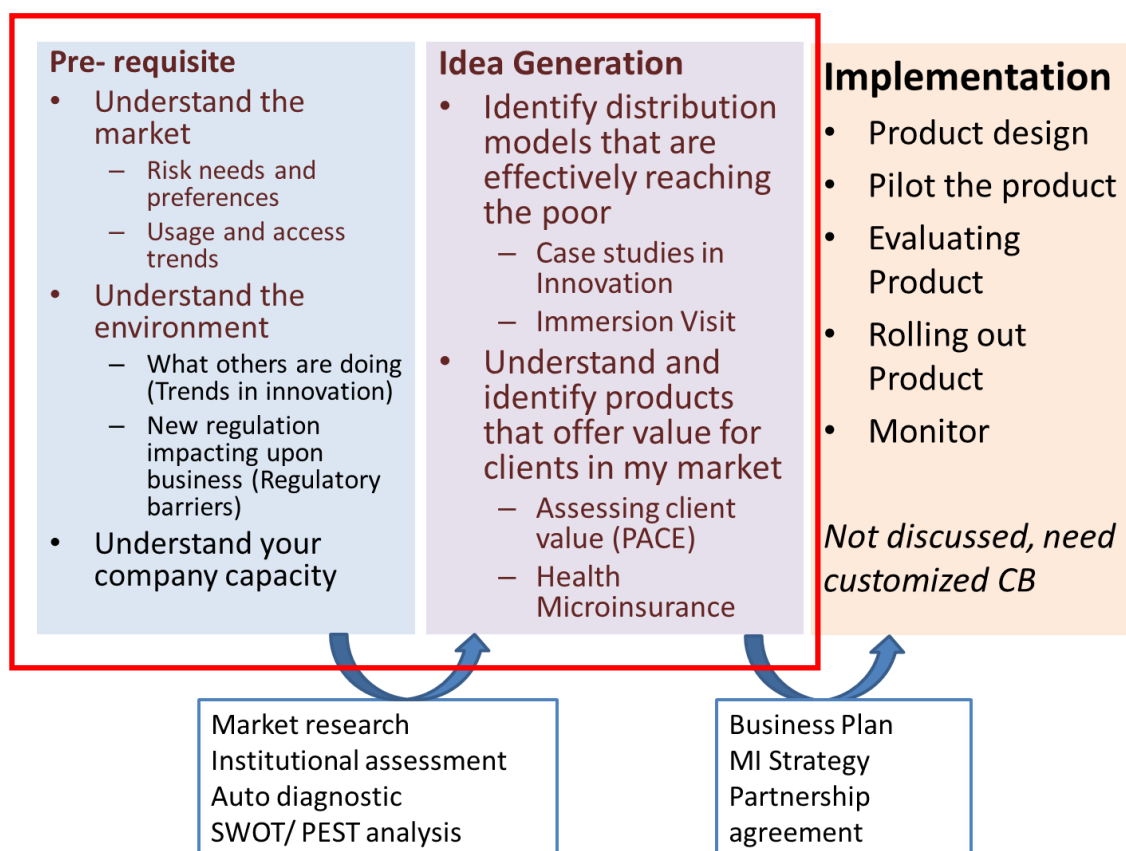
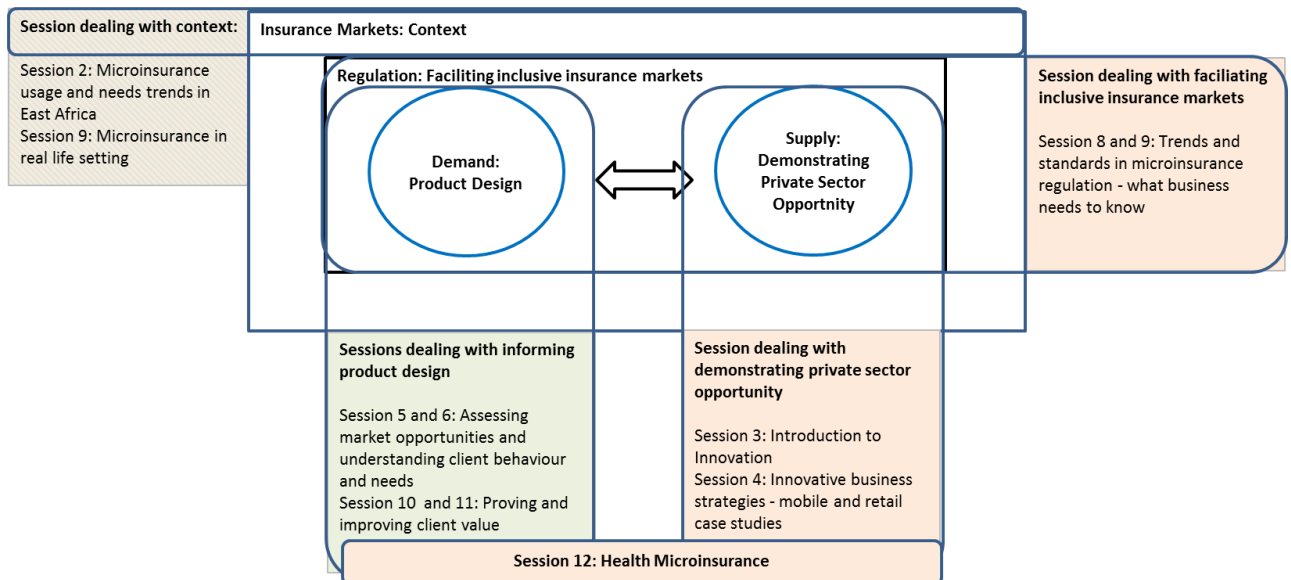


Figure 1: Framework for Programme in Microinsurance Business Strategies for East African Markets

Figure 2 below provides a session outline for the course and how the different modules are linked together to achieve the programme's objective. The course includes a mix of academic research in and practical application of microinsurance. The academic research and practical application support the main message of the training: **practitioners need to understand the markets and environments (regulatory and contextual) they are operating in and learn from the experience of other practitioners what works and what does not to generate their own strategy going forward.**



**Figure 2: Outline for the Programme in Microinsurance Business Strategies for East African Markets**

## 1.1. Training objectives

1. Identify similarities and differences in usage and needs trends in East Africa
2. Understand why and where innovation is required in microinsurance along the product life cycle
3. Identify successes and failures in case studies on innovative microinsurance business models
4. Introduce tools for conducting market research to understand the needs of the target market
5. Learn how to improve the value proposition of an insurance offering by conducting a PACE analysis
6. Identify and make participants aware of the implications of business-relevant regulation for microinsurance and how practitioners can influence it
7. Develop an action plan for improving or rolling out a microinsurance business strategy

## 1.2. Main Messages

1. A successful microinsurance business strategy needs to be both viable to the business and valuable to the client
  - a. Lack of focus on value for clients and market research has led to a mismatch between the supply and demand of microinsurance products in East Africa
  - b. Practitioners need to conduct market research to understand and design products that meet the needs of the target market

- c. Value is not just limited to price and there is a need to create, communicate and deliver value to their target market
2. Innovation is needed for viability as it employs cost effective models that reach the target market
  - a. Innovation to date has been solely focused on distribution – specifically access and payment collection via leveraging technology (mobile phones) and partnerships (retail distribution)
  - b. There is a need for innovation to shift to focus on a positive market experience via claims and servicing
3. Recent trends in microinsurance regulation in Africa are allowing more players to enter the microinsurance space
4. Define typologies of health microinsurance models and experiences to date

### 1.3. Target Audience

Ideally, would like to have between 30 -35 participants with multiple participants from each participating institutions so they can work together and develop an action plan. Ideal level is executive level managers that can influence or inform business strategies from one of the following backgrounds:

- Banking or insurance professional with a business development focus in Africa
- A mobile network operator, retailer or technology provider interested in expanding their reach into low-income financial services
- Policymaker or regulator interested in understanding microinsurance business dynamics in Africa
- Consultant, expert, advisor or researcher, in the areas of microinsurance low-income financial services

### 1.4. Methodology

This training is used as a platform for disseminating research in microinsurance and incorporates a range of adult learning methodologies and draws on the experiences of all participants to achieve its objectives. This includes case study analysis, expert interviews, fish bowls, facilitated discussions, an immersion visit, policy exercise and an interactive game – all discussed below:

Type	Description
Expert Interviews	To translate theory into practical application for participants some of the sessions may include an interview with an expert in the field. The moderator will prepare a set of questions to pose to the expert which draw out the main messages of the module and then will open it up to the rest of the participants. This will draw on the experiences of the participants and add to the main messages of the session.
Fish Bowl	Four to five chairs are arranged in an inner circle with the remaining participants arranged outside of the fishbowl (this can be in a concentric circle if it allows). A few participants are selected to fill the fishbowl. Two seats are left open for participation from the audience. At any time members from the audience can choose to occupy the seat and join the fishbowl. The fish bowl runs for a certain period of time (half an hour) and then

	the moderator stops the discussion and invites insights from the rest of the audience.
Facilitated Discussion	A facilitated discussion is inclusive of all participants in the training programme and aims to facilitate the transfer of knowledge between participants. After the faculty have introduced a concept/theory/hypothesis during a lecture he or she turns to the audience to draw out their experience or if they have any questions which other participants in the programme can answer. The discussion needs to be facilitated to ensure that it builds upon the main messages of the session and allows enough time for as many participants to participate.
Ice Breaker Game	The ice-breaker described here is specific to session 0: introduction. It is intended to evaluate the audiences understanding of microinsurance. It is a brief interaction with participants around a series of statements relating to what microinsurance is. It is not intended to go into detail on statements but to raise the fact there are different understanding and perception of microinsurance. The faculty read the statements one at a time and ask the participant to raise a “fact” or “fiction” card.
Immersion visit and debrief	<p>An immersion visit to a low-income area to expose participants to innovative distribution models in practice and the clientele using them. The visit will further provide the opportunity for participants to implement market research tools and feed into other sessions for practical application (such as PACE). The Cooperative Insurance Company of Kenya (CIC) will facilitate the immersion visit. Participants will be provided with a discussion guide to follow in their conversations with the distribution agents, as well with clients. The clients will be separated into groups of satisfied and unsatisfied customers.</p> <p>Following the immersion visit, participants will debrief with the facilitator and discuss their observations.</p>
Policy exercise	The policy exercise described here is specific to session 3: introduction to innovation. At the beginning of the session the lecturer introduces two policies to the audience. Based on the information they are given, they select which policy they think would be more appealing. They then compare this against a video with selected “street-level interviews”. This helps form the discussion around – what does innovation in microinsurance business models mean. The exercise is then followed by a facilitated discussion to draw out the key lessons from the participants.
Game	The wrap-up session will include a game where participants break up-with their tables and compete against each other to answer questions that review the key concepts from the training programme.

## 1.5. Total Time

The training is designed to be delivered over a period of three and a half, 9 hour training days.

8:30 – 10:15	First morning segment (105 minutes)
10:15 – 10:30	Morning break
10:30 – 12:15	Second morning segment (105 minutes)
12:15 – 13:30	Lunch
13:30 – 15:15	First afternoon segment (105 minutes)
15:15 – 15:30	Afternoon break
15:30 – 17:15	Second afternoon segment (105 minutes)
17: 15 – 17:30	Wrap-up and logistics for next day





## 2. Session plan

Time	Session	Topic	Objectives	Main Message	Session Methodology	Lecturer(s)
<b>Tuesday April 23, 2013</b>						
8:00 – 8:30	0.	Introduction	<ul style="list-style-type: none"><li>• Description of the course</li><li>• Clarify expectations with respect to what the course will offer and demand</li><li>• Establish the rules of the game for the training programme</li><li>• Introduce results from TNA</li></ul>	<ul style="list-style-type: none"><li>• This course focuses on business cases and the environment for microinsurance in East Africa.</li><li>• Provides participants with the tools and resources for informing microinsurance business strategies, but will not discuss operational issues.</li><li>• Course designed to allow for both the knowledge to be shared from lecturers to participants, but also to facilitate the transfer of knowledge between participants.</li></ul>	<ul style="list-style-type: none"><li>• Lecture</li><li>• Ice breaker game</li></ul>	Herman Smit (Cenfri)
8:30 – 10:15	1.	Key trends in microinsurance	<ul style="list-style-type: none"><li>• Introduce microinsurance and the global and regional trends in microinsurance</li><li>• A high-level understanding of the main trends emerging from microinsurance development in emerging market</li></ul>	<ul style="list-style-type: none"><li>• Refer to 5 emerging trends from A Microinsurance Compendium Volume II</li><li>• Long-term growth requires value</li><li>• Limited infrastructure necessitates partnerships</li><li>• Regulatory reform improves certainty and may increase competition but also cost</li><li>• Staff capacity presents barrier</li></ul>	<ul style="list-style-type: none"><li>• Lecture</li><li>• Facilitated discussion</li></ul>	Herman Smit (Cenfri)
10:15 – 10:30	<b>Coffee and Tea</b>					

Time	Session	Topic	Objectives	Main Message	Session Methodology	Lecturer(s)
10:30 – 12:15	2.	Microinsurance usage, needs and trends in East Africa	<ul style="list-style-type: none"> <li>• Provide an overview of regional insurance trends (Ethiopia, Tanzania, Zambia, Ghana, Kenya)</li> <li>• Explore the main market trends in the low-income insurance market in Kenya</li> <li>• Discuss the implications of these usage and needs trends upon current business models</li> </ul>	<ul style="list-style-type: none"> <li>• Market opportunities exist in the low-income market that can be reached using targeted and innovative approaches</li> </ul>	<ul style="list-style-type: none"> <li>• Fish Bowl</li> </ul>	Herman Smit (Cenfri)
12:15 – 13:30	<b>Lunch</b>					
13:30 – 15:15	3.	Introduction to innovation in microinsurance business models	<ul style="list-style-type: none"> <li>• Introduce the relationship between innovation and commercial viability</li> <li>• Understand the importance of perceived value in designing innovative microinsurance products</li> <li>• Understand the features of innovation along the product life cycle</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation is required for commercial viability and has primarily been focused on distribution resulting in longer intermediary chains</li> <li>• Challenge with distribution is communicating value to clients</li> <li>• Need for greater emphasis on servicing and claims payment</li> </ul>	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Group policy exercise</li> <li>• Expert Interview</li> </ul>	Herman Smit (Cenfri) And Wairimu (Kilimo Salama)
15:15 – 15:30	<b>Coffee and Tea</b>					

Time	Session	Topic	Objectives	Main Message	Session Methodology	Lecturer(s)
15:30 – 17:15	4.	Understanding opportunities in health microinsurance	<ul style="list-style-type: none"> <li>• Explore why we are failing to develop viable products for health MI</li> <li>• Introduce health microinsurance typologies</li> <li>• Introduce lessons from India's experience with financing health schemes for low-income rural populations</li> </ul>	<ul style="list-style-type: none"> <li>• Focus group discussions (FGDs) reveal health is the first or second risk need in the majority of low-income markets</li> <li>• Only health mi products working are linked to national health schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Case study analysis</li> </ul>	Anja Smith (Cenfri)
<b>Wednesday, April 24, 2013</b>						
8:30 – 10:15	5.	Assessing Market Opportunities and Understanding Client Behaviour/Needs Part I	<ul style="list-style-type: none"> <li>• Present demand-side insights on low-income financial behaviour</li> </ul>	<ul style="list-style-type: none"> <li>• Low-income households understand risks and use multiple risk-coping mechanisms</li> <li>• Practitioners need to design products that are appropriate for the needs and preferences of the target market.</li> </ul>		Julie Zollmann (BFA)
10:15 – 10:30	<b>Coffee and Tea Break</b>					

Time	Session	Topic	Objectives	Main Message	Session Methodology	Lecturer(s)
10:30 – 12:15	6.	Assessing Market Opportunities and understanding Client Behaviour/Needs Part II	<ul style="list-style-type: none"> <li>• Provide examples of tools for microinsurance practitioners to use to conduct market research and understand the needs of their target market</li> <li>• Demonstrate the value of conducting market research to inform product design</li> <li>• Link with immersion visit and PACE session</li> </ul>	<ul style="list-style-type: none"> <li>• First step to creating value for clients is to understand the risk/needs preferences of the target market.</li> <li>• Understand the target market by conducting market research.</li> <li>• There are low-cost tools and resources available for conducting market research.</li> </ul>		<i>MicroSave</i>
12:15 – 13:30	<b>Lunch</b>					
13:30 – 15:15	7.	Trends and Standards in Microinsurance Regulation: What Business Needs to Know Part I	<ul style="list-style-type: none"> <li>• Introduce basic regulatory concepts and language</li> <li>• Identify market opportunities as well as potential pitfalls and regulatory barriers that can undermine business models</li> <li>• Experienced practical application of the above</li> </ul>	<ul style="list-style-type: none"> <li>• IAIS Application Paper has provided flexibility for regulators to facilitate market development</li> <li>• Many countries in Africa adopting new legislation for MI</li> </ul>	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Small group activity - case study analysis</li> </ul>	
15:15 – 15:30	<b>Coffee and Tea</b>					

Time	Session	Topic	Objectives	Main Message	Session Methodology	Lecturer(s)
15:30 – 17:15	8.	Trends and Standards in Microinsurance Regulation: What Business Needs to Know Part II	<ul style="list-style-type: none"> <li>Understand how practitioners can influence policy</li> <li>Identify market opportunities as well as potential pitfalls and regulatory barriers that can undermine business models</li> <li>Experienced practical application of the above</li> </ul>	<ul style="list-style-type: none"> <li>Regulation enables new players into the MI space – focus on partnerships between insurers and distribution channels</li> <li>Concessions for entering dedicated MI space provide opportunity for businesses</li> </ul>	<ul style="list-style-type: none"> <li>Facilitated discussion on case study</li> <li>Lecture</li> </ul>	
<b>Thursday April 25, 2013</b>						
8:15 – 12:30	9.	Microinsurance Business in a real life setting	<ul style="list-style-type: none"> <li>Provide participants with exposure to innovative distribution models in microinsurance</li> <li>Provide a link between the market research module and the PACE module</li> <li>Provide a “face” to microinsurance</li> </ul>		<ul style="list-style-type: none"> <li>Immersion Visit</li> </ul>	CIC
12:30 – 13:30	<b>Lunch</b>					

Time	Session	Topic	Objectives	Main Message	Session Methodology	Lecturer(s)
13:30 – 15:15	10.	Proving and improving Business Value Propositions for low-income clients: Microinsurance Innovation Facility PACE Tool Part I	<ul style="list-style-type: none"> <li>• Debrief from immersion visit</li> <li>• Understand importance of client value</li> <li>• Introduce PACE tool</li> </ul>	<ul style="list-style-type: none"> <li>• Microinsurance product design should be more client-centred; only products that add value in relation to alternatives will be successful in the long-term.</li> <li>• To attract and retain customers, microinsurers must create, communicate and deliver value to their target market.</li> <li>• Client value is not just about fair price. Microinsurance products can deliver value to low-income households only if they are appropriate, accessible, affordable, responsive and simple.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitated discussion for debrief from field visit</li> <li>• Lecture</li> </ul>	Michal Matul (ILO's Microinsurance Innovation Facility)
15:15 – 15:30	<i>Coffee and Tea</i>					
15:30 – 17:30	11.	Proving and improving Business Value Propositions for low-income clients: Microinsurance Innovation Facility PACE Tool Part II	<ul style="list-style-type: none"> <li>• Gain practical experience using the PACE tool</li> </ul>	<ul style="list-style-type: none"> <li>• To create value, start by understanding what the target market wants</li> <li>• PACE Tool can be used to improve client value</li> </ul>	<ul style="list-style-type: none"> <li>• Group exercise analysis of CIC microinsurance offering using PACE tool</li> <li>• Facilitated discussion</li> </ul>	Michal Matul (ILO's Microinsurance Innovation Facility)
Friday April 26, 2013						

Time	Session	Topic	Objectives	Main Message	Session Methodology	Lecturer(s)
8:30 – 10:15	12.	Innovation in microinsurance business models: Case study session	<ul style="list-style-type: none"> <li>• Introduce the incentive for Mobile Network Operators (MNOs), insurers and consumers to adopt the mobile phone for insurance</li> <li>• Understand the opportunities and challenges along the MI value chain for adopting the mobile phone (innovation)</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a clear proposition and capabilities for the MNOs to get in the door</li> <li>• Drive large-scale awareness of the need for insurance</li> <li>• Make insurance useful and relevant to consumers –auxiliary in-life benefits (e.g. discounts) and tangible cover (funeral assistance)</li> <li>• Ensure that clients can claim and experience the benefits of insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Lecture</li> <li>• Expert Interview</li> </ul>	Herman Smit (Cenfri) and Peter Gross (MicroEnsure)
10:15 – 10:30	<b>Coffee and Tea</b>					
10:30 – 12:15	13.	Wrap-up	<ul style="list-style-type: none"> <li>• Capture main messages from training</li> <li>• Resolve any unanswered questions</li> <li>• Develop action plan</li> <li>• Evaluate training</li> </ul>	<ul style="list-style-type: none"> <li>• Mismatch between the supply and demand of microinsurance products in East Africa</li> <li>• Innovation is needed for viability as it employs cost effective models that reach the target market</li> <li>• Innovation to date has been solely focused on distribution – specifically access and payment collection via leverage technology (mobile phones) and partnerships (retail distribution)</li> <li>• There is a need for innovation to shift to focus on a positive market experience via claims and servicing</li> <li>• Need to conduct market research to understand and design products that meet the needs of the target</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitated discussion</li> <li>• Game</li> </ul>	Herman Smit (Cenfri)

Time	Session	Topic	Objectives	Main Message	Session Methodology	Lecturer(s)
				<p>market</p> <ul style="list-style-type: none"> <li>• Value is not just limited to price and there is a need to create, communicate and deliver value to their target market</li> <li>• Insurers need to find good partners with microinsurance regulation being introduced all over Africa with new space for intermediation</li> <li>• Health microinsurance products need to take advantage of loopholes in regulation or leverage current national health models.</li> </ul>		