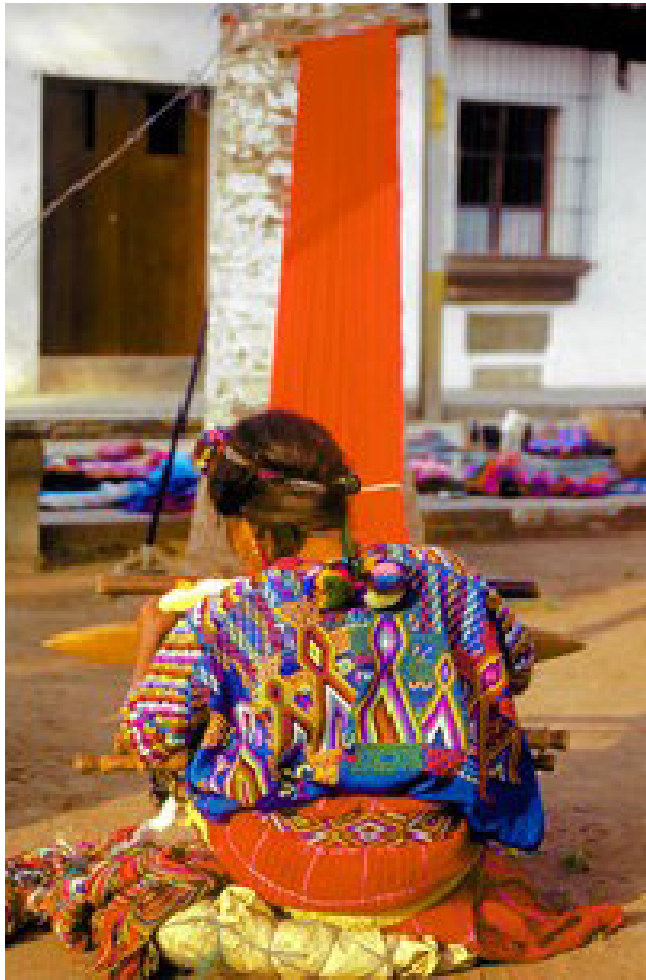


PlaNNet Guarantee « One world to protect »

Microinsurance

*Intervention of Mathieu Dubreuil
Microinsurance Programmes
Coordinator Africa*

Contents



PlaNet Guarantee

- I. **Basic principles for developing microinsurance**
- II. **Microinsurance in the world**
- III. **Main actors and model of distributing microinsurance**
- IV. **Potential of development**

Conclusive thoughts



I. Basic Principles for Developing Microinsurance

▪Simplicity of the products, easy to understand:

- A product covering a limited risk will be easier to understand
- Will be easier to manage and thus less expensive
- The insurance policy must be clearly readable and without ambiguities

▪Respond to the need of the targeted populations, and to their request:

- Market studies essential in order to know the real needs of the people;
- The phase of raising awareness is important: demand of insurance is often low because of the lack of knowledge of insurance;
- Involvement of the populations in the definition of the product: microinsurance is not a slow down version of the conventional insurance.
- Mode of distribution and covering of the premiums adapted to the context

▪Distribution channels and premium collection adapted to the context

- Pricing adapted to the financial capacity of people
 - Good Data
 - Management tools



I. Basic Principles for Developing Microinsurance

- **Claim settlement:**
 - Quick: low-income people need to have cash quickly
 - Payment has to be systematic: need to gain their trust
- **Education, raising awareness and gain trust of the population**
 - Explain and prove the added value of insurance
 - Explain clearly the risk covered and the claim procedure
 - Use existing distribution channels that people trust already



I. Basic Principles for Developing Microinsurance

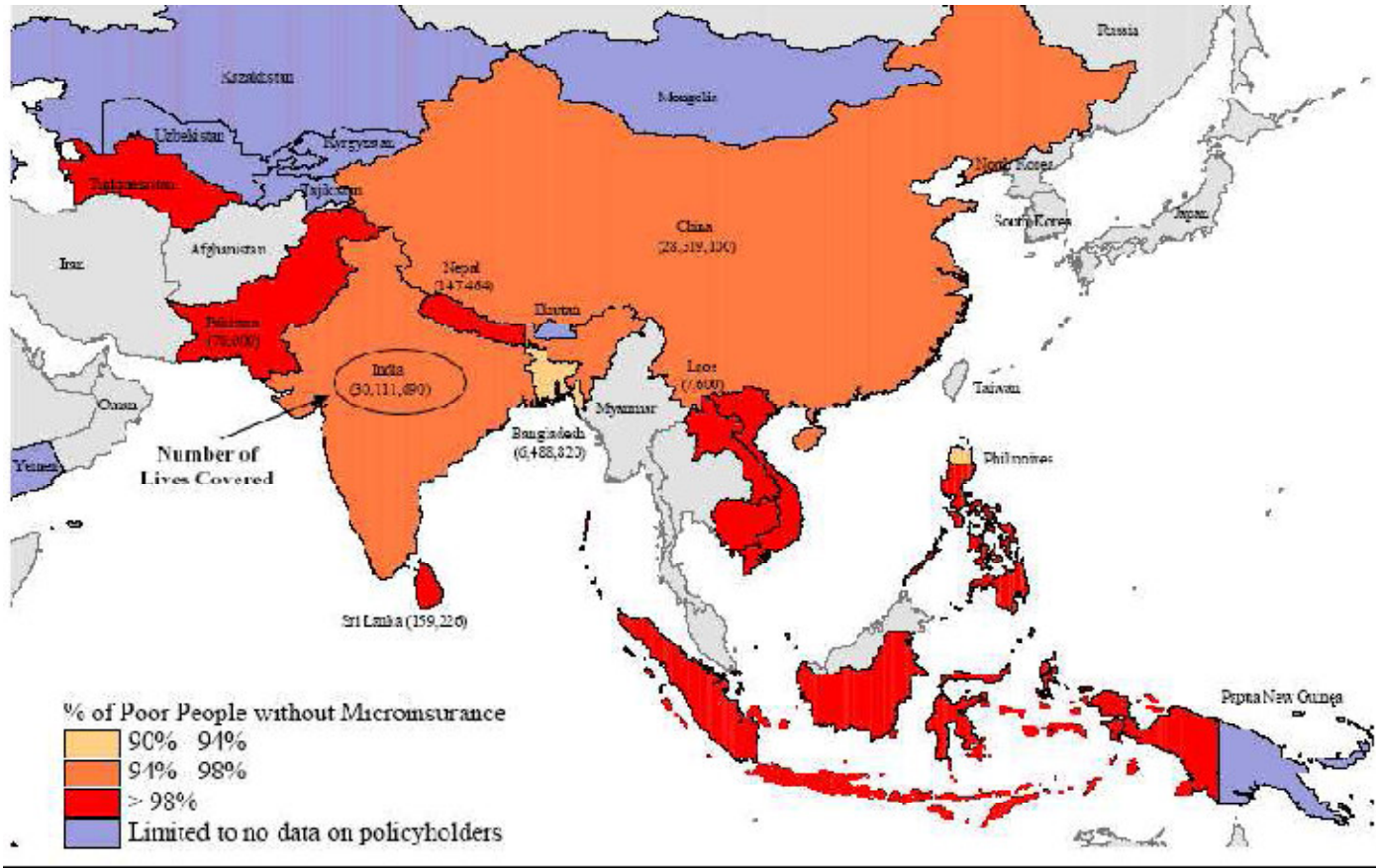
- Successful microinsurance products must be:
S.U.A.V.E.

- Simple—policies, conditions, marketing, procedures
- Understood—risk pooling, procedures, coverage
- Accessible—purchase, premium payments, claims
- Valuable—matches needs, fair price and coverage
- Efficient—for insurers, delivery channels, policyholders

Michael Mc Cord, Cartagena Conference, Nov. 2008



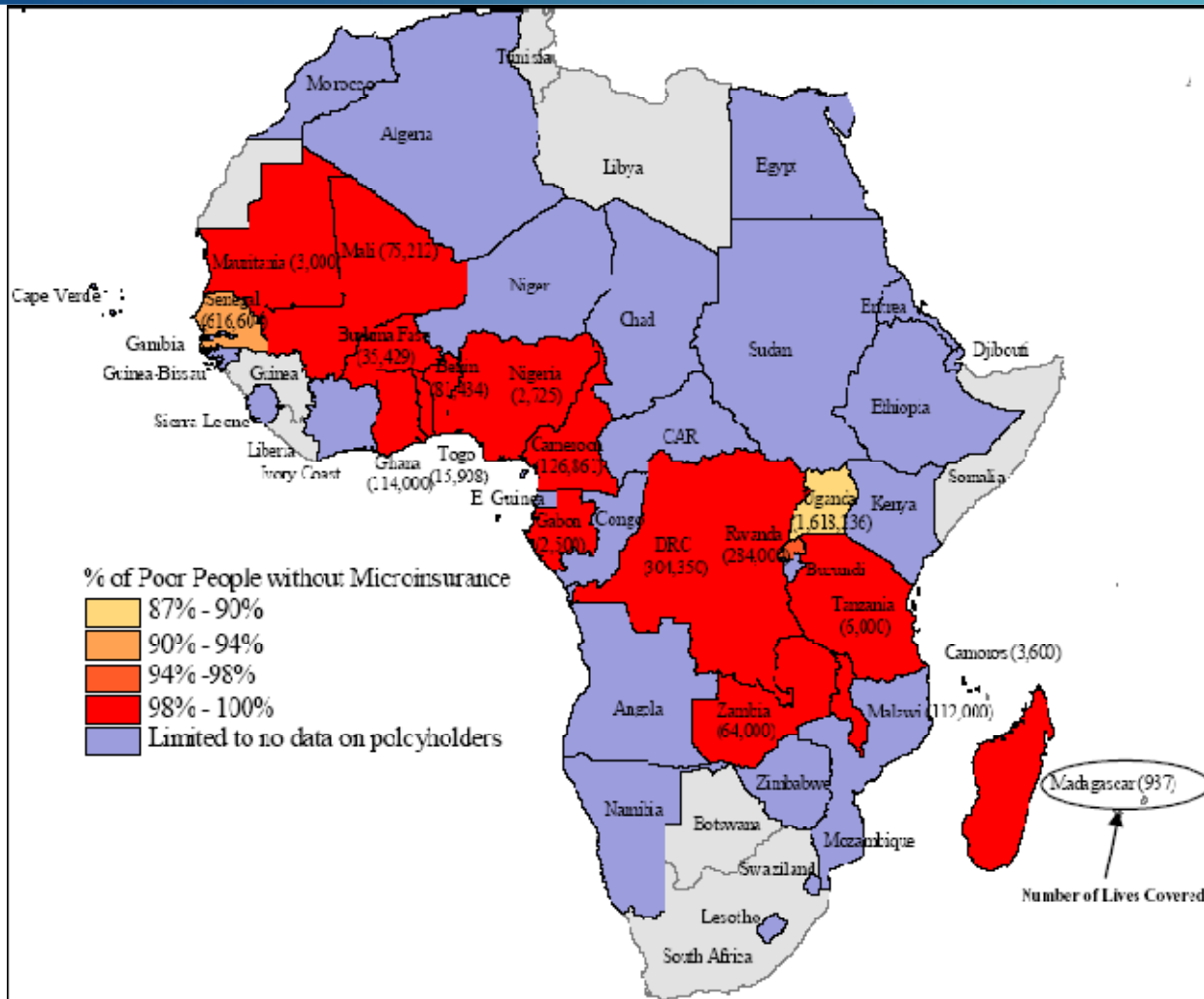
II. Microinsurance in the World : Asia



Source : The Landscape of Microinsurance in the World's poorest 100 countries. The Microinsurance Center, 2007.



II. Microinsurance in the World : Africa



Source : The Landscape of Microinsurance in the World's poorest 100 countries. The Microinsurance Center, 2007.



II. Microinsurance in the World : South America



Source : The Landscape of Microinsurance in the World's poorest 100 countries. The Microinsurance Center, 2007.



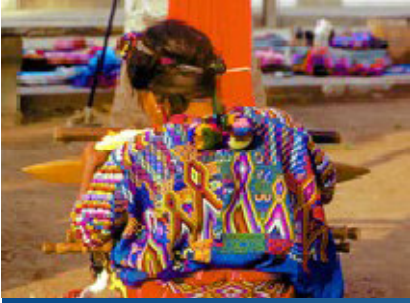
III. Main Actors : Community Based Organisations

- Mostly in Africa;
- Pool funds, manage risks
- Small organisations, in villages
- Provide health insurance
- Based on principles as
Member–owned organizations /
Non for profit / Created to serve
members' common interest /
Democratic voting

+ : close to their members; trust;
proximity

- : no sustainable, lack of
professionalism, small size





III. Regulated Insurance Companies directly serving the low income market

- Delta Life, Bangladesh
- Tata-ALG, India





III. Distribution Channels for Licenced Insurers

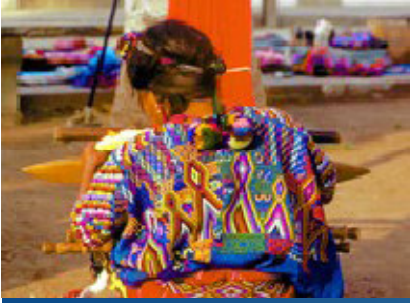
- Partnerships between insurers and distribution agents like cooperatives and MFIs
 - AIG and Ugandan MFIs
 - Zurich Venezuela and BanGente
 - Equidad and MFIs/Coops (Colombia)
 - Allianz and PlaNet Guarantee and MFIs (Egypt, Senegal, Cameroun, Madagascar, Cote d'Ivoire, Sri Lanka)

Allianz 


ZURICH®


equidad
seguros

AIG



III. Distribution Channels for Licenced Insurers

Partnership between insurance companies and retailers

- Hollard, South Africa
- Colseguros and Carrefour, Colombia
- Max New York Life, India





III. Distribution Channels for Licenced Insurers

Partnership with utilities companies or service providers

- La Positiva (Peru) and water associations
- MAPFRE Seguros and CODENSA, Colombia
- Philam Life, and cell phones (Philippines)





III. Insurance Companies

- New market for commercial sector which has relatively low penetration worldwide and needs to expand to grow;
- Recent interest;
- Advantages: insurance knowledge, capacity to carry the risk, experience;
- Limits: they do not know how to approach the market



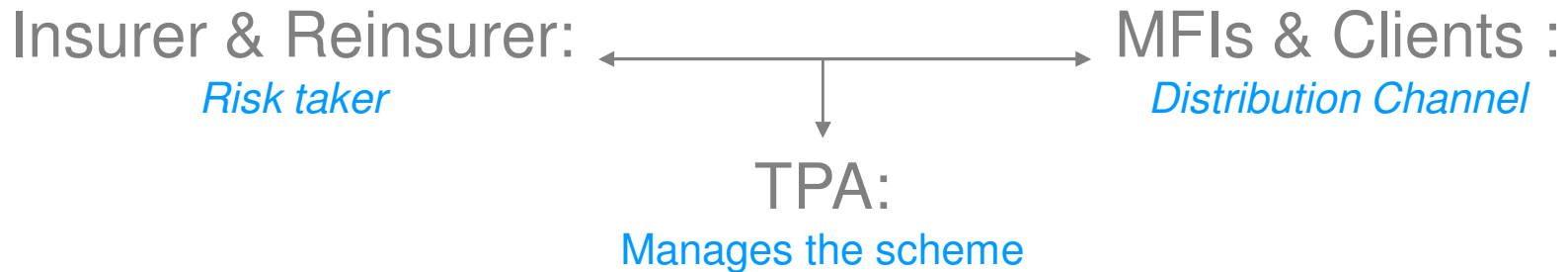
III. Reinsurance Companies

- New comers: Swiss Re (crop insurance); Hannover Re (credit life), Munich Re, Mapfre Re, Caisse centrale de réassurance...
- Bring to their partners a capacity to offer a better coverage.
- Are important to cover serious and unforeseen risks on a large scale

⇒ **As complexity of the products will increase, their intervention will increase**



VII. Third Party Administrator



The strategy of PlaNet Guarantee is to develop an insurance products dedicated to low-income people which have limited access to formal financial services



III. PlaNet Guarantee: the Model of Intervention

1) Working with Major Insurance and Reinsurance Companies

PlaNet Guarantee is supported by	
5 insurance companies	4 reinsurance companies
<ul style="list-style-type: none">• AGF Afrique• Allianz Egypt• Life Lloyds 308• Yasiru• Janashakti Insurance	<ul style="list-style-type: none">• Hannover Re• Caisse Centrale de Réassurance• Mapfre Re• Munich Re



To establish itself as a unique player in the microinsurance market, PlaNet Guarantee has partnerships with both local and international insurance and reinsurance companies

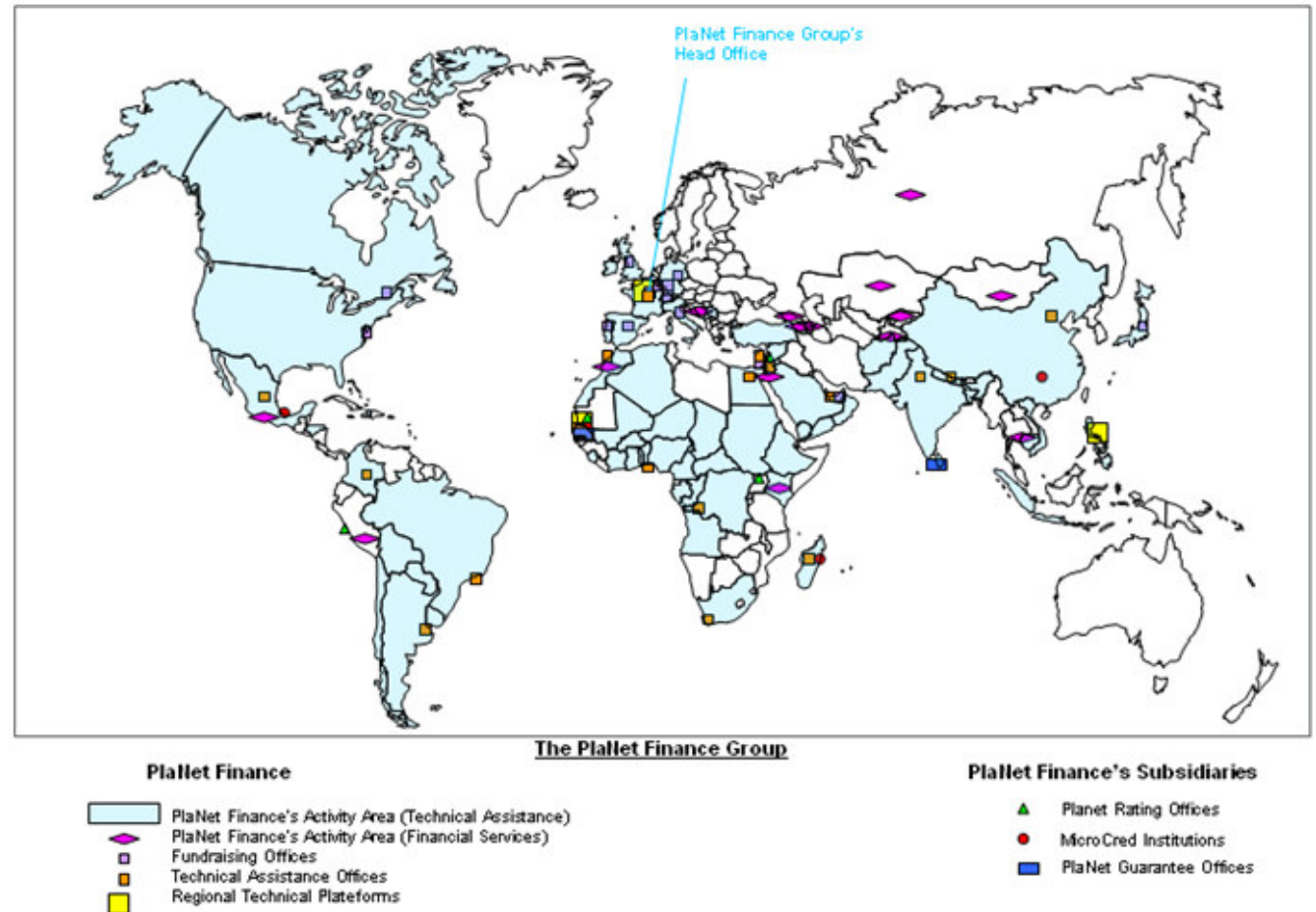


III. PlaNet Guarantee: the Model of Intervention

2) To Disseminate Microinsurance Products through MFIs: PF Network of MFI

PlaNet Guarantee has wide access to its prospective customers thanks to the network pre-established through PlaNet Finance Group.

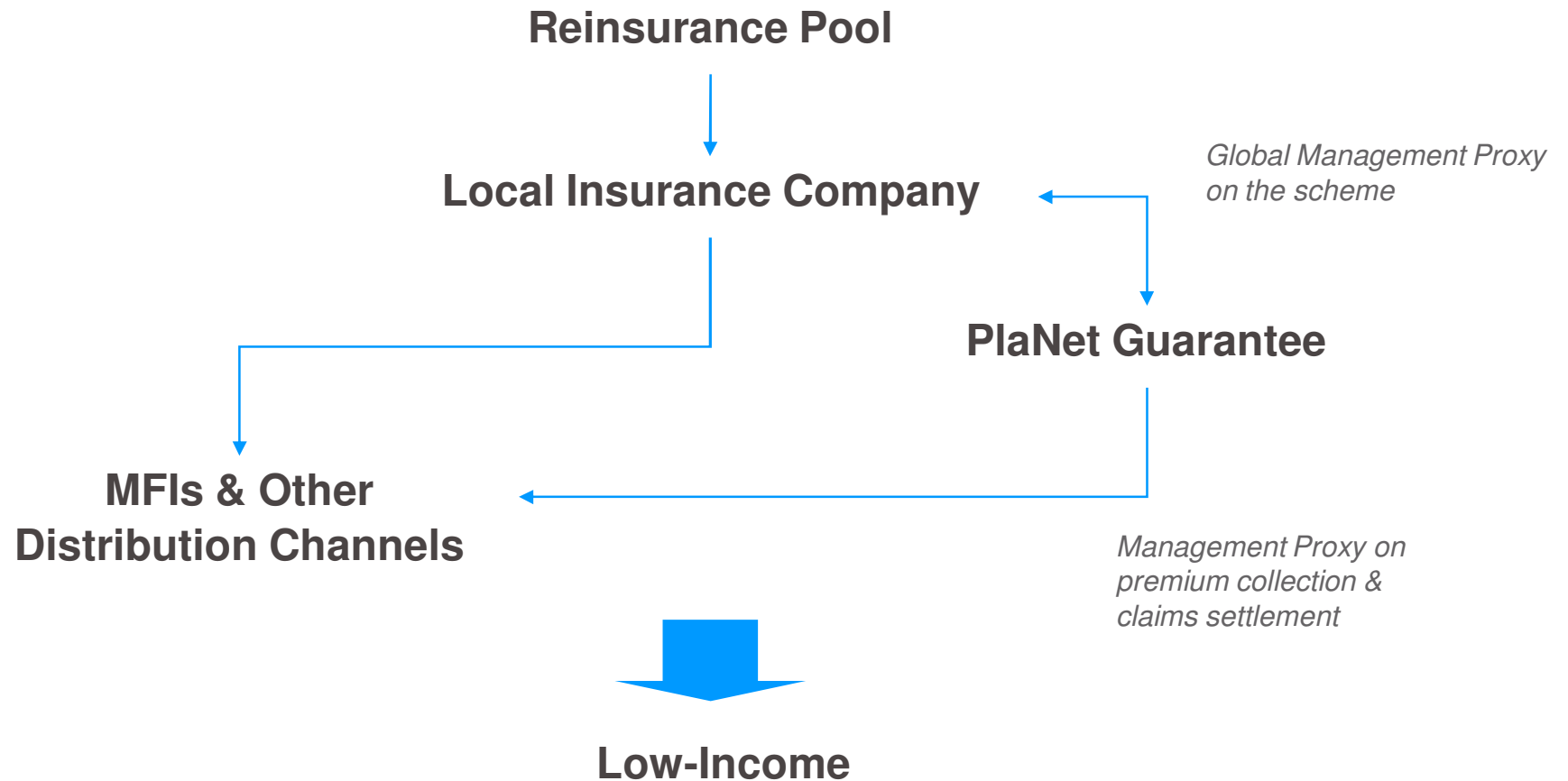
Thanks to the PlaNet Finance network, PlaNet Guarantee will be able to operate in over 60 countries





III. PlaNet Guarantee: the Model of Intervention

3) A Management Outsourced and Centralized by PG





III. PlaNet Guarantee: the Model of Intervention

4) Important focus given to training: microinsurance procedures (collect premiums, pay the claims...) teach MFIs how to manage

5) Technical cooperation agreements: **Hannover Re, Deloitte, Ecole Supérieure d'Assurance, Sun System, ILO/STEP.**

6) Technical expertise : **Through a pool of 5 qualified experts listed by the Microinsurance Technical Assistance Program of ILO**



IV. Potential Development



Since 2000, Microinsurance has gained tremendous momentum



Source : Gabrielle Tomcinshy, Cartagena Conference 2008



IV. Donors

- Donors are becoming very active, but still learning
- Donors have a critical role in:
 - research and development
 - Support infrastructure
 - Knowledge transfer
- Investors are entering the field

DfID

CIDR

ILO

Microinsurance

Innovation

Facility

USAID

IDRC

IFAD

UNCDF

UNDP

Ford Foundation

FMO

IFC

World Bank

ILO

Source : Gabrielle Tomcinshy, Cartagena Conference 2008



Conclusive Thoughts

- Do not lose the focus: the challenge is to make SUAVE microinsurance products for low-income people and give them risk management tools to come out of poverty
- There is a huge potential of interventions for developing microinsurance
- Donors have a central role in supporting new approaches

Source : Gabrielle Tomcinshy, Cartagena Conference 2008



PLANET GUARANTEE

13 rue Dieumeguard

93400 St Ouen – Paris FRANCE

Tel : +33 (0)1 49 21 26 12 - Fax : +33 (0)1 49 21 26 27

Mathieu Dubreuil, Vice President of Management Board of PG and Africa Coordinator
mdubreuil@planetguarantee.org