

Performance Benchmarking

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Background to this session (1)

- My surprise (2002) at very profit-oriented insurers' interest in microinsurance
- Extremely low claims ratios & high profits in Uganda (book, 2003)
- My consultancy mission in India, 2004, and my subsequent article "Some criteria for successful microinsurance" (Feb 2005)

Background to this session (2)

- Many case studies show very low claims ratios
- Lack of definitions
- Denis Garand's (& John Wipf's) work on Standards & Key Indicators

"Making insurance work for the poor"

- Appropriate name for this conference, *but*
- Have the WG, Project, case studies, and the planning for this conference had an adequate "poor-perspective"?

Case study shortcomings

- Independent experts should have performed the studies
- Case study guidelines inadequate
 - Too detailed in some areas
 - Missing some areas
 - Lacking financial definitions
- Generally too lengthy
- Long time delays
- Widely varying quality

Some personal reflections (1)

- **Need**, not demand, should steer what is offered to the poor
- Group insurance, risk-only coverages, necessary for the really poor
 - Savings can usually be done separately, and more efficiently
 - Low premium-paying capacity
 - Marketing and sales of individual insurances very costly

Some personal reflections (2)

- Group insurance (continued)
 - Need for simple products
 - Need for simple administration
 - Need for simple claims settlements
 - Need to extend coverage to as many as possible
 - Need to avoid costly underwriting (to avoid anti-selection)

Some personal reflections (3)

- Group insurance requires an already existing group
 - Formed for another reason
 - Having some kind of financial transactions
 - Many alternatives: savings & credit co-operatives, other co-operatives, trade unions, SHG's, MFI's, community groups, church groups, etc

Some personal reflections (4)

- Agreement must be reached on definitions and benchmarks
- Benchmarking can help to positively develop microinsurance
- I look forward to having a productive discussion