



SOCIAL PERFORMANCE IN MICROINSURANCE

Key Principles

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How did we get here?

Pre-workshop

- Framework for social performance
 - Loosely based on the framework from microfinance
 - Outlined **key questions** to consider for social performance in microinsurance. Divided into 4 areas:
 1. **Product**
 2. **Social responsibility**
 3. **Institutional systems**
 4. **Outcome / Impact**

Workshop

- Questions were prioritised and refined
- Developed into
 - Quantitative performance indicators (SMART) or
 - Qualitative principles

Key Principles: What are they?

- Broad set of qualitative guidelines
 - Representing practices or a 'code of conduct'
 - Are critical for social performance
- The principles need to be adopted as
 - An integral part of management
 - Priors conditions (assumed requirements)

Without adhering to these principles, transparent and accurate performance measurement is very difficult or impossible



Key Principles

Client focus*

Inclusion

Conduct assessment of client risks in product development stage

Conduct regular client satisfaction surveys

Protect client data

Transparency*

Audited standards and policies are aligned to the mission and vision of the organisation

Environmental policy

Principle 1: Client Focus*

Features

- Client perspective
 - Clear, strong and consistent focus on providing good value and efficient products and services
- Management awareness to the needs of the insured:
 - Every decision should consider its impact on the insured
- Balance between shareholder and client interests

Key Questions

- Are the mission and objectives of the microinsurance scheme clearly stated and do they mention client focus?
- Is the client focus visibly endorsed and encouraged by management?

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Principle 2: Inclusion

Features

- Ensures that outreach and access are maximised
- Reflected by the exclusion criteria of the scheme
 - Pricing
 - Infrastructure to access services
 - Payment structure
- Less exclusions , the stronger the social focus

Key Questions

- Does your product policy set exclusion criteria that limit access to certain groups?
- What payment structures does your organisation propose the clients?

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Principle 3: Assessment of client risks in product development stage

Attributes

- Assessing the risks before the product is developed
- Insure relevant risks (not only the 'easy' risks)
- Advantage of integrating a risk assessment into the product:
 - Create value for the client
 - Achieve higher satisfaction
 - Contribute to a more resilient communities

Key Questions

- Did the risk assessment take into consideration the more vulnerable members of the population (women, children and the elderly)?
- Did the risk assessment take into consideration risks that impact at community level?

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Principle 4: Regular assessment of client satisfaction

Attributes

- Creating value for the client
- Understanding the value proposition of the product:
 ➡ Services ➡ Awareness ➡ Satisfaction

In practice

- Regular gathering of information
- Review and revision of product and delivery channels

Key Questions

- Do clients demonstrate that they value the product?
- Is the product relevant to the most important risks?

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Principle 5: Protection of client data

Attributes

- Ensuring the privacy of client data
- Avoiding abuse

In practice

- Not only the responsibility of the policymakers, regulators and supervisors
- First step in promoting client protection

Key Questions

- Does your organisation or any of your partners sell or share client data with any third parties?
- Do your organisation and your partners ensure that staff respect a standard of client confidentiality?

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Principle 6: Transparency*

Attributes

- This principle is applicable across:
 - All principles and indicators
 - All procedures, transactions, and reporting of the organisation
- Improves processes and increases credibility

In practice

- Only providing data and information is not enough
 - Clear and understandable information
 - Relevant information

This principle can be understood as a consequence of the application of the other principles and therefore, no specific questions apply

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Principle 7: Audited policies and procedures aligned to the organisation's mission and vision

Attributes

- Social goals are included in the organisation's mission and vision
- Mission and vision translated into the procedures and policies
- Procedures and policies subject to internal and external audits

In practice

- Based on policies and procedures of organisation
 - Promoting ethical staff behaviour
 - Rewarding high standards of customer services

Key Questions

- Are the organisation's mission and vision reflected in the policies and procedures?
- Are the incentive structures clearly stated in the staff policies and do these encourage ethical staff behaviour?

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Principle 8: Environmental policy in place

Attribute

- Social responsibility towards the environment
- Environmental impact

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Thank you