

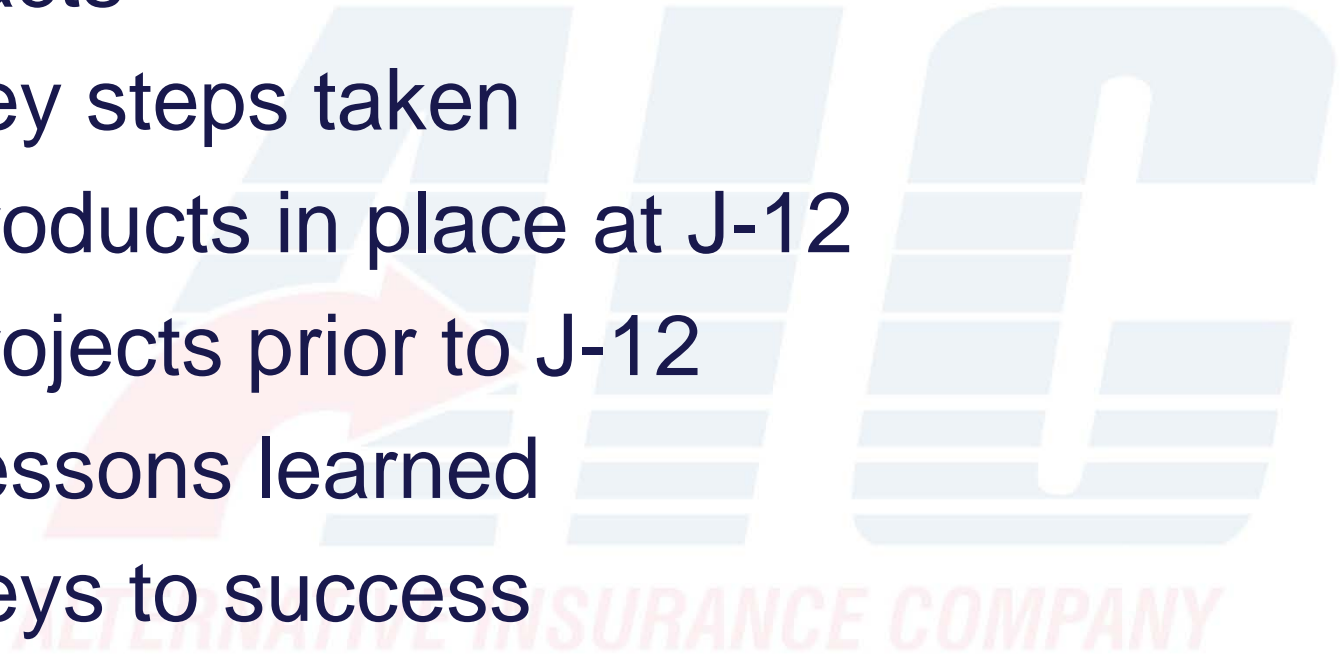
MICROINSURANCE EXPERIENCES: LEARNED FROM THE JANUARY 12TH EARTHQUAKE IN HAITI

Should we be afraid of the risk?

ALTERNATIVE INSURANCE COMPANY

Summary

- Facts
- Key steps taken
- Products in place at J-12
- Projects prior to J-12
- Lessons learned
- Keys to success



- The January 12th Earthquake caused substantial damages to all economic sectors of the Nation.

- According to the latest estimations,
 - Over 222.000 people would be reported dead (officially)
 - Over 300 000 injured
 - Over 1,2 millions living in temporary shelters
 - Over 97.000 destroyed homes
 - Over 188 00 houses severely damaged
 - Around 14 Billions in losses equivalent to 50% of the national budget.



Source :



THE M_w 7.0 HAITI EARTHQUAKE
of JANUARY 12, 2010:

USGS/EERI Advance Reconnaissance Team
TEAM REPORT
V. 1.0

February 18, 2010



FIRST STEPS TAKEN

- ✓ Crisis Management Team
 - A- Human resources (HR)
 - B- Client Support Services (CSS)
 - C- Communication Information and Technology (CIT)
 - D- Finance
 - E- Reinsurance

- ✓ Procedures put in place

- ✓ Looking for the insured of all the portfolios



**Assurées Mikwoasiran,
Jacmel, 26 février 2010**

	Column Labels				Grand Total
	Client Contacté	Decede	Hospitalise	injoignable	
Count of Nom Client / Beneficiaire	835	2	1	375	1213



AIC HQ, Psychological and sanitation support to employees.

Programs in place at J-12

1- Credit Life & Indemnity Portfolio



2- Voluntary Base Funeral Portfolio



Projects Prior to J-12

- ✓ 9 months study to launch a Micro Cat cover with Fonkoze
- ✓ Key Products determinants
- ✓ Successful Model

Earthquakes



Flooding :



Mudslides:



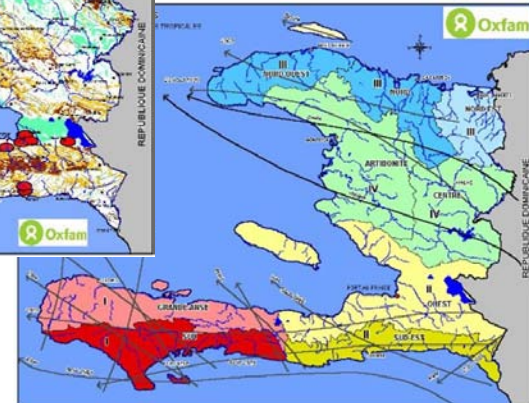
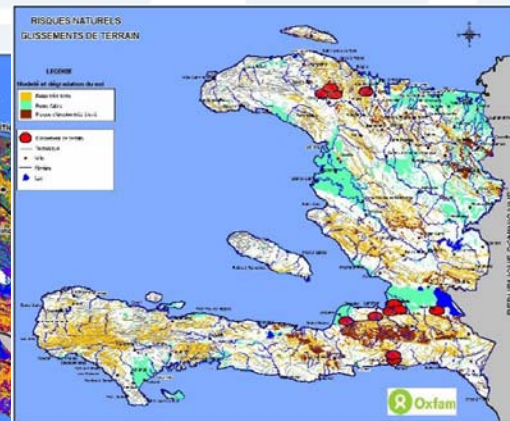
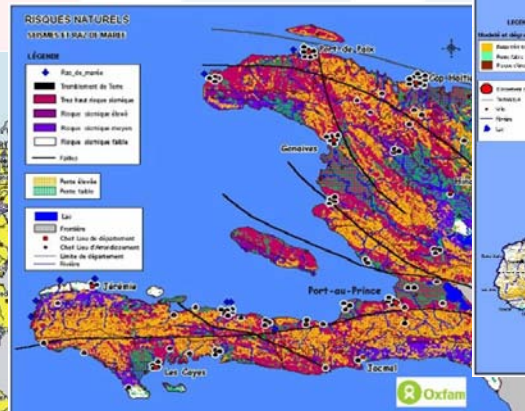
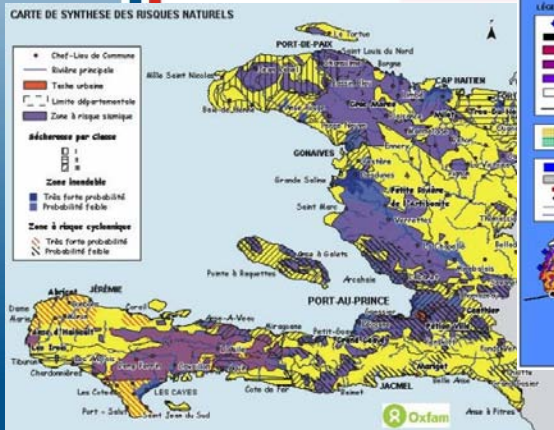
Projects Prior to J-12

- 1) to cover natural forces and natural catastrophes
- 2) concept is a mixture of an Index based and indemnity based cover

Product:

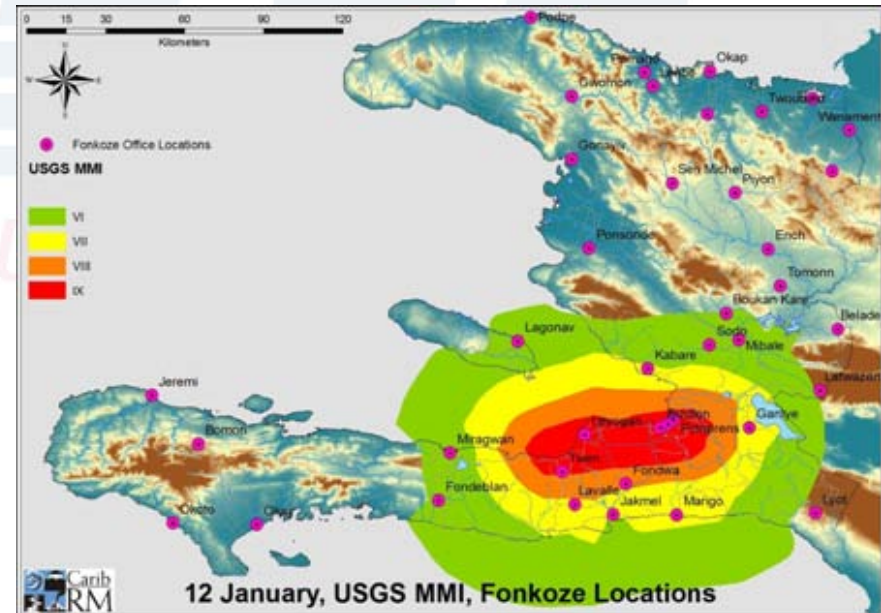
- Covers property affected
- Payoff balance of loan
- Emergency indemnification (funeral or cash)
- Automatic loan approval 80%

- ## Loss assessment and settlement:
- varies if classified as natural force VS natural catastrophe
 - Extrapolation



Results of simulation:

- ✓ Loss is 150% of annual premium income;
 - ✓ Loan recapitalization affects about 11% of the total number of loan-holders;
 - ✓ Loss is about 30% of the total outstanding loans, or 15% of the original total loan values; and
 - ✓ The indemnity payment makes up one-third of the overall loss.
 - ✓ caution on handling of claims in less affected areas that could change drastically the loss
- MFL expected: 2.5 to 3 MM
 - Simulation results: 2.34 MM
 - Overall loss rate is 30% of Value at risk
 - possible 20% extra loss depending on handling



Lessons Learned

- ✓ Network of service providers a double edge sword
- ✓ Proactive communication pays
- ✓ Immediate focus group following an event gives better results



Focus group in Jacmel
Feb 2010



Focus group at a client's
house



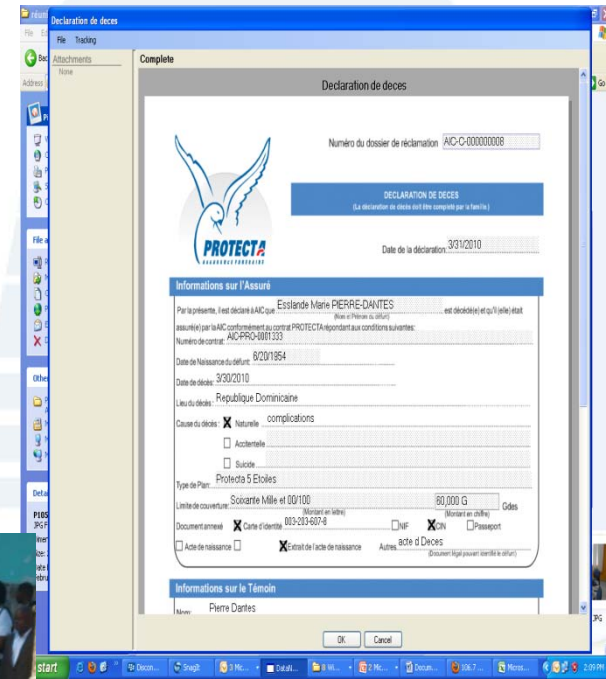
Thank you from one of the
beneficiaries of a client, herself a
client. She organized a meeting at
her house, invited Protecta staff and
sold 10 policies as a thank you to
Protecta for keeping its promise.
March 2010

Lessons Learned

- ✓ More flexibility in legal documentation in case of large catastrophes
- ✓ At least 3 family contact info not just beneficiary
- ✓ Robust IT is key

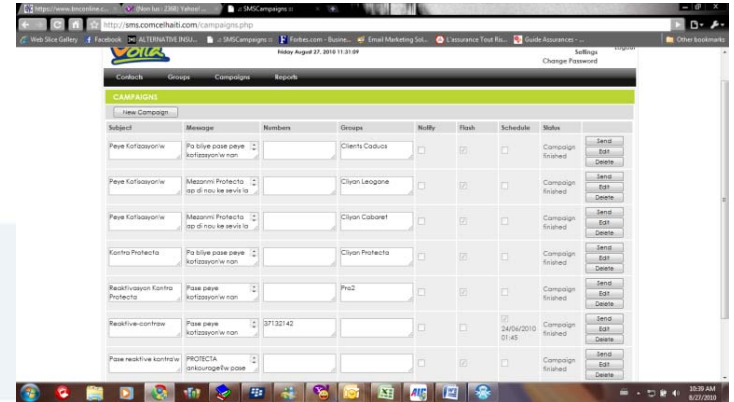


Settlement with a beneficiary Feb 2010



Keys to success for Micro Cat risk?

- ✓ Proper rating is indispensable
- ✓ KYC
- ✓ Robust IT is a must
- ✓ Quick, efficient and massive communication. Its an investment not an expense
- ✓ Proper and thorough loss assessment in a timely and efficient manner
- ✓ Fraud Control



Keys to success for Micro Cat risk?

- ✓ Implication of all parties involved
 - MFI
 - MI Unit
 - Claims inspectors

- ✓ Mandatory Product

- ✓ Rapid settlements especially for the emergency funds for buliding of trust, and branding



Èske mwèn ka enskri nan yon plan epi mwèn chanje li posan pran yon lòt?
 Wi wap gen pou ale nan ajans ou te enskri ye epi wap di ou lèmwèn chanje plan.

Pa bliye chak plan yo gen avantaj pa yo. Si ou vle pran on plan ki gen plis avantaj wap gen pou tann on ti tan anvan li aplike.

Èske mwèn ka mete yon zanmi kòm benefisyè ?
 non, se fami ou selman ou ka mete kòm benefisyè atrans PROTEKTA.

Èske mwèn ka pouje nan nanspòt ajans PROTEKTA ?
 Wi depi ou se yon asire protekta ou kapab pase nan nanspòt akajal SINC, akajal SOUSCOK ak tout lòtès ki la vin ajans PROTEKTA.

Mwen chay PROTEKTA kapab edwe pote
 Kalkonnen gann ke moun nan chwazi nan Protekta fap jweun sèvis sa yo:

- sèvis
- Preparasyon md a
- Konsepsyon kadav ke jiska 10 jou
- Sèrvenis Nan legliz
- Mèmwèn kadav nan legliz epi nan sètitye
- Kouyon akajal
- Peyev emòtan yo (ak desè e letris)
- Bayay ki ka itil pou wèv finis
- Kat nansimman
- Anons nan medya epi nan journal
- Rejiz pou fann an slyen
- Nou pitè dotay (Gade katalog Protekta)

Ki sa ou dwe konnen sou PROTEKTA



Keys to success for Micro Cat risk?

- ✓ Continuous Education & Communication
 - Prevention in case of Natural disasters
 - Proper steps to follow in case of claims
- ✓ Accessibility, availability, and simplicity
- ✓ Capacity to adapt and make changes according to new needs from gathered feedback in a timely manner





Thank you

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www.protecta.ht

www.microassurance.ht