

# Improving business processes

## ***For Whom the Bell Tolls***

The phrase is made famous by the book of Ernest Hemingway of the same name.

The actual phrase was coined by the poet **John Donne** in 1624 and in essence conveys that:

*“ when the bell tolls for someone’s death,  
it also tolls for everyone ,  
as every-one also loses a part of themselves in other’s dying”...*

***Krishnan Venkatachalam***

**Parallel session 5**

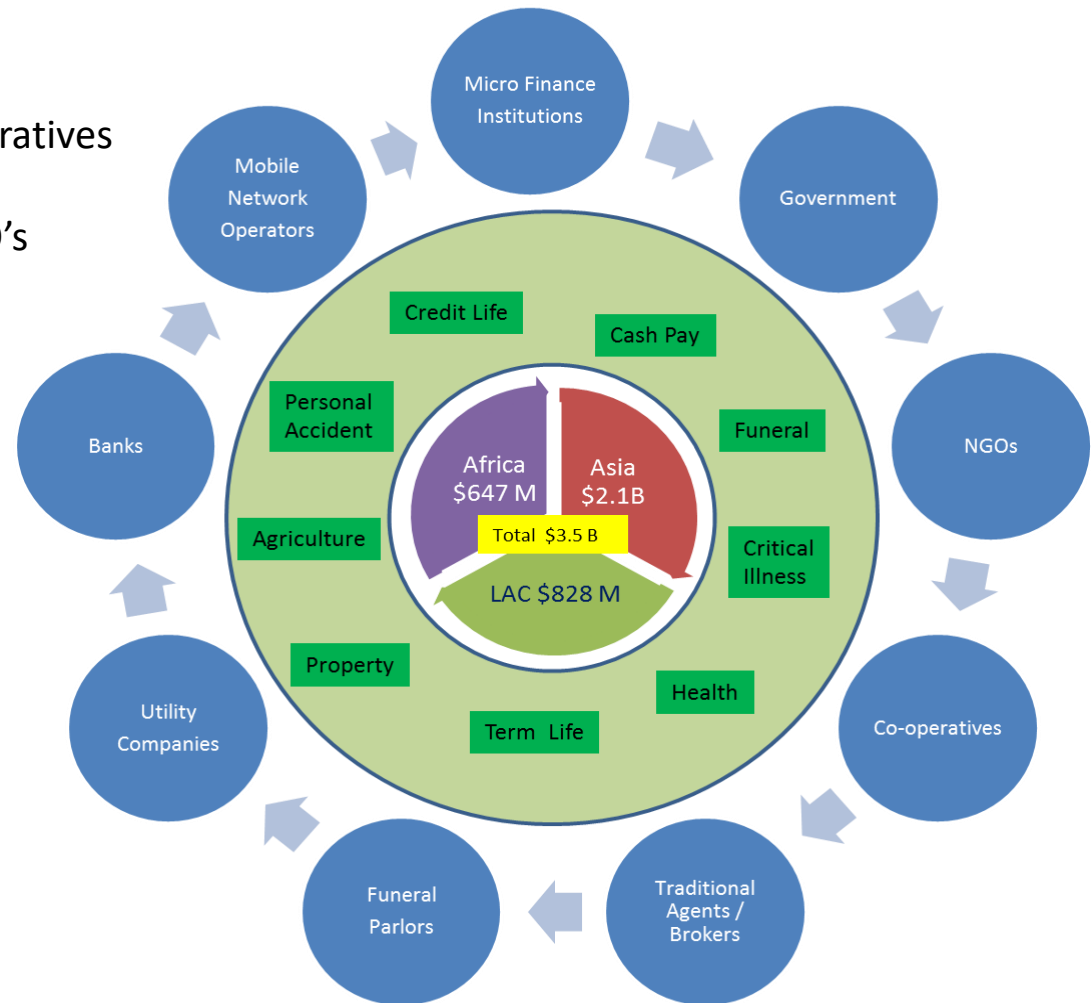
16<sup>th</sup> November ; 14:00 to 16:00 Hrs

# The Presentation Plan

- Learning from field realities
- Fundamentals matter :
  - The “Honeymoon Protection”
  - The “Planck’s constant”
  - The Production Possibility Frontier
  - The Micro-insurance Periodic Table
- Collaboration and the Continuum Model
- The way forward

# The Micro insurance Ecosystem – Reaching the micro-insurance customer

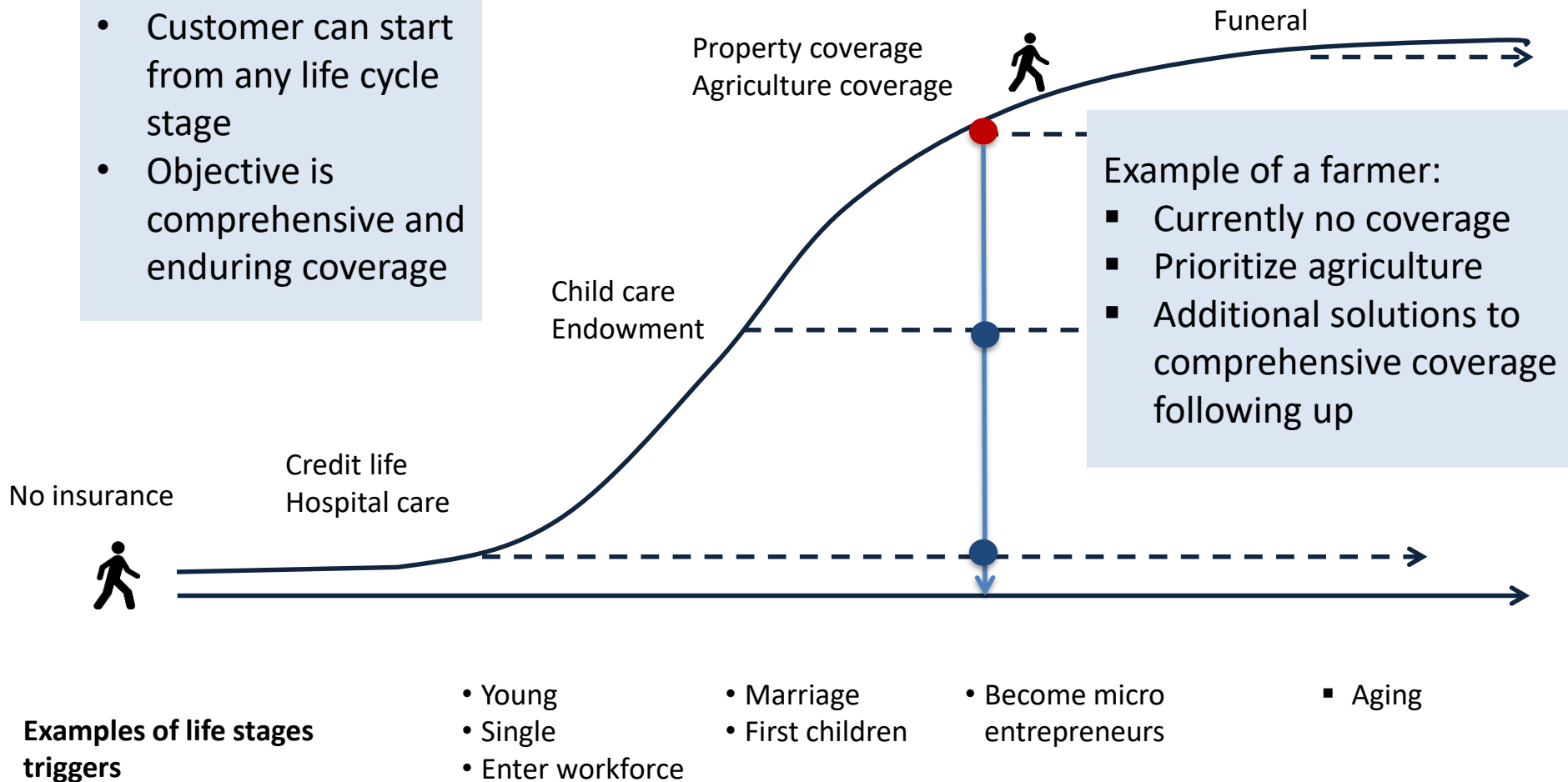
- Early Movers – Mutual & Co-operatives
- First and large wave – MFI's
- Second developing wave – MNO's
- The Future - ??



# Enduring, Sustained, Consistent & Meaningful Protection

## Customer Lifecycle – Events & or Phases

- Customer can start from any life cycle stage
- Objective is comprehensive and enduring coverage



# Fundamental's matter ....Science & Economics

- **Reality about “ The Honey moon Protection”.**
  - There may be “protection” – even possibly “meaningful” – but these are **not Enduring, Sustained or Consistent.**
  - Most work and research has improved “operational and process” issues during the “honey moon period”. Commendable but does not resolve underlying issue.
- **Structure matters:** learnings from Science
  - Almost all Micro insurance partnership models have been “binary” –
  - Does not recognize the “valency” of the element being serviced – the micro-insurance customer.
  - The Customer has interactions with multiple players and thus an opportunity to enhance the MI offerings and servicing.
  - Existing bonds remain weak and vulnerable. Recognizing the “Planck’s constant” and the “minimum energy” to raise the element to higher level.
- **The Production Possibility Frontier** – learning from Economics

# The Binary Partnership Model – The Glass Ceiling

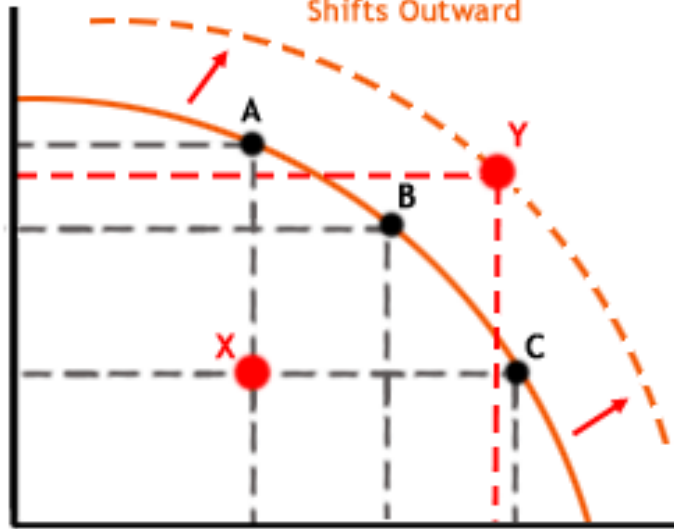
## The Production Possibility Frontier

Resources

- Finance
- Technology
- Distribution
- People

Production Possibility Frontier (PPF) Shifts Outward

Primary Product  
Loan / Airtime



Secondary Product  
Insurance Protection

The Trade-off

Optimizing Limited Resources for Desired Outcomes

## The Solution

- A **Production Possibility Frontier (PPF)** is a graphical representation of possible combination of two commodities that an economy can produce per unit of time, given fixed resources.
- Trade-off – Primary Product always prioritized
- Win – Win solution is building multi partner - to fill “All the valencies” of the “end customer segment”

# Multi stakeholder – Partnership is the key

## The Periodic Table for Micro Insurance

Right alchemy matters – more than one “bond” may be necessary

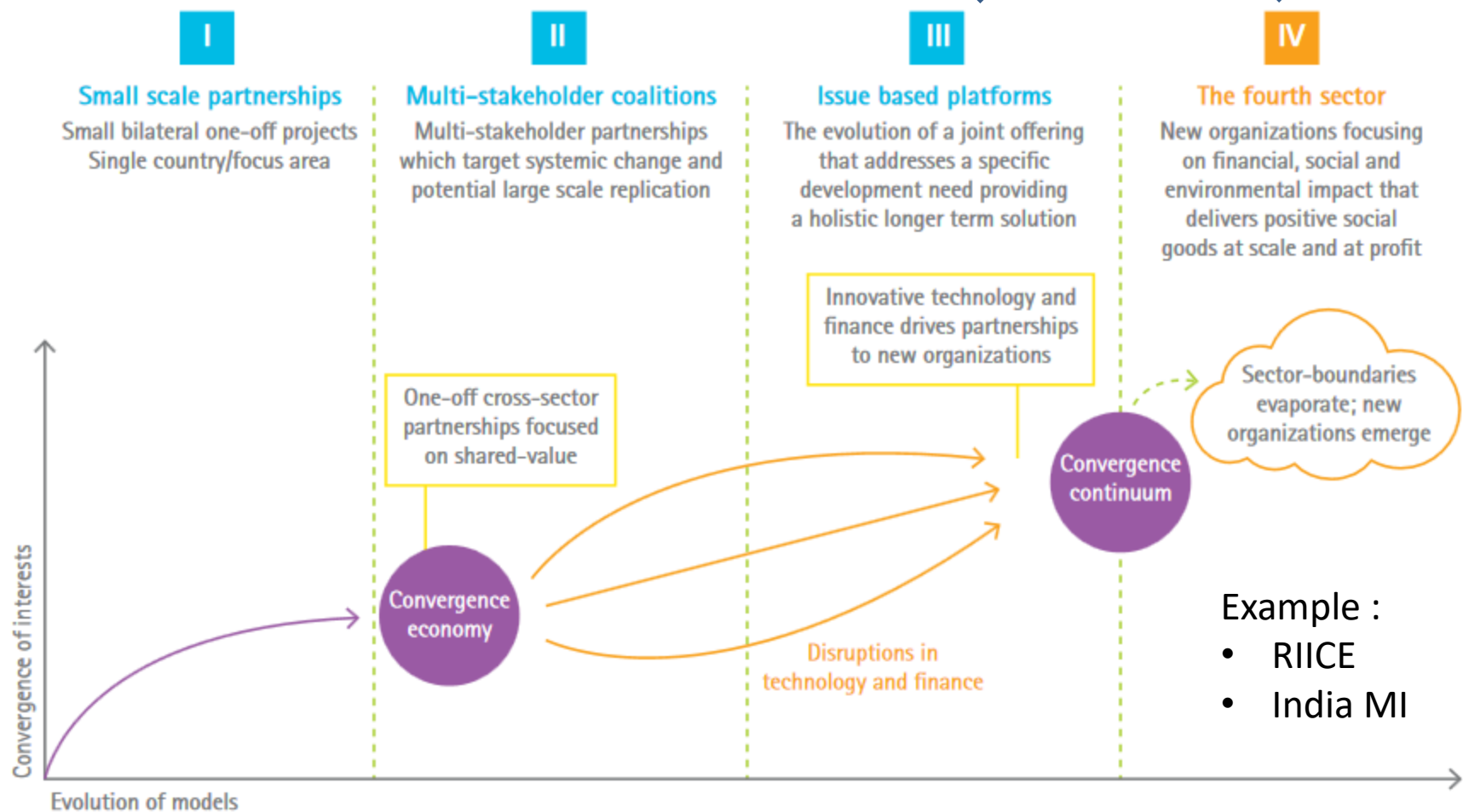
Every element in this table has unique characteristics and is important for *right mix & match*.

The Periodic Table For Microinsurance																		
Traditional						Channel		Insurers						Target Audience		Emerging		
↓		Investor s		Internation al Support		Support Foundation s		Reinsur er s		Beyond Insurance		↓				↓		
MFI																MNO		MVNO
NGO	Healthcar e Providers											BPL segment	Emerging Consumer	Small Entrepreneurs	Small & Marginal Farmers	Payment Banks	Micro Ensure	
NBFC	Trusts											Low Wage Workers	Low & Mid Income Household	Seasonal Income Earners	SME	Digital National ID body	BIMA	
Co-ops	Funeral Parlors	Munich RE	ParaLife	Allianz	AfricaRE	AIG	GIC	Zurich	Lloyds	Partner RE	Swiss Re	Commerci al Insurer	Govt Insurer	Captive	Micro Insurer	Digital Financial Services	MFS Africa	
Mutuals	TBA*	MCII	GIIF	MARSH	ARC	XL Catlin	Trans Re	Aspen	Old Mutual	Hollard	JB Boda	Agents Brokers	Utility Companies	Agri Bus Distributor	Direct to Customer	Telenor	TBA*	
Self-Help Group	TBA*	Bill & Melinda Gates Foundation	AFD	FSDA	DFID	Munic Re Foundati on	Aus AID	TBA*	TBA*	TBA*	TBA*	Retail Chains	Post Office	Govt Network	Micro Ins Agents	TBA*	TBA*	
Rural Banks	TBA*	IADB	MercyCo rps	Kinnevik	ACCION	Omidyar	ICMIF Allnations	Beyond Insurance	Beyond Insurance	Beyond Insurance	Beyond Insurance		Blue Marble		Leap Frog		Blue Orchard	
*TBA (To be Added)				CGAP	World Bank	Impact Insuran ce	MicroIns Network	A2ii	IAIS	Microins Centre	Cenfri	USAID	GIZ	FinMArc	Micro Save	IFMR CIRM	IFAD	
Indicative MI Ecosystem Conceptualized & Designed : Krishna Venkatachalam				IBRD	IFC	IIAB	ACORD	IAIS	MicroIns Academy	CNSeG	MicroFin Opportunit y	ADA	EMP	Women World Banking	Internatio nal Co-op Alliance	CHMI	Academic Insitutions	

# The “Digital” Convergence Continuum

12th International  
Microinsurance  
Conference  
Colombo, Sri Lanka

Strong multi partnerships –  
leveraging on core strengths and creating shared value





# Micro insurance(MI) Progress Monitor

What gets measured gets improved and moves towards excellence ...

Factor	Score
	LowHigh
Life Time of the Customer – continuous	<hr/>
Loyalty Program	<hr/>
Incentives ( not Profit Commission)	<hr/>
Self-service options customer	<hr/>
Multiple customer touch –points	<hr/>
Customer satisfaction – real time analysis	<hr/>

*A suggestive and indicative list ....*

## Recap ...

- **Providing - Enduring, Sustained, Consistent and Meaningful insurance protection** to the end is what will truly count and matter.
- **Life-cycle solutions** :Deliver a holistic solution across the life-cycle ( stages & events) of the end customer. Important to attract and retain quality desired customers over the longer term
- **Multi stakeholder model** - that brings into play various supportive competencies that can deliver a holistic solution. Future winners will be those who are open for collaborative partnerships
- **Going Digital** - leap and build scale
- **Micro insurance(MI) Progress Monitor** : Rating Tool / Developing a “Score” for Micro insurance programs and Micro insurance players – is the key for taking micro insurance to next level

# Closing thoughts.....

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**John Donne** in 1624

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## **Microinsurance**

*When the bell tolls in Microinsurance  
It rings more loudly in the Developed Markets  
We are all part of an inter-connected world  
Collaborative Innovation to provide Enduring Insurance Protection  
for the underserved is a moral imperative*

***Thank You***