

A background photograph showing people in a rice field. In the foreground, the legs and lower bodies of two people are visible as they wade through the water and tall green rice plants. One person is wearing a plaid shirt and dark pants, and the other is wearing a black and yellow striped shirt and dark shorts. In the background, another person is walking away from the camera towards a line of trees under a bright sky.

Developing Index Insurance Markets in Asia

Experience from the Philippines



Geric G. Laude
President



Proposed Solution: Protect financing risk

- Insurance for portfolio of the financing company.
- Portfolio insurance not just for non-payment of loan but also expenses incurred in mobilization, loan restructuring, , etc.

Lack of
Financing

Challenges

Basis Risk

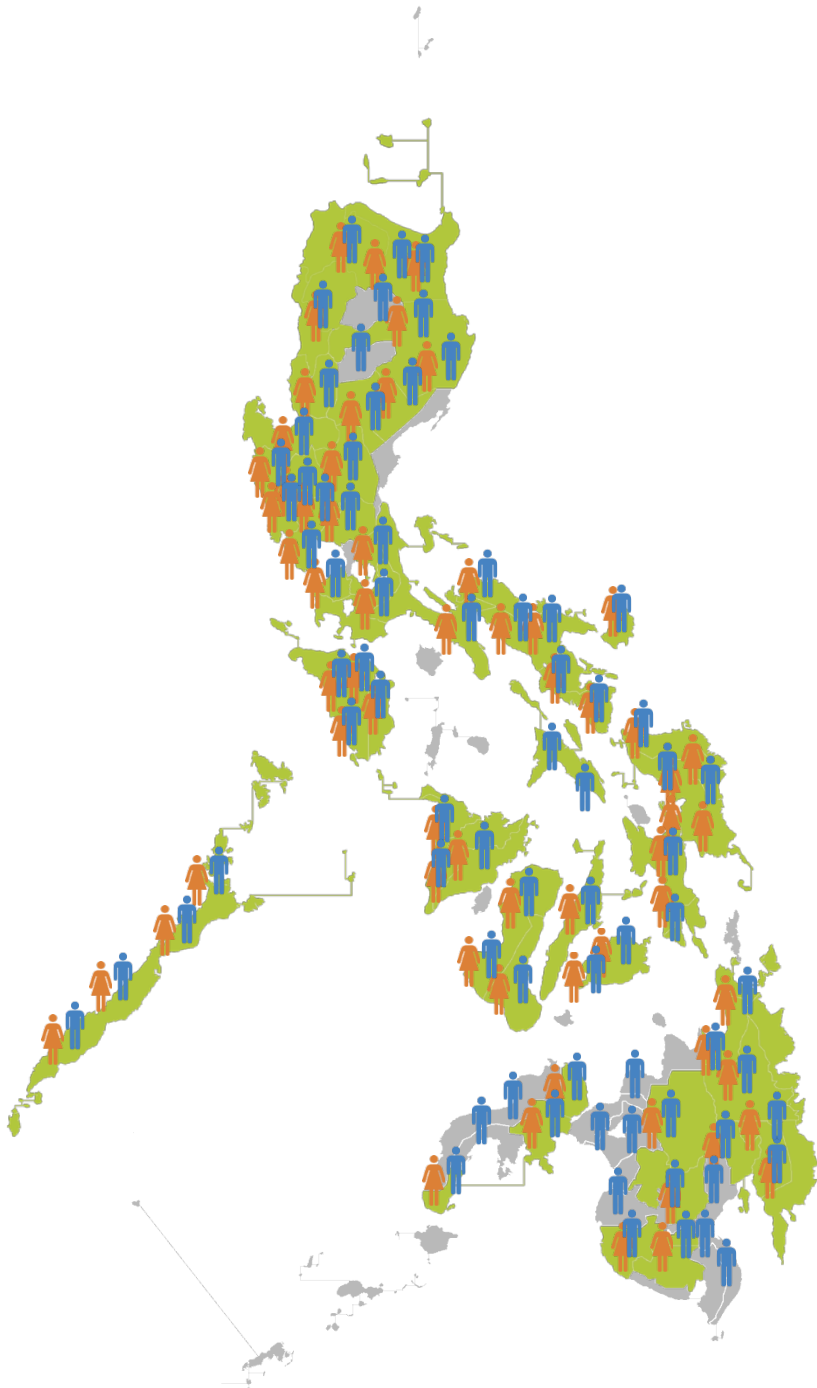
Proposed Solution: Product that enhances trust

- Indemnity cover provides opportunity to pay all valid claims
- Right infrastructure for selling and claims handling
- Cost of maintaining this infrastructure spread among multiple Micro products, not borne only by the Crop product

Low Agri-Insurance
Penetration

Proposed Solution: Connect with market

- Proper claims handling
- Pay claims within 5 days
- Simplify documentation and claims process



Card Pioneer Infrastructure for Selling & Claims Handling



Infrastructure of
CARD
Accounts Officers



Infrastructure of
CPMI Microinsurance
Agents

Note: The same infrastructure is used for
existing Microinsurance products

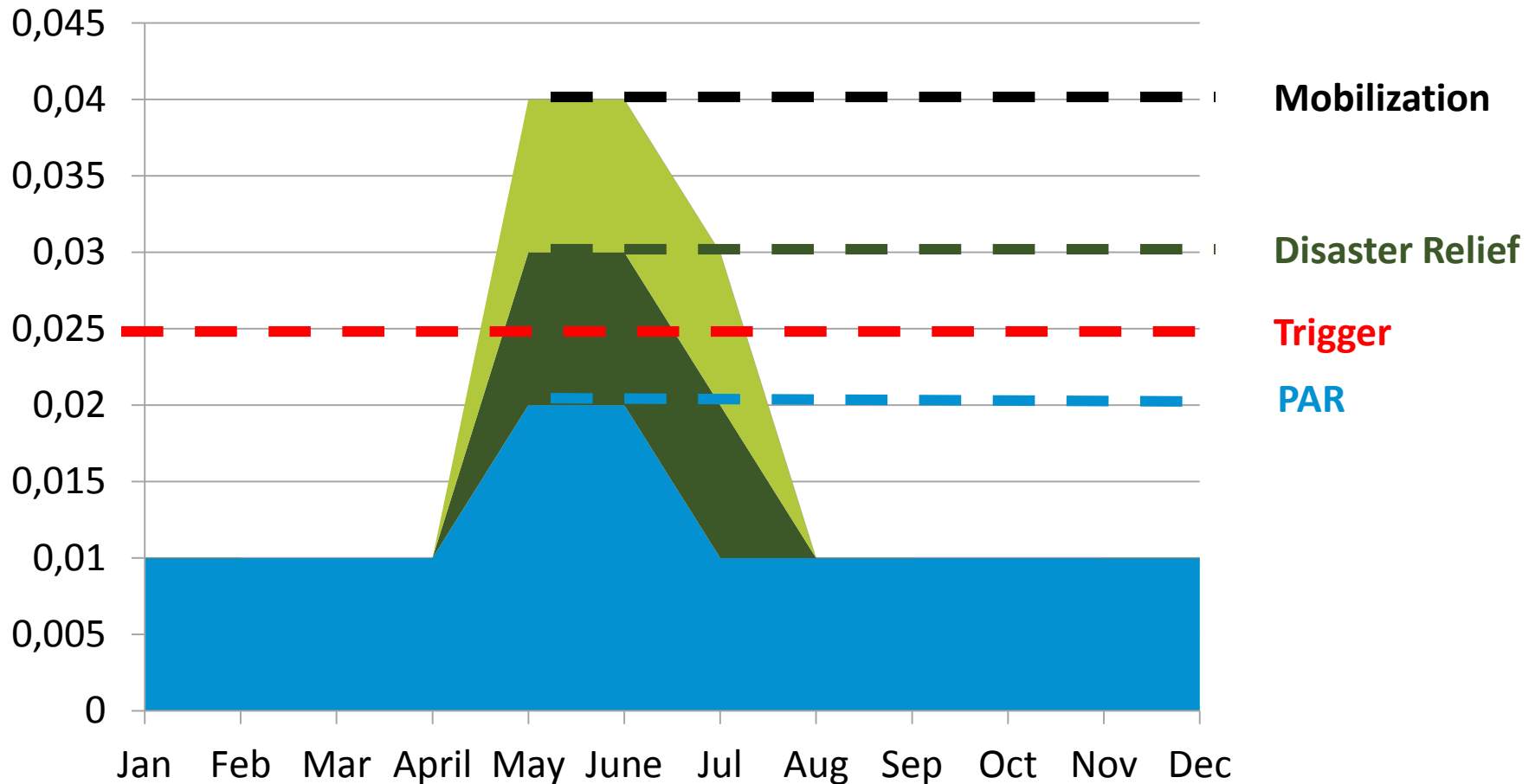
Binhi Micro Crop Insurance

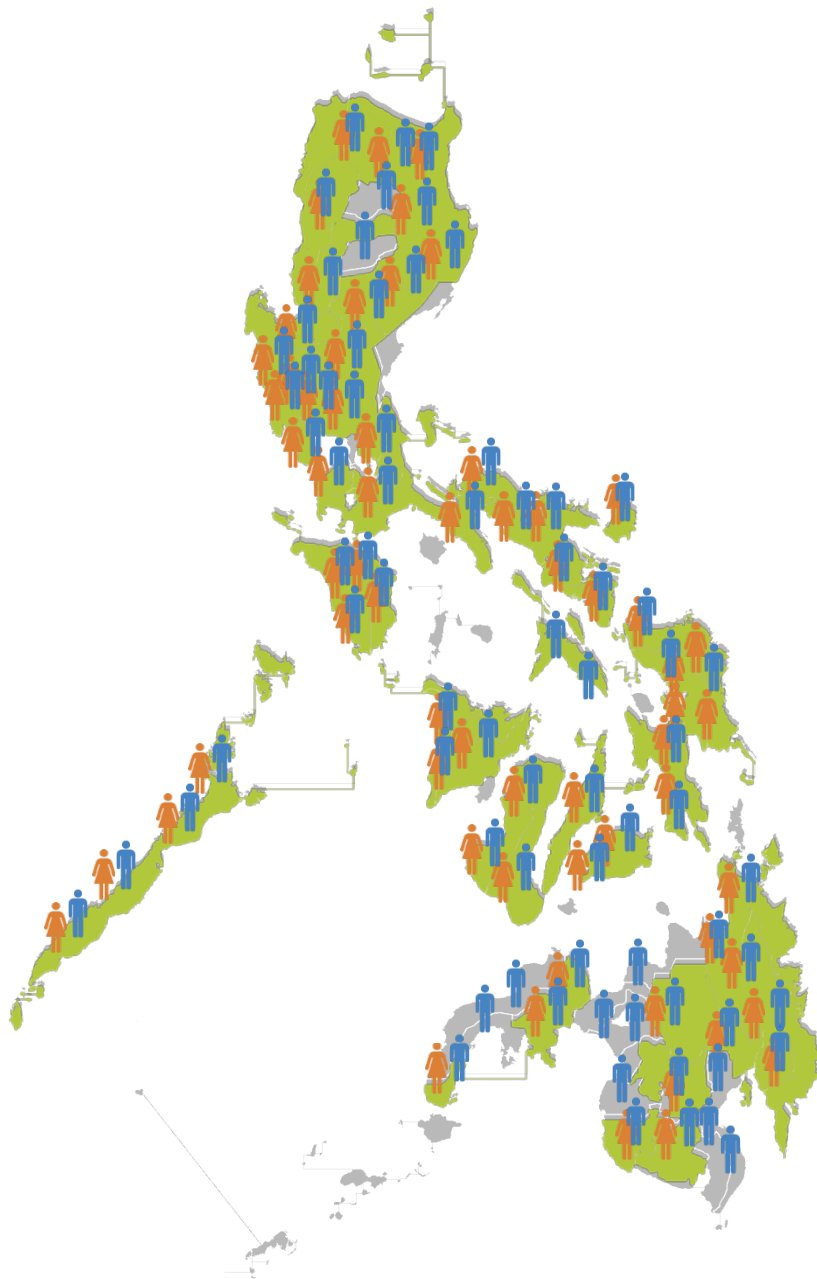
(Insurance for individual farmers)

- Covers damages to the insured farm caused by typhoon as well as floods brought about by *monsoon rains*.
- Trigger is a typhoon signal as declared by the weather bureau
- Simple and easy to understand
- Fast and efficient enrollment and claims process
- Actual ground validation

Loss/Damage to the Insured Farm	Percentage of Benefit
80% to 100%	100%
20% to 79 %	50%
Less than 20%	No Payout

Portfolio Index Insurance (for the financing institution)





Start simple
Educate
Test the product design
Test the product infrastructure
Improve, with client inputs



Thank you



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