



Developing Index Insurance Markets in Asia

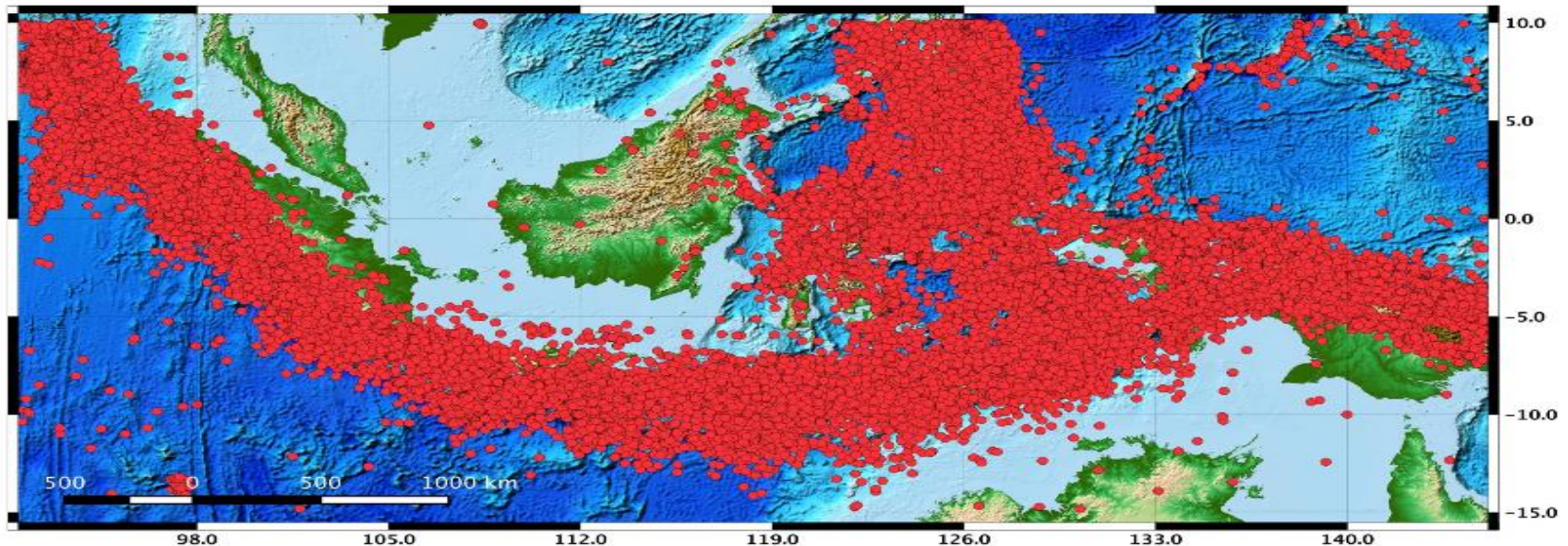
Earthquake Index Insurance Indonesia

12th International Microinsurance Conference, Colombo 2016
Bisma Subrata 17 November 2016

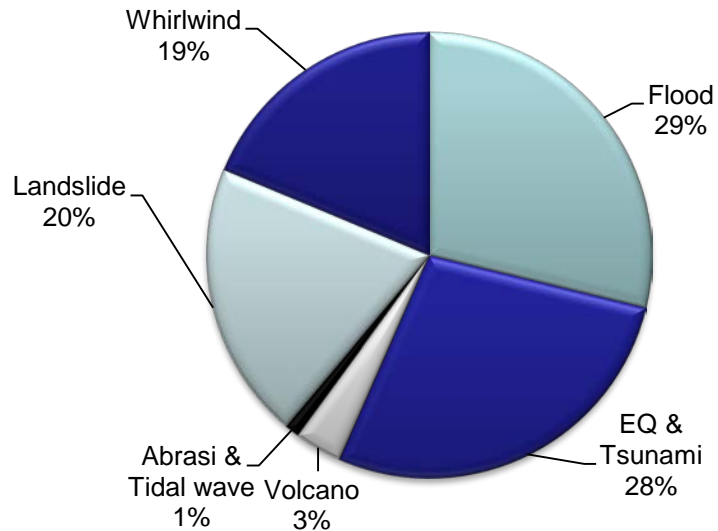


BACKGROUND

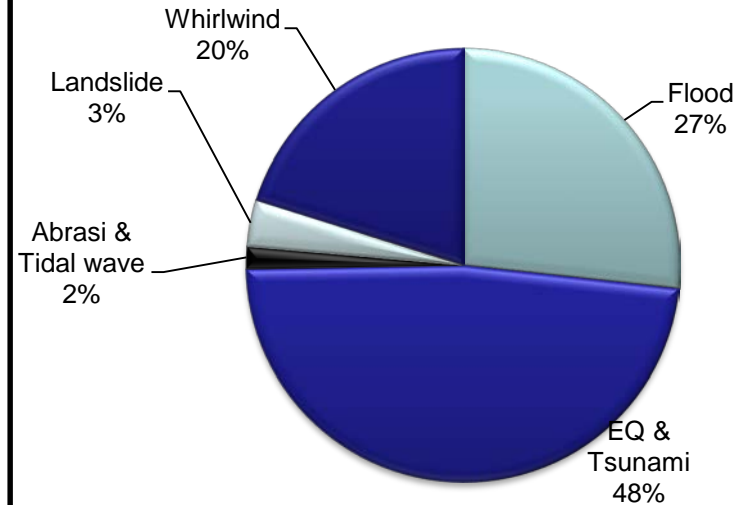
- The population of Indonesia is about 238 million (BPS, 2013)
- Large number of people about 50.21 % living in rural areas
- Indonesia is one of the world's most exposed country to natural cat. "Pacific Ring Of Fire" and stands on 3 major plates i.e. Eurasian, Indo-Australian & Pacific prone to earthquakes & V E.
- 20% of world's earthquakes with magnitude ≥ 5 Mw occur in Indonesia.
- Insurance penetration is one single digit (less than 2%)
- Total number of Rural Banks (BPRs) is 1640 about 54 % are located in Java island. (Bank Indonesia 2016)



Statistics of Natural Disasters in Indonesia (2011-2015, Source BNPB)



Damaged Houses & Public Facilities (2011-2015, Source BNPB)



CHALLENGES & SOLUTIONS

Data Collection

- Some rural banks do not have digital data or accumulation report of loans
- IFC provide assistance and consultation for banks' to manage loan information report

ERM Tools

- Lack of knowledge about insurance
- Socialisation / seminar

Position of MAIPARK

- MAIPARK is a special reinsurance company
- Focus on nat cat & special risk
- Insurance companies are shareholders and customers
- Registered the product by General Insurance Association Indonesia

EQII Earthquake
Index
Insurance

Age Group	Percentage
18-29	90%
30-49	85%
50-64	75%
65+	60%

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NO PAYMENT



Strategy

- PPP (Public Private Partnership)
- Distribution channel to insurance companies related to bank business
- Sharing knowledge about earthquake risk
- Education about insurance for low income people



THANK YOU