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MICROINSURANCE IN ASIA AND OCEANIA GROWS BY 40%

Over 170 million low-income people are benefitting in the region

According to new research released by the Munich Re Foundation and GIZ, the microinsurance sector in Asia and Oceania has reached **172 million lives and properties covered**, representing a **40% annual growth rate between 2010 and 2012**. India is leading the market at over 100 million, whilst Malaysia and Indonesia emerge as having the most vibrant microinsurance markets with a growth rate of 185% and over 100% respectively, over the same time period.¹

Despite these encouraging achievements, the microinsurance sector today **covers less than 5% of the people** living in Asia and Oceania.¹ “When low-income people are unable to manage risk, they cannot break out of the cycle of poverty” says Craig Churchill, Chair of the Microinsurance Network and Head of ILO’s Microinsurance Innovation Facility. For this reason, “**access to effective insurance by low income people is essential to sustainable development.**”

Currently life insurance is the main risk for which people are covered (83m), followed by accident (77m), health (27m), agriculture (26m), and property (7m) insurance.¹ In addition, over 1.6 billion are estimated to be covered by subsidized schemes referred to as “social microinsurance” or social protection schemes. “**Market-based microinsurance needs to be complemented by schemes with governmental involvement to increase outreach, especially in the field of agriculture and health.** It is important that approaches based on insurance principles are being developed jointly, involving the insurance industry, regulators and client representatives, as well as donors,” comments Dirk Reinhard, Vice Chairman of the Munich Re Foundation. Capacity development along the value chain is a key factor for the sector going forward. According to Dr. Antonis Malagardis, Programme Director of the GIZ Programme 'Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia' (RFPI Asia) “**The capacity development strategy of RFPI Asia prioritises the development of trainers and experts on inclusive insurance regulation**, particularly in key areas such as agriculture, disaster risk management, SMEs and Islamic insurance.”

The **9th International Microinsurance Conference**, taking place in **Jakarta, Indonesia, November 12-14**, will bring together around 400 experts on microinsurance. The conference, co-hosted by the Munich Re Foundation, the Microinsurance Network, Insurance Council of Indonesia (DAI) and the Indonesian Financial Services Authority (OJK) will focus on the status and trends of microinsurance in the region and globally, covering critical topics such as distribution, business models, and investments.

OJK, together with DAI, recently launched a blueprint to support marketing and implementation of micro-insurance products across Indonesia by 2016. “The conference is a great opportunity for Indonesia to develop our microinsurance sector and learn from the experiences of our peers across the globe” says Kornelius Simanjuntak, Chairman of DAI and Chairman of the General Insurance Association of Indonesia (AAUI). “The conference is particularly timely given the joint effort of OJK and the insurance industry to develop microinsurance in Indonesia, as part of our financial inclusion programme” comments Firdaus Djaelani, CEO of Non-Bank Financial institutions (NBFI) Supervision and Member of the Board of Commissioners of OJK. “We hope many of our insurance providers will have the opportunity to attend and learn from microinsurance experts worldwide.”

¹ Data from Briefing Note “The Landscape of Microinsurance in Asia and Oceania 2013”; Munich Re Foundation

About the International Microinsurance Conference

www.microinsuranceconference.org

Initiated and organised by the Munich Re Foundation in collaboration with the Microinsurance Network, the conference is the world's largest international platform where experts share information, knowledge and experience in microinsurance in order to overcome existing challenges.

About the Munich Re Foundation

www.munichre-foundation.org

The Munich Re Foundation seeks to provide answers to overarching questions from a variety of perspectives in order to find sustainable solutions in the area of risk prevention. Questions concerning development are linked to risk management and poverty reduction.

About the Microinsurance Network

www.microinsurancenetwork.org

The Microinsurance Network is the international multi-stakeholder platform for microinsurance to work together and focus on key areas of development in the sector. Its mission is to promote the development and delivery of effective insurance services for low-income people by encouraging shared learning, facilitating knowledge generation and dissemination, and providing a global multi-stakeholder platform.

About the Insurance Council of Indonesia (DAI)

www.dai.or.id

The Insurance Council of Indonesia (DAI), established in 1957, is in charge of insurance promotion and dissemination, in an effort to increase the insurance awareness of the Indonesian people. Its members include associations of Indonesian life insurance companies, non-life/general insurance companies, social insurance and social security companies, insurance and reinsurance companies and broking companies, loss adjusting companies, and insurance professional and insurance senior executive association.

About the Indonesian Financial Services Authority (OJK)

<http://www.ojk.go.id/>

The Financial Services Authority of Indonesia (Otoritas Jasa Keuangan – OJK) is an independent, integrated supervisory body that regulates and supervises the financial services sector in Indonesia. It is an autonomous agency and its functions include regulation, supervision, inspection, and investigation. The agency was established in 2012 replacing the regulatory and supervisory role of Bapepam-LK – the Ministry of Finance in the capital market and NBFi sector, and Bank Indonesia in the banking sector.

About the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

www.giz.de

GIZ offers customised solutions to complex challenges. It is an experienced service provider, which assists the German Government in achieving its objectives in the field of international cooperation. GIZ offer demand-driven, tailor-made and effective services for sustainable development.

About the “Landscape of Microinsurance in Asia and Oceania”

www.microinsurancelandscape.org

The study is published by the Munich Re Foundation in cooperation with GIZ and supported by the Microinsurance Network. MicroSave, VimoSEWA and CIRM were involved in writing the document. The study is complementing earlier studies on Africa, Latin America and the Caribbean and completes the « Worldmap of Microinsurance ». The full report of the « Landscape of Microinsurance in Asia and Oceania » will be released in May 2014.

Press conference:

A press conference on the current status and trends of the microinsurance in Indonesia will be held on the first day of the **9th International Microinsurance Conference, November 12**, at **11am**, in the Asean room 4-5 of the Sultan Hotel, **Jakarta, Indonesia**. To attend, journalists need to be registered to the conference and receive press accreditation by registering at:

www.microinsuranceconference.org/2013.

Registration is free of charge for journalists with Press ID.

For any further information contact Annalisa Bianchessi at abianchessi@microinsurancenet.org.

Images

The following images may be used by journalists free of charge in conjunction with news related to this press release. A high resolution version is available upon request.

Conference Logo:



Photographs:



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Caption: Access to effective insurance by low income people is essential to sustainable development. Approaches based on insurance principles are the best way to provide access to risk management tools providing value for billions of people and small businesses.