

# 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**

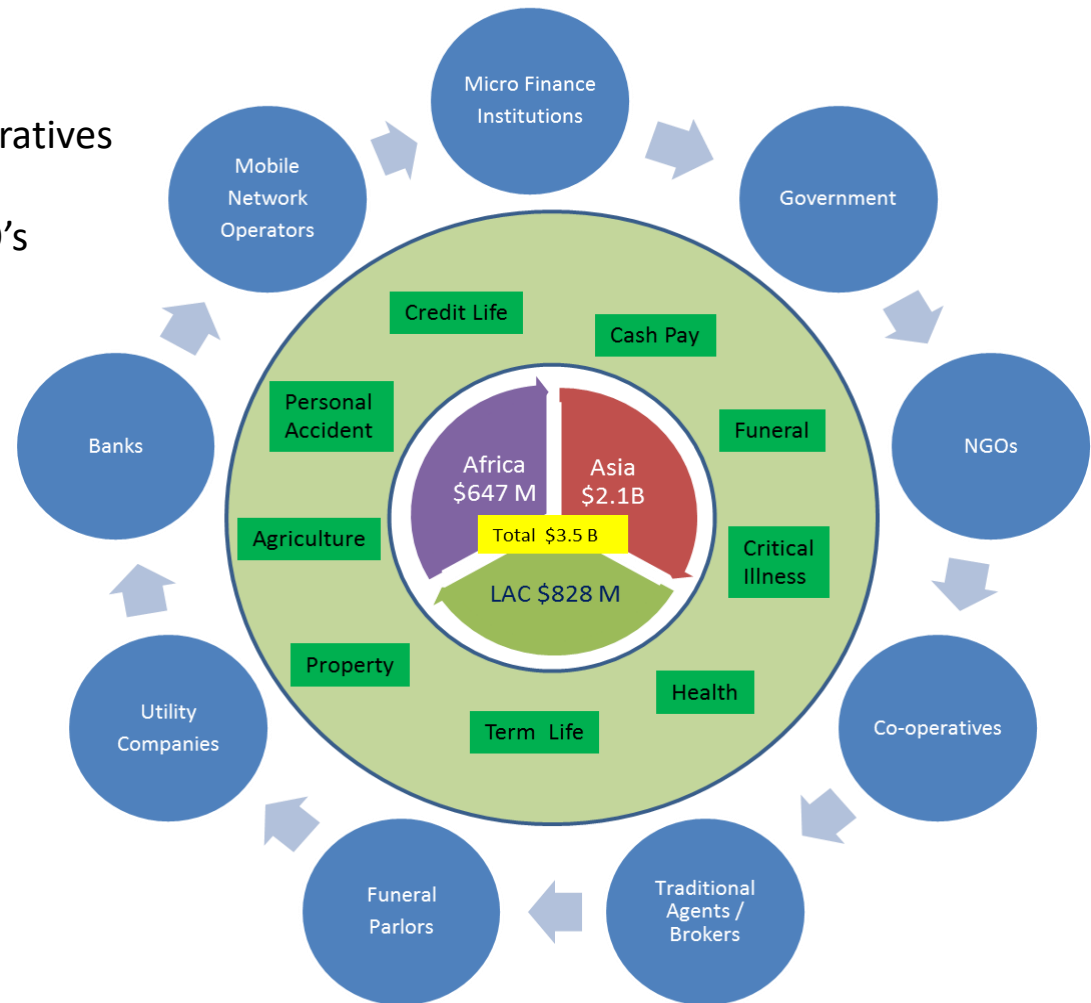
16<sup>th</sup> November ; 14:00 to 16:00 Hrs

# 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

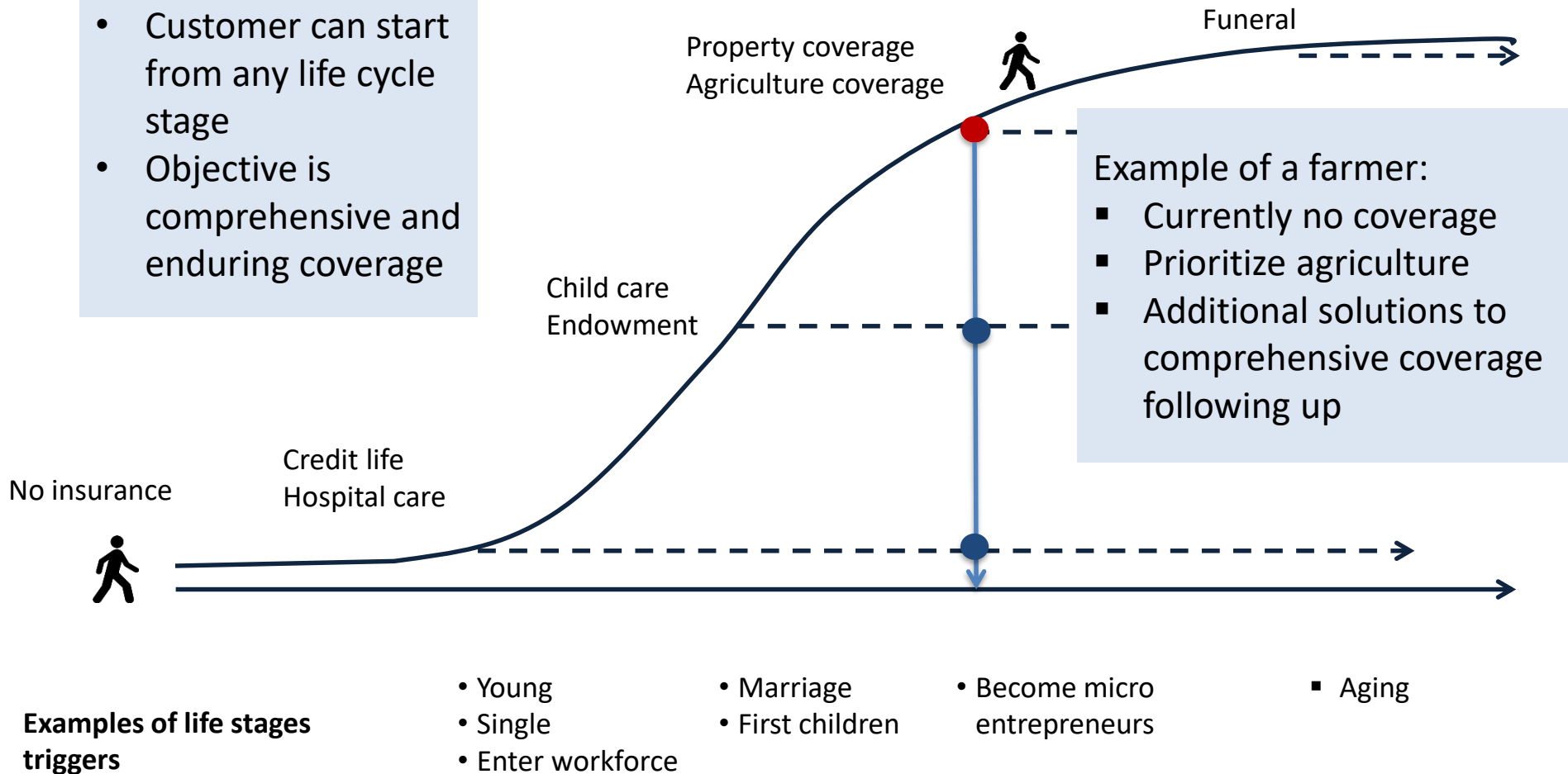
- Early Movers – Mutual & Co-operatives
- First and large wave – MFI's
- Second developing wave – MNO's
- The Future - ??



# 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

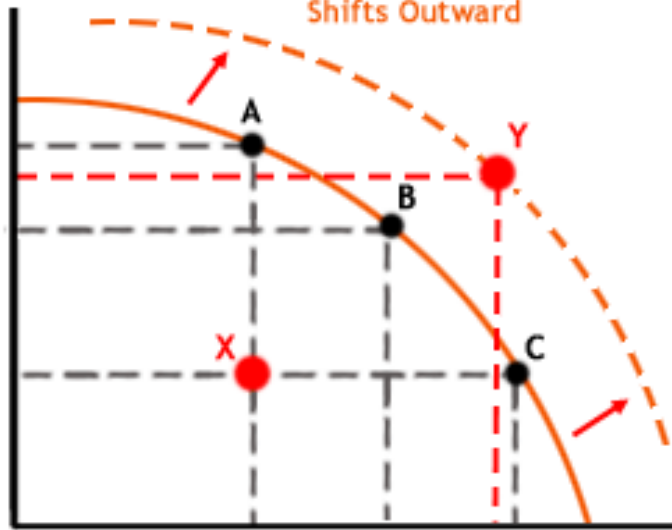
## The Production Possibility Frontier

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

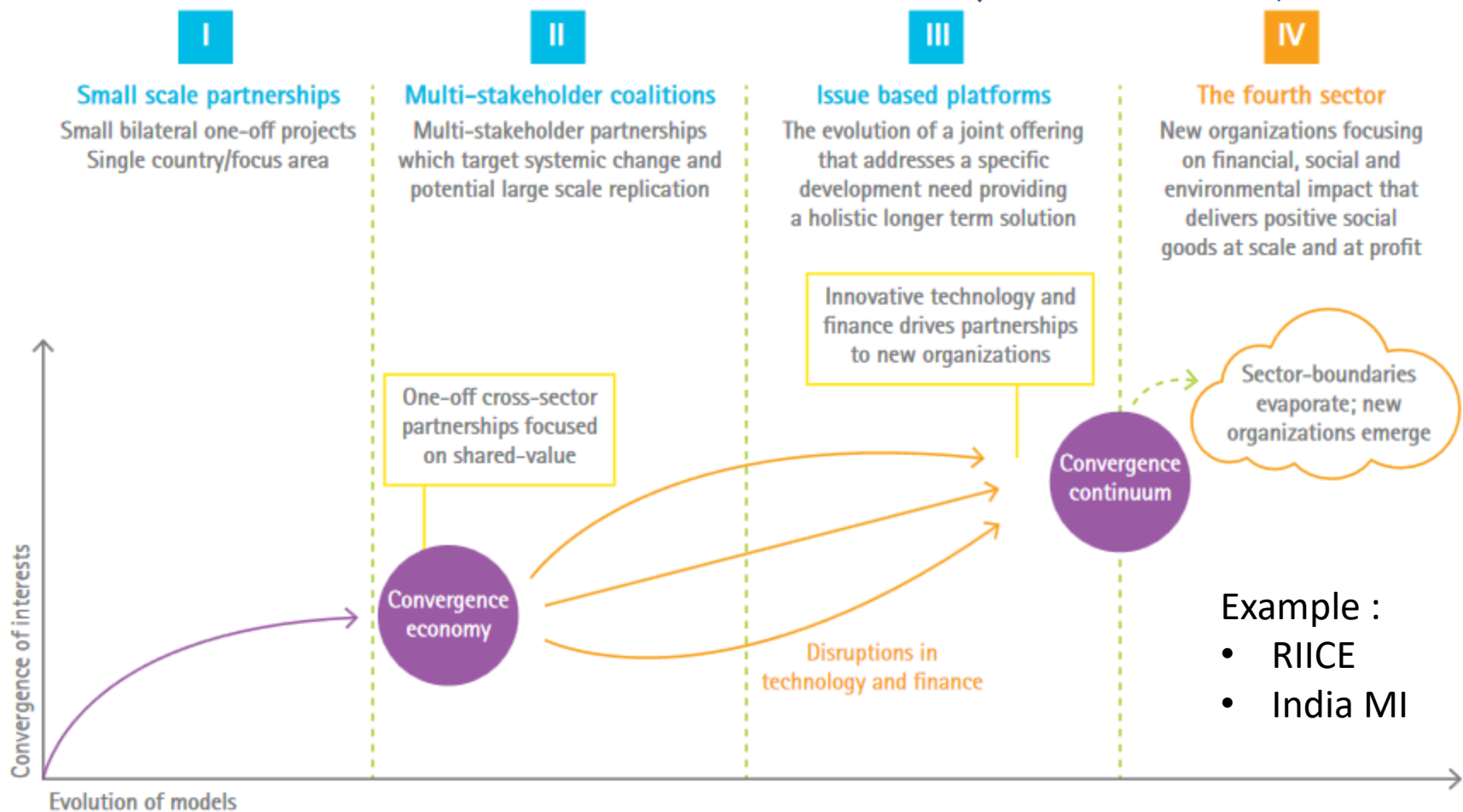
Every element in this table has unique characteristics and is important for **right mix & match**.

The Periodic Table For Microinsurance																																			
Traditional		Channel										Insurers				Target Audience		Emerging																	
		Investors		International Support		Support Foundations		Reinsurers		Beyond Insurance																									
		MFI														MNO		MVNO																	
NGO		Heathcare 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		Commercial 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		Munich Re Foundation		Aus AID		TBA*		TBA*		TBA*		TBA*		Retail Chains		Post Office		Govt Network		Micro Ins Agents		TBA*		TBA*	
Rural Banks		TBA*		IADB		Mercy Corps		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 Insurance		MicroIns Network		A2ii		IAIS		MicroIns Centre		Cenfri		USAID		GIZ		FinMArc		Micro Save		IFMR CIRM		IFAD					
Indicative MI Ecosystem Conceptualized & Designed : <i>Krishna Venkatachalam</i>				IBRD		IFC		IIAB		ACORD		IAIS		MicroIns Academy		CNSeG		MicroFin Opportunity		ADA		EMP		Women World Banking		International Co-op Alliance		CHMI		Academic Institutions					

# 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	
	Low	High
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

*“ when the bell tolls for someone’s death,  
it also tolls for everyone ,  
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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**