

Summary

Microinsurance Conference 2007

13–15 November 2007, Mumbai, India



Plenary 1 – Microinsurance regulation, supervision and policy issues

Roundtable

Dr. Brigitte Klein, GTZ, Germany

Introduction

The importance of an enabling regulatory and policy framework for the development of sustainable operations is central for the orderly development of microinsurance. Governments have various options to make insurance services more inclusive and cater for the low-income segments — either directly as a provider, or indirectly by introducing fiscal and regulatory incentives that encourage established private insurers to down-scale operations, like developing simple products and innovative delivery channels. Governments also motivate informal providers to formalise and consolidate improving operational sustainability besides ensuring that customers remain protected.

Dr. Klein emphasises that customer education and protection forms an integral part of any framework aimed towards developing an inclusive financial system. For instilling public confidence insurers should honour claims and ensure timely settlement; supervisors should notify transparent claims settlement rules and set up alternate dispute settlement mechanisms like the Ombudsman; networks should embark on public awareness campaigns and train insurance providers; and microinsurers should have well laid down rules with adequate transparency and disclosure systems.

She concludes that policymakers, regulators and supervisors have to play the role of a facilitator to create an enabling environment for microinsurance development. Only with sound rules and policies, this market will develop to its true potential.

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