

Summary

Microinsurance Conference 2007

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**Munich Re
Foundation**
From Knowledge
to Action



Plenary 3

Theme 4 – Group vs. individual insurance

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Overriding issues

The presentation begins with a look at the situation of the poor and their vulnerability to bad insurance solutions.

Fundamentals of group insurance and differences from individual insurance are then examined and it is argued that individual insurance is vastly more expensive and less advantageous than group insurance for the same risks. Also, that group insurance can cover many risks that would be excluded from individual insurance, which is important in terms of social policy.

The three main types of group insurance are described, followed by some limitations of group insurance.

Three excellent examples of group insurance are presented in some depth, followed by two bad examples (one, individual; one, group), both taken from case studies in the project, Good and Bad Practices in Microinsurance.

Finally, it is proposed that in order to best meet the unmet insurance needs of the poor, the first priority of microinsurance promoters and providers should be well-designed and reasonably priced group plans for the poor that provide optimal value for money.

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