

Summary

Microinsurance Conference 2007

13–15 November 2007, Mumbai, India



**Munich Re
Foundation**
From Knowledge
to Action



Parallel Session 10 - Group versus individual insurance Analyzing the options

John Pott, AKDN, Switzerland

The Microeconomics of Microinsurance – the example of Pakistan

The presentation will indicate that segment of Pakistan's population which research shows should be amenable to micro-insurance products, identifying the size of the segment, what their savings behaviour is, the expected insurance spend per year and those products that the customer is most likely to be willing to pay for. Some preliminary incidence rates will be used to support these findings. Given the very limited premium spend per annum the costs of the various delivery/business models are discussed with a the proposition that group products, using somebody else's distribution system and taking advantage of low cost IT transaction technology provide the best promise. The presentation will then go on to suggest that despite the complexity of the product, health oriented insurance has a significant contribution to make in establishing a viable micro-insurance business. The challenge is to develop adequately reliable incidence data, the scale and the automated controls to make such products viable.

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