

Summary

Microinsurance Conference 2007

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Parallel Session 12 – Improving efficiency and enhancing benefits Information technology 2

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Process innovation to make Microinsurance more efficient and effective

1. How to select the right partner
 - a. Agreement on Product Feature with the cost limit – flexibility to accommodate cultural, social, behavioural, institutional aspects of the given market
 - b. Game Perception of the partner – just to meet the obligation or want to play a major league
 - c. Experience in similar market – size/scale
 - d. Service track record
 - e. Service Network spread
 - f. Risk Appetite
 - g. Responsiveness
 - h. Organizational Structure, team size & point of contact
 - i. Technological efficiency
 - j. Willingness to make investment for market expansion
2. How to maximize the insurance benefit
 - a. Sum Assured
 - b. Coverage Period
 - i. Periodicity for policy opening based on business cycle
 - c. No. of lives covered from the family
3. How to enhance the claim processing quality?
 - a. Simplest possible claim documentation
 - b. Using social responsibility as event validating tool
 - c. Physical verification of the event by the Field Assistant
 - d. Distributing claim authentication responsibility at various levels to increase participation
 - e. Inviting Insurance Company to do the regular audit
4. How to expedite the insurance benefit delivery
 - a. Interim amount as an assistance to meet a part of immediate expenses by the family
 - b. Motivating Community Leader/ Field Assistant to facilitate the claim processing
 - c. Cutting the claim process turn-around time,
 - Electronic submission of claims
 - Self Attestation
 - MIS development

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- d. Better claim follow-up and relationship management with insurance company
5. How to make the scheme more acceptable
 - a. Communication Strategy
 - b. Co-branding
 - c. Visit by Insurance Officials
 - d. Insurance benefit pay-out day/event
 6. How to reduce the cost of Microinsurance scheme administration
 7. How to make the scheme commercially viable for Insurers
 - a. Lowering the event rate through introducing specific insurance scheme along with promoting promotive & preventive care for self, asset etc.
 8. The key learning's can be summarized as,
 - There is not sufficient products to meet all the risk mitigation needs of the poor households
 - People are more aware of Life insurance than non-life insurance
 - Simple product with more benefits at lowest possible cost will rule the market.
 - Awareness creation holds the key and hence needs investment
 - Strong Back-end and Staff training will be another area of investment
 - Insurance can become a good savings instrument
 - Holds the potential for becoming a strong USP for the channel providing various other financial services
 9. Some of the challenges that is posed to the overall Microinsurance sector, that needs to get addressed before we can make any significant leap towards its success are,
 - Microinsurance Need Assessment: Felt Vs. Latent
 - Product Design: Requirement Vs. Capability to pay
 - Product Pricing
 - MIS Development
 - Implementation
 - Awareness Creation
 - Premium collection
 - Claims Processing
 - Authorization/Validation
 - Documentation
 - Benchmarking
 - Service Delivery Channel
 - Sustainability – Incentive
 - Product/Process Improvisation