

Pre-conference Workshop Introduction to Microinsurance

Operationalizing Microinsurance

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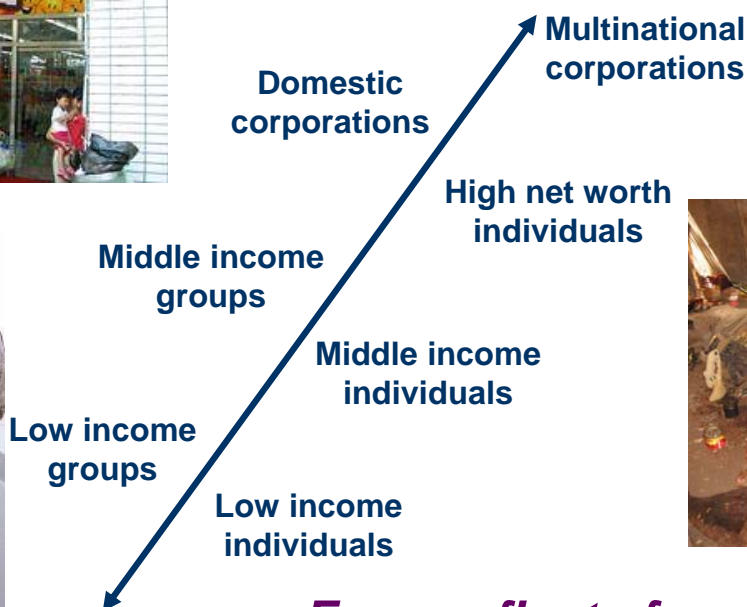


Why look at MI operations differently?



Microinsurance is ...

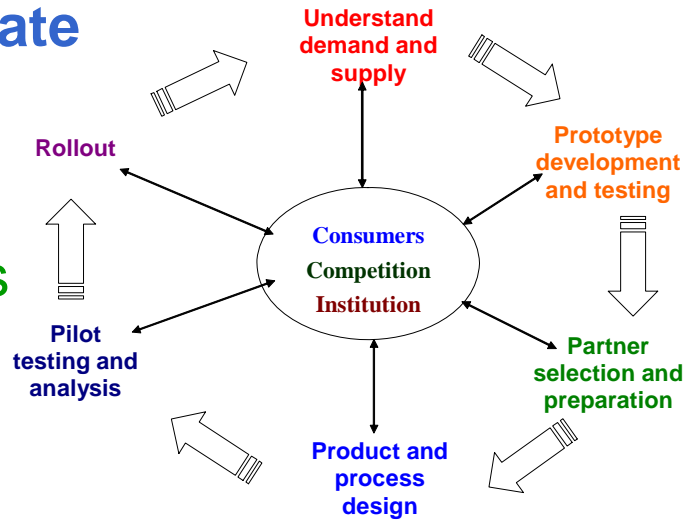
*... part of the insurance
market continuum*



Form reflects function 

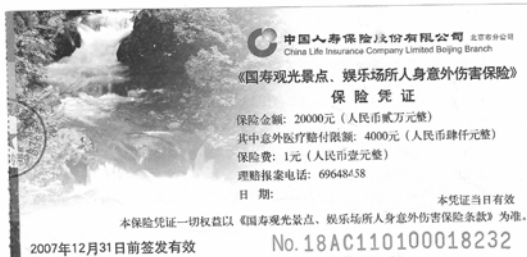
Product Development - Process

- Product development is where we **generate value** in products
- **Process** helps define the specifics of MI products
- Good product development has much greater potential to **yield higher value**



Product development - Design

Products that are *valuable* to low-income families are:



保险条款说明

1. 保险对象：在观光景点或者娱乐场所内参观游览、休闲娱乐的人员，可作为被保险人参加本保险。
2. 保险责任：被保险人在观光或娱乐过程中遭受意外伤害导致身故或身体残疾，以及因同一原因支出的医疗费用，保险公司按《国寿观光景点、娱乐场所人身意外伤害保险条款》之规定给付相应的保险金。
3. 保险期间：自被保险人持保险凭证进入观光景点或娱乐场所时起，至离开该景点或娱乐场所所界定的范围时止。本保险每人限购壹份。
4. 保险事故通知：投保人、被保险人或者受益人应于知道或者应当知道保险事故发生之日起5日内通知本公司。

2007年印制

-Demand driven

- Respond to their needs
- Requires market research

-Simple

- Processes
 - ACCESS
 - Policies
 - Underwriting
- Systems
 - Technology



Product Development - Controls

- Controls that make sense
- Products designed for easy controls
- Simple products make controls easier
- Client knowledge can help improve controls (as well as help them cheat)

Key insurance risks:

Moral hazard

Covariant Risk

Adverse selection

Fraud



Product development - Pricing

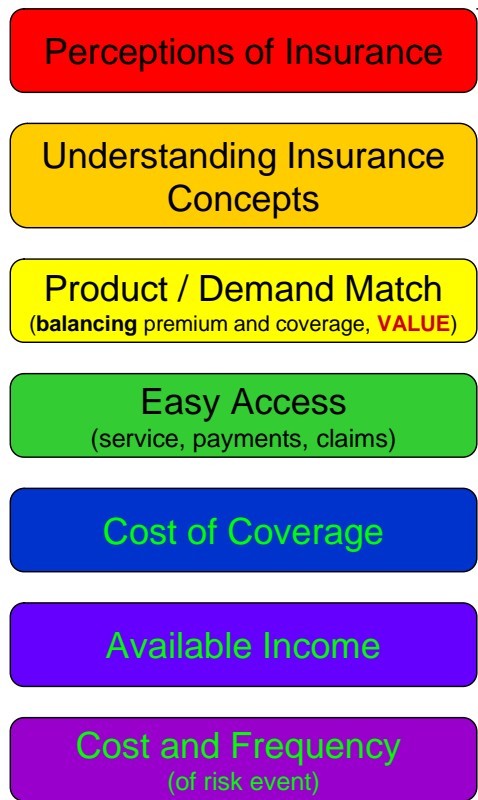
- Components
- Risk Premium
- Administrative costs
 - Includes:
 - Operating costs
 - Commissions
- Profit
- Needs to be actuarially derived

Laboratory Test	Actual Price	Package Price
ECG (PUSO)	P 180	LAHAT P 300.00
FBS (DIABETES)	70	NA LANG!
CHOLESTEROL	100	
CREATININE (BATO)	80	
SGOT (ATAY)	140	
URIC (RAYUMA)	80	
TOTAL	P 650	

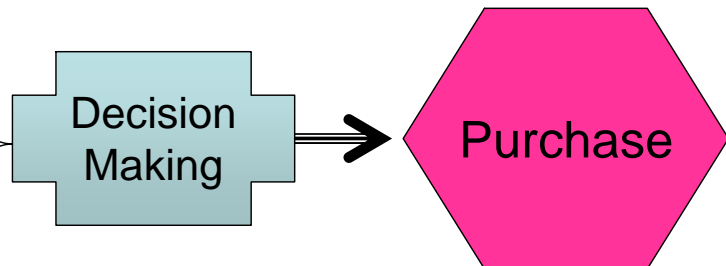
PARA SA MGA KASAPI AT DI KASAPI !!!!
SAMANTALAHIN ANG PAGKAKATAON LIMITED LANG SA 50 KATA
Paalala:
Maaring palitan ng CBC/Blood typing o kaya naman Fecalalysis/Urinalysis ang isa o dalawa sa mga laboratory test nakasama sa package

ISASAGAWA ANG LABORATORY TESTING SA HUNYO 19, 2004 (Sabado) 6:00 a.m. ST. JUDE
MPC PAGBILOD SATELLITE OFFICE SA TABING HEALTH CENTER, SA MGA NAGNANAIS MAGPATEST,
MAKIPAG-UGNAYAN SA OPISINA SA TELEPONO BILANG 731-3503 PARA SA MGA KARAGDA-
GANG IMPORMASYON.





Remember



Price is NOT the only factor in a purchase decision!



Premium collection

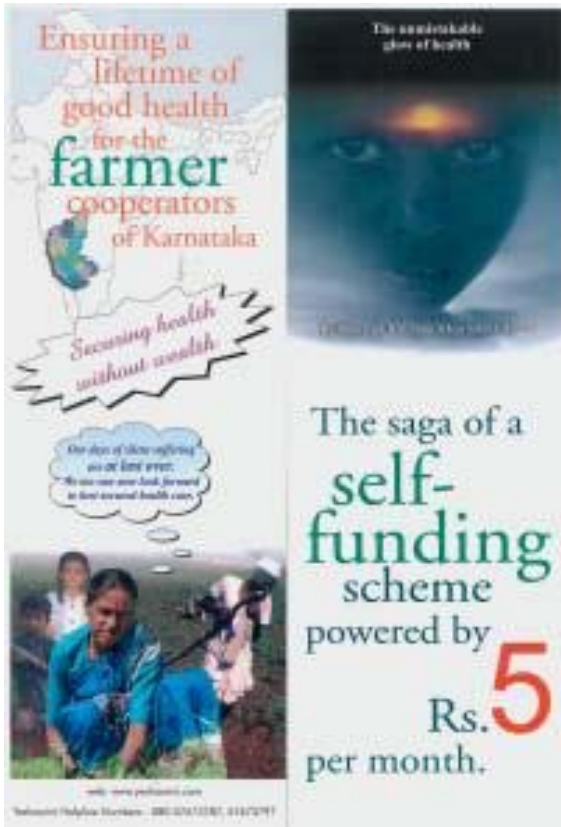
- Groups
- Linked via agents
 - Individuals or non-financial entities
- Linked to loans
- Linked to savings
- Linked to technology
 - cell phones, POS, cash registers, ...

Efficiency
and
Security

Must fit to the economic realities of the market



Marketing



- Marketing in MI = **Market education** + **Service** + **Promotion**

Education



Knowledge



Appreciation

Clients / members AND staff
(not just once!)



Claims

- Simplicity again is key, *but*
- Appropriate yet strong controls are necessary for survival



Calls for:

- Easy application process
- Easy event confirmation
- Minimal steps for approval
- Rapid claims payments
- Easy access to settlement



Concluding thoughts

- Operationalizing microinsurance requires:
 - A solid product development **process**
 - Balancing demand with institutional abilities
 - Building **controls** into the design
 - Simple, Simple, Simple
 - Building **appreciation** among market and staff
 - Focusing on **value** for the market



The MicroInsurance Centre

"Developing partnerships to insure the world's poor"



www.MicroInsuranceCentre.org