

Can remittances enhance the access to microinsurance

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Allianz activities in microinsurance

Egypt - 11% of population lives on less than USD 2 per day

- Pilot project since June 2007
- Death/Disability microinsurance
- 4000 new customers a month
- Distribution through PlanetFinance

India - 80% of population lives on less than USD 2 per day

- Active since 2003
- Risk-Life microinsurance
- 250,000 customers
- Health and P&C products to start in 1/2008
- Distribution through Care NGO network

Subsaharian Africa - Cameroon, Senegal, Ivory Coast, Madagascar, Burkina Faso

- Pilot project starting Nov 2007
- Death/Disability microinsurance
- Facilitated by PlanetFinance

Indonesia - 52% of population lives on less than USD 2 per day

- Pilot project since Sept 2006
- Credit-Life microinsurance
- 30,000 customers
- Distribution through several local NGOs

India is number 1 remittances receiving country

- Indian workers in foreign countries send back USD 26 mio in 2006
- Kerala and Tamil Nadu provide almost half of the total immigrants from India
- 3 million Indians are working in the Gulf states
- 3 percent of India's GDP stem from remittances

Top 4 Remittance Receiving Countries (according to 2006 World Bank data)		
Rank	Country	\$ bn
1	India	25,7
2	Mexico	24,7
3	China	22,5
4	Philippines	14,9

Linking remittances and development

- International remittances have a strong impact on reducing poverty, being twice as high as foreign direct aid
- Remittances could help building financial inclusion if money flows are managed
- Remittances into insurance helps to strengthen social security particularly to vulnerable people

Remittances are going into:

1. Consumption (like TV-sets and fridges)
2. Assets (like houses)
3. Financial products (savings and insurance)



Linking remittances to insurance

Since last year BajajAllianz is selling insurance coverage for Indian guest workers in Gulf states

Current turnovers are in the low two-digit figure area but set to grow significantly over the next few years

Average BajajAllianz client in the Gulf states...

- ...is working in the services or manual industry
- ...comes from the state of Kerala or Tamil Nadu
- ...is being referred to the Allianz agent by his/her family members
- ...takes out a life insurance policy with an annual premium amount between 15000 to 25000 rupees



Challenges for remittances through insurance

- **Regulation:** *Should remittances to insurance be deregulated?*
- **Delivery Mechanisms:** *What role will mobile phone technology play?*
- **Product marketing:** *What are the best mechanisms to reach out to remittances senders?*