



# Improving value for clients and consumer protection - a case of public-private partnership in developing prototype products

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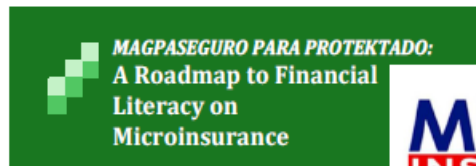


# Microinsurance policy reforms in the Philippines

**Effectively  
institutionalized value for  
clients and consumer  
protection**



Alternative Dispute  
Resolution  
Framework



*MAGPASEGURO PARA PROTEKTADO:*  
A Roadmap to Financial  
Literacy on  
Microinsurance



National  
Strategy



Regulatory  
Framework





## The REGULATORY FRAMEWORK ensures value for clients



Outlines the government's policy thrusts and direction for the establishment of a policy and regulatory environment that will encourage, enhance and facilitate the safe and sound provision of microinsurance products and services by the private sector. It identifies and promotes a system that will protect the rights and privileges of those who are insured.

1. Daily premium shall not exceed 5% of daily wage. Total coverage shall not be over 500 times the daily wage.
2. MI contracts shall be simple, easy-to-understand, tailor-fitted to the needs of low-income people and with less exclusions.
3. Claims should be paid within 10 days.
4. Disputes should be acted upon within 5 days and a resolution shall be made within 45 days. Use of alternative means of dispute resolution is encouraged.
5. Only licensed insurers and intermediaries can provide MI products and services.
6. All products should be approved by IC.
7. All MI intermediaries should be licensed and should undergo training on MI.
8. All insurance providers shall use the Performance Standards in their reporting.



## The NATIONAL STRATEGY encourages market-based solutions through private sector participation



National  
Strategy



Defines the objective, roles of various stakeholders and the key strategies to be pursued in enhancing access to insurance of the poor. It encourages maximum participation of the private sector and other stakeholders in the promotion of Microinsurance

1. Defines the distinct roles of 9 stakeholder groups in the promotion of Microinsurance.
2. Set the guidelines and options to mainstream informal insurance activities.
3. Defines the strategies in institutionalization of financial literacy for Microinsurance.



# The Roadmap to Financial Literacy on Microinsurance influences 9 stakeholder groups



Spells out the key strategies and measures to be adopted for institutionalizing financial literacy on microinsurance. It discusses key principles, guidelines, and specific directions on how to promote and change behaviour favourably for the adoption of microinsurance among the low- income sector.

1. Defines the key messages for each of the 9 stakeholder groups.
2. Outlines the strategies to be pursued in changing the behaviour of target stakeholders.
3. Encourages inter-agency collaboration in the promotion of Microinsurance.



# The Alternative Dispute Resolution Framework ensures consumer protection



Aims to provide avenues to settle Microinsurance disputes through the swiftest and most accessible means.

1. Sets the guiding principles of resolving claims disputes through mediation and conciliation.
2. Defines the parameters of ADR such as least cost, accessible, practical, effective and timely.
3. Outlines the ADR operational framework including monitoring of cases and reporting to regulator.
4. Provides options of institutional arrangements according to type of insurance providers and highlights the roles of intermediaries.



# The Policy Reforms have employed inclusive Processes and public-private collaboration

## The actors

- Regulators
- Associations of insurance providers
- Associations of rural banks and MFIs
- Academic institutions
- Development organizations



Technical Working Group meetings

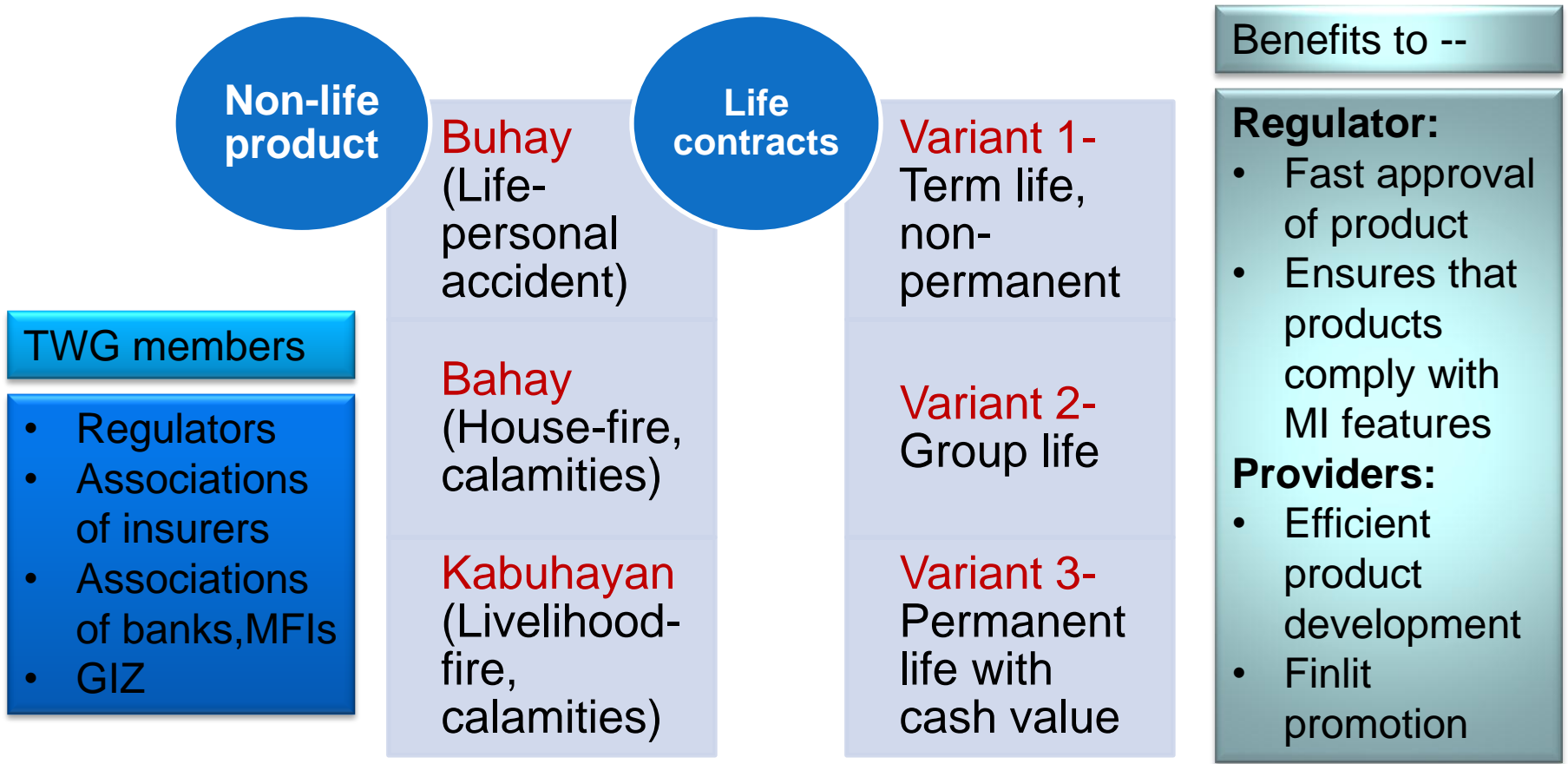
Stakeholders consultation

Launching of outputs and issuance of circulars





**Developing Microinsurance prototype product and policy contracts did not only ensure compliance to policy reforms but also created a lot of efficiencies**







## **The prototypes have already been adapted by 8 commercial insurance companies**

- One company has already sold 72 group policies insuring up to 20,161 individuals.
- Another company has sold policies to 14,000 individuals through a school as delivery channel.



## Success factors and lessons learned

- Strong political will and sustained leadership of the regulatory agencies.
- Inclusive process.
- Broad participation of the private sector.
- Coordination among the support groups such as development organizations.
- Small gains lead to bigger milestones. Have patience and invest in the process.
- Build champions.



***Magpaseguro para  
Protektado!***

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