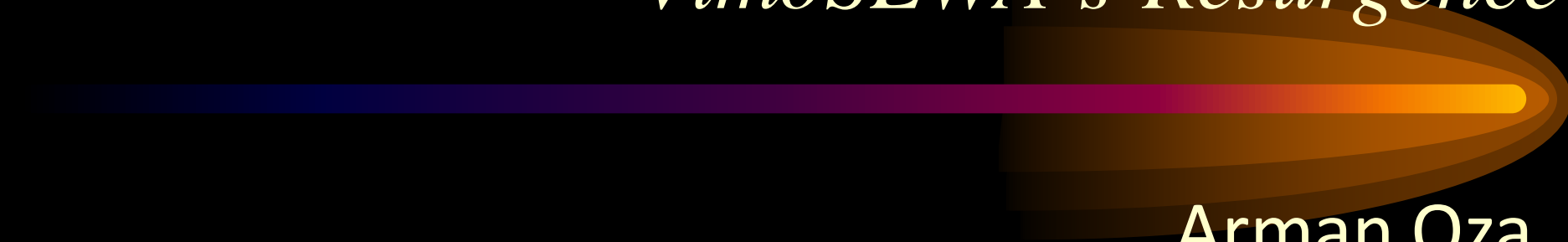


*Increasing Outreach and Managing Costs
in a Voluntary Standalone Microinsurance
Programme
- VimoSEWA's Resurgence*



Arman Oza
VimoSEWA, India

8th International Microinsurance Conference
November 6-8, 2012
Dar es Salaam, Tanzania

About VimoSEWA

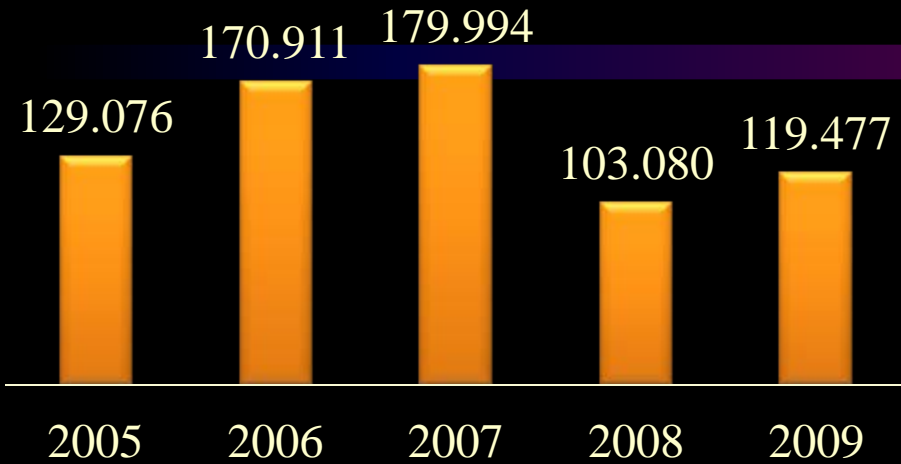
A voluntary, standalone,
multi-product, full
service, microinsurance
distribution model.

About VimoSEWA

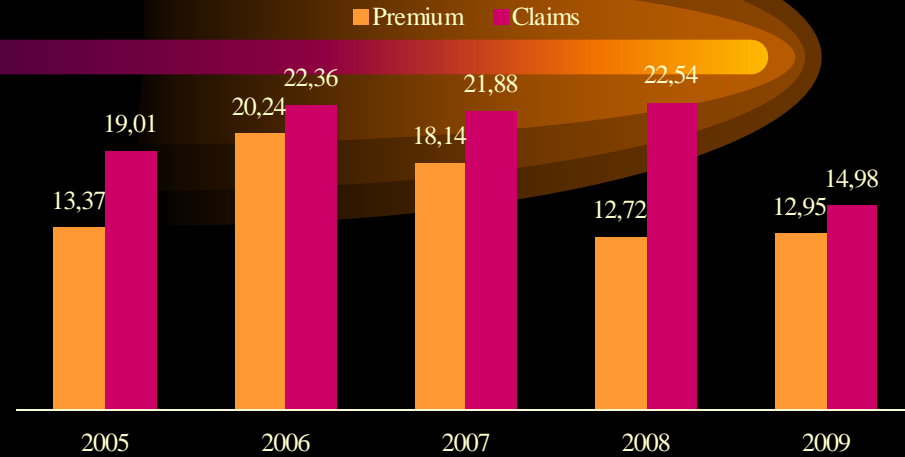
CHARACTERISTICS	IMPLICATION
Voluntary	<ul style="list-style-type: none">• Hard-selling• Consumer education an imperative• Business acquisition cost
Standalone	<ul style="list-style-type: none">• No other revenue stream• No scope for integration with other activity.
Multi-product	<ul style="list-style-type: none">• Products that address wider risk management needs.• Managing product and sales mix.
Full Service	<ul style="list-style-type: none">• All functions in the insurance value chain except carrying risk.• Cost of operations.
Microinsurance	<ul style="list-style-type: none">• Catering to low income segment only.• No cross subsidy from other market segments.
Distribution Model	<ul style="list-style-type: none">• Heavy reliance on insurers.• Limited margins.

Snapshot 2005-2009

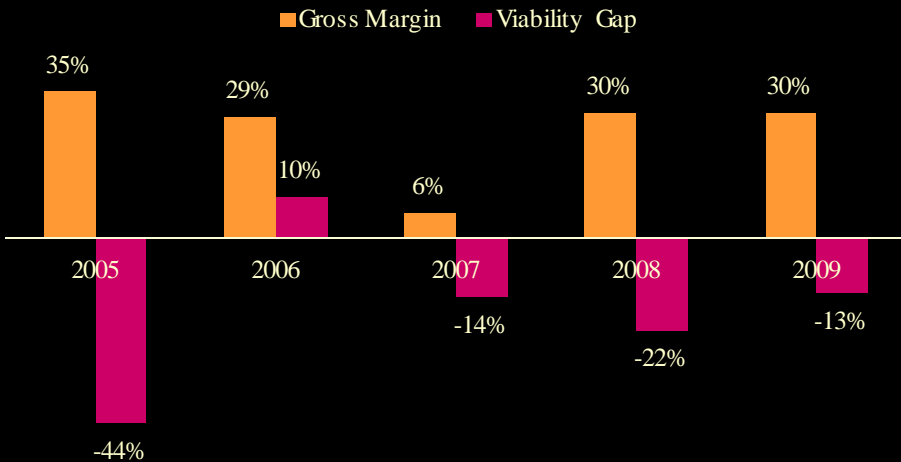
Membership



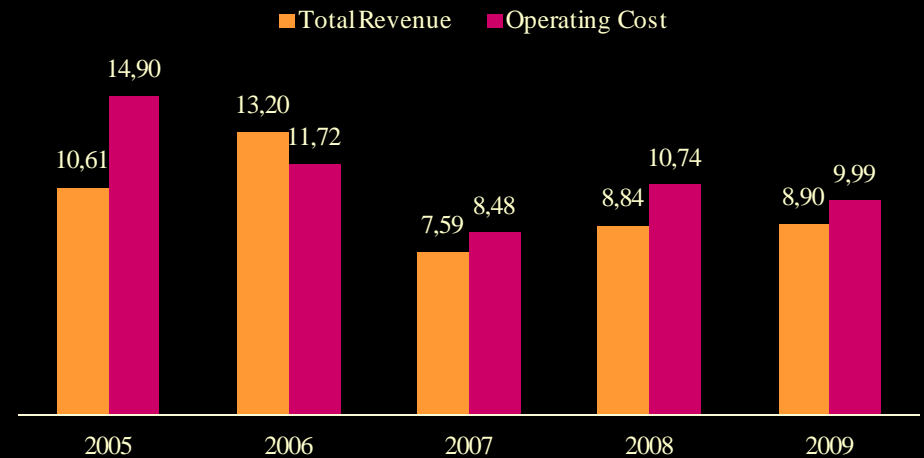
Premium & Claims



Gross Margin V/s Viability



Revenues V/s Costs



Critical Questions

- Can a standalone intermediary in the microinsurance space ever become financially sustainable?
- If so, at what scale and geographic spread?
- What is the best we can do?
- To what extent should we become commercial and how much social can we afford to remain?

Moving Forward 2009-2012



- HR Strategy
- Marketing Model
- Product Strategy
- Other Internal and External Factors
- Cultural Shift
- Impact

HR Strategy



- Organizational Structure
- Performance Appraisal System
- Recruitment
- Other HR Policies

Marketing Model

- Parity between performance indicators and compensation structure.
- Increasing the feet on street.
- Tapping new channels
- Partnerships V/s direct marketing.
- Inculcating a sales culture.

Product Strategy

- Bundled V/s unbundled products
- Repositioning in the wake of RSBY and other government schemes.
- Calibrating the sales mix – cost-revenue equation.
- Maintaining transparency and effectiveness.

	PARTNER – AGENT MODEL	FULL SERVICE MODEL	MUTUAL MODEL
Margins	Low	Medium	High
Product Complexity	Low	High	Medium
Demand	High	High	Medium
Volumes	High	Medium	Medium
Servicing Cost	Low	High	Medium
Current Products	Sukhi Jeevan, Jeevan Madhur, Credit Life, My Jeevika	Swastha Parivar	Saral Suraksha Yojna, Sukhi Parivar

Other Internal and External Factors

- Data Management
 - Investment in IT – Understanding the cost-benefit.
 - Re-defining the role of M&E – supporting informed decision making.
- Claims Management
 - Controlling cost intensive processes.
 - Zero pendency or zero rejections?
- External Environment
 - Regulatory approach to microinsurance distribution.
 - Advent of government schemes.

Cultural Shift

- The totality of socially transmitted behavior patterns, beliefs, attitudes, and all other products of human work and thought.
- Translating a grand vision into crisp objectives, clear goals, tangible action and measurable outputs.
- Shifting focus from inputs, intentions and sentiments to outputs, results and concreteness.

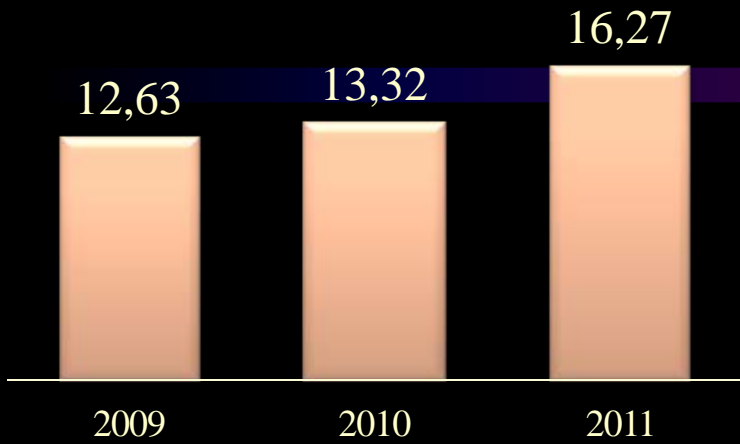
Cultural Shift



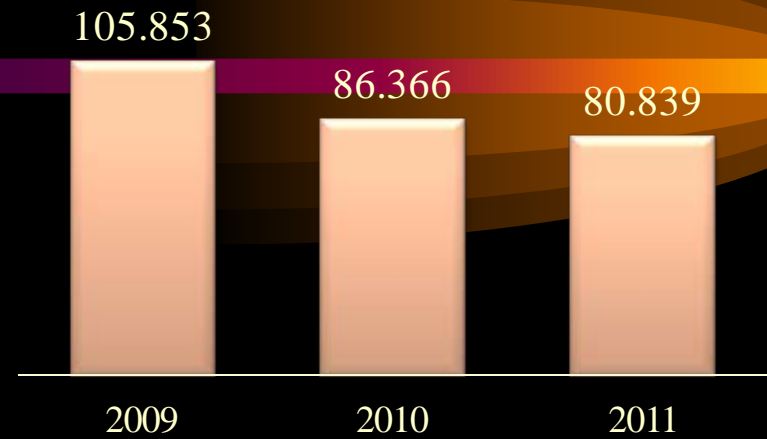
- Maintaining consistency in thought, action and discourse.
- Retaining social ethos and attaining professional outlook.
- Crystallizing organizational philosophy through consistent decision making.

Impact

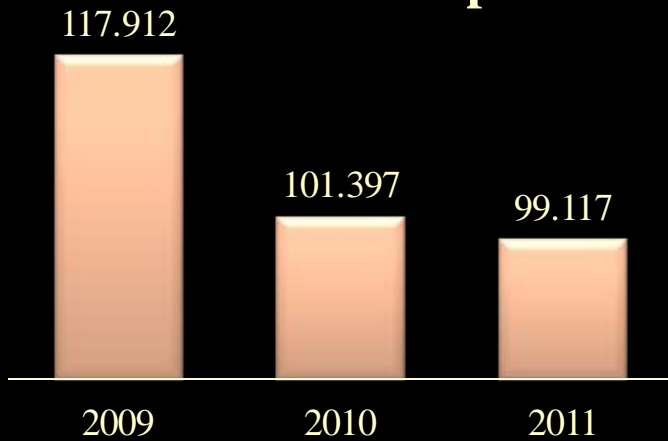
Gross Premium



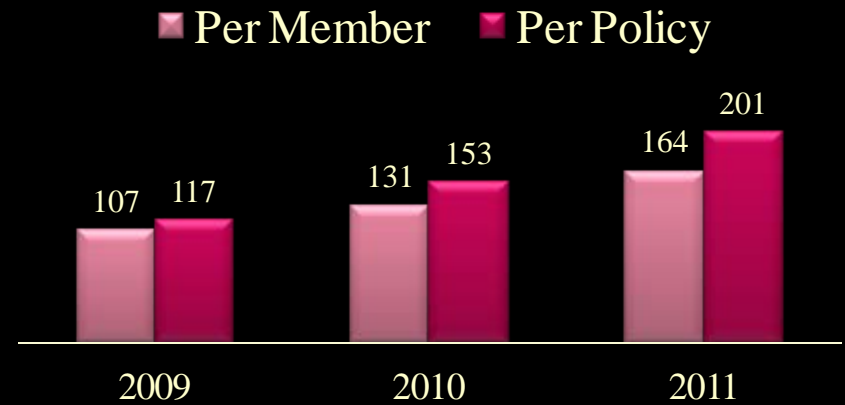
No. of Policies



Membership

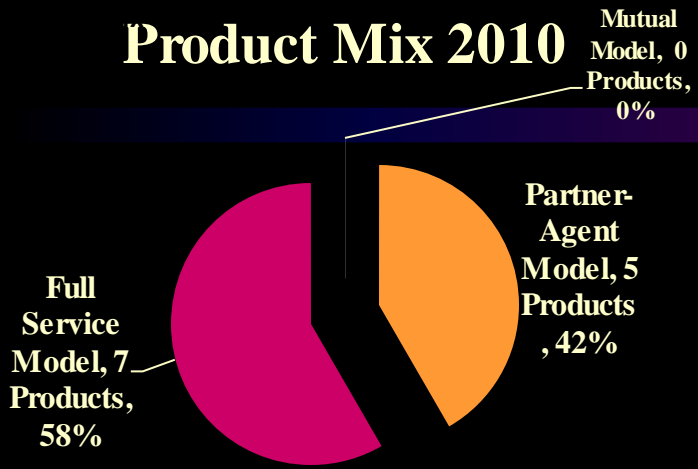


Premium Per Unit

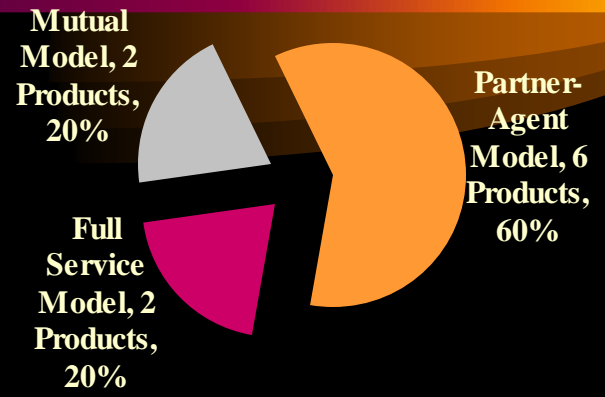


Impact

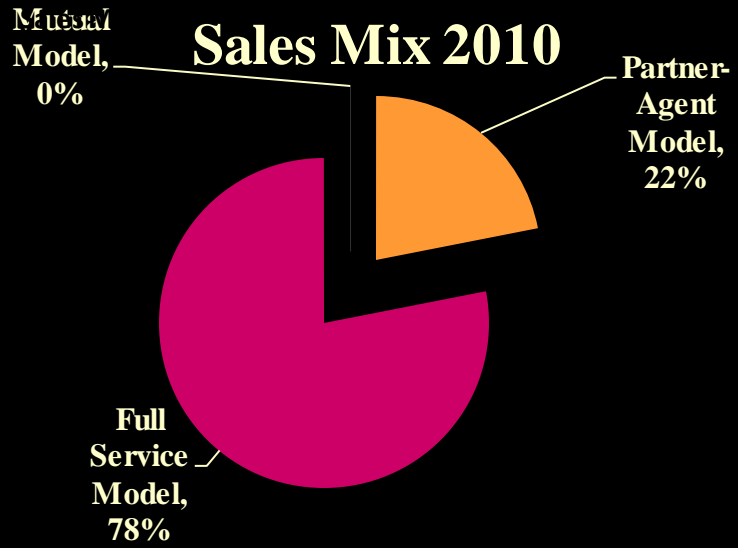
Product Mix 2010



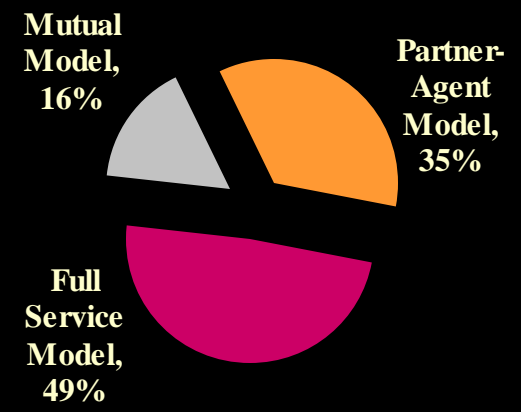
Product Mix 2011



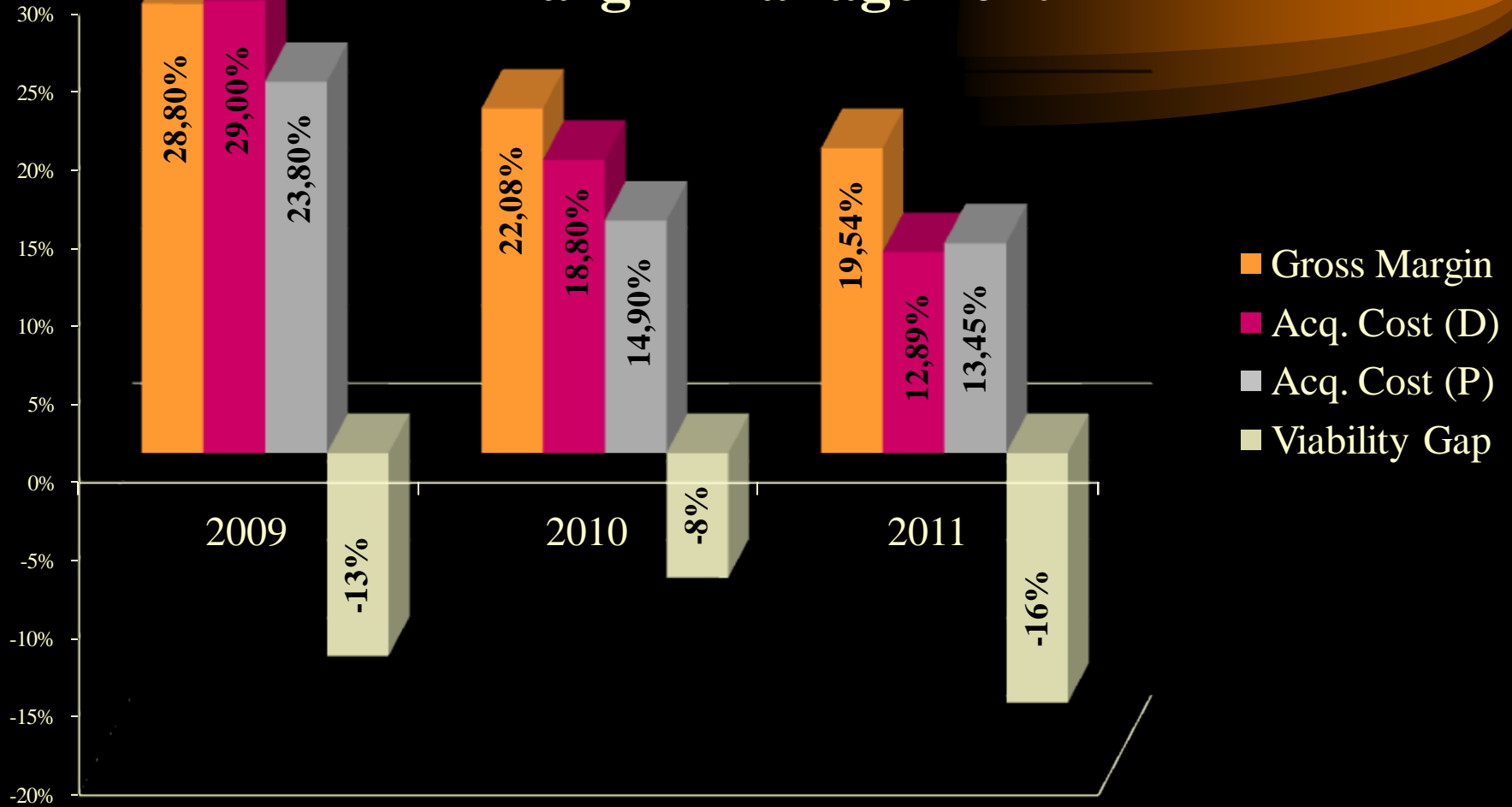
Sales Mix 2010



Sales Mix 2011

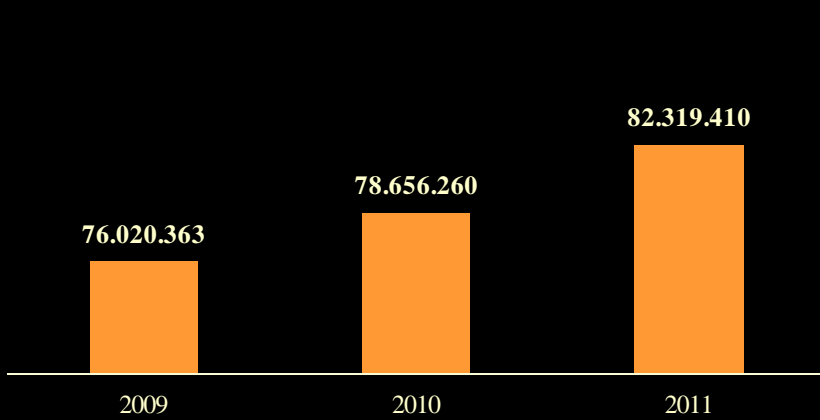


Margin Management

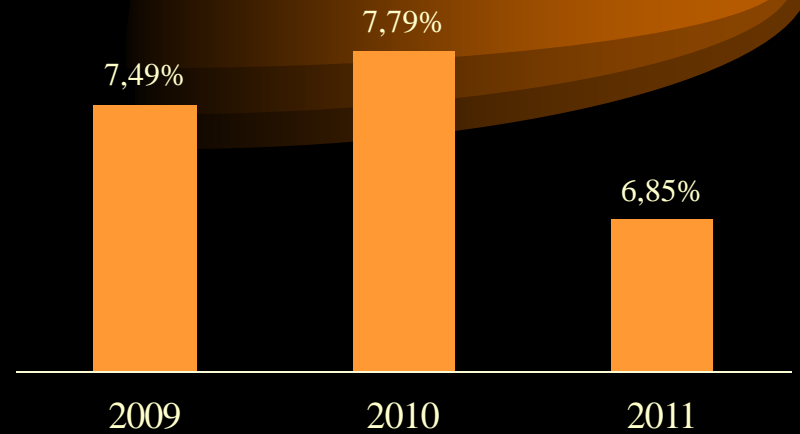


Impact

Growth of Own Fund

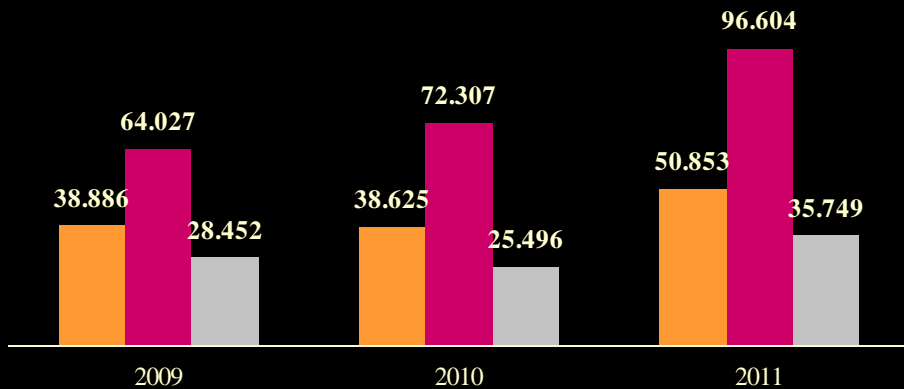


Return on Inv.



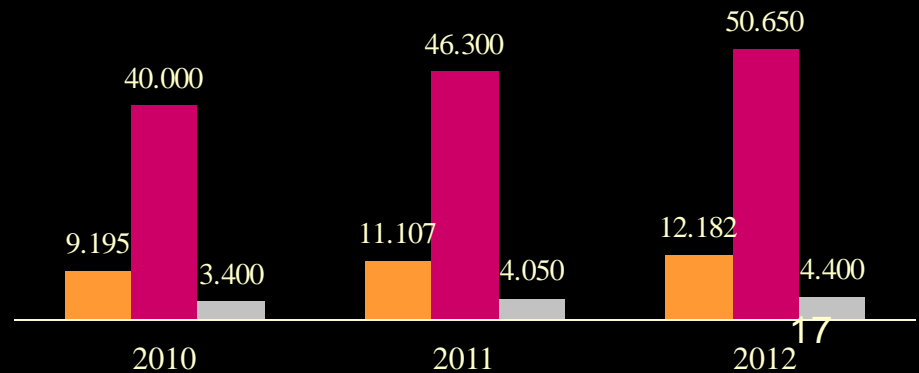
Annual Earnings - Aagewans

■ Average ■ Highest ■ Lowest



Monthly Earnings - Employees

■ Average ■ Highest ■ Lowest



Summing-Up

- Surviving as a voluntary standalone intermediary.
- Attaining scale with efficiency and regulatory compliance.
- Converting crisis in to opportunity.
- Accessing the Indian low income market on a larger canvas.
- Challenges of scaling up



THANK YOU

Visit us at www.sewainsurance.org

