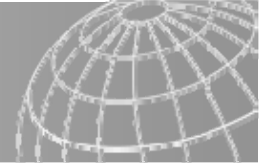


Consumer Protection in Microinsurance

8th International Microinsurance Conference

Tanzania, Dar es Salaam

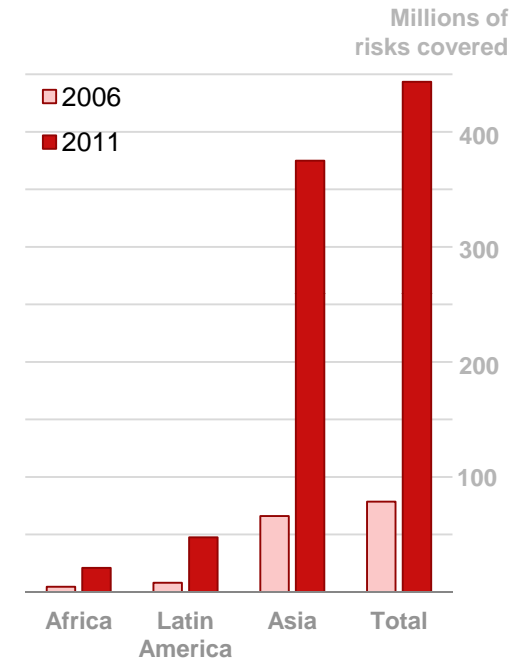
Janina Voss, GIZ



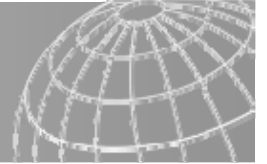
Why Consumer Protection in MI?

Microinsurance markets are growing

- Providers recognize business potential
- Products more numerous and diverse
- Inclusion efforts at policy level

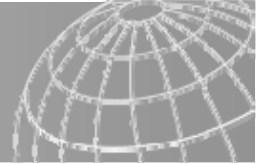


- Increasing access to insurance for low-income clients
- Increasing risk of (un-)intentional abuse or mis-selling
- Trust and good experiences imperative to improve access



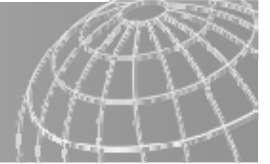
Why is CP in microinsurance distinctive?

- Consumers
 - Highly vulnerable
 - Limited understanding of and access to risk management strategies
 - Low educational background
 - Fluctuating cash flows
 - Low trust in insurance companies
- Products
 - Complex and difficult to understand
 - Business of trust

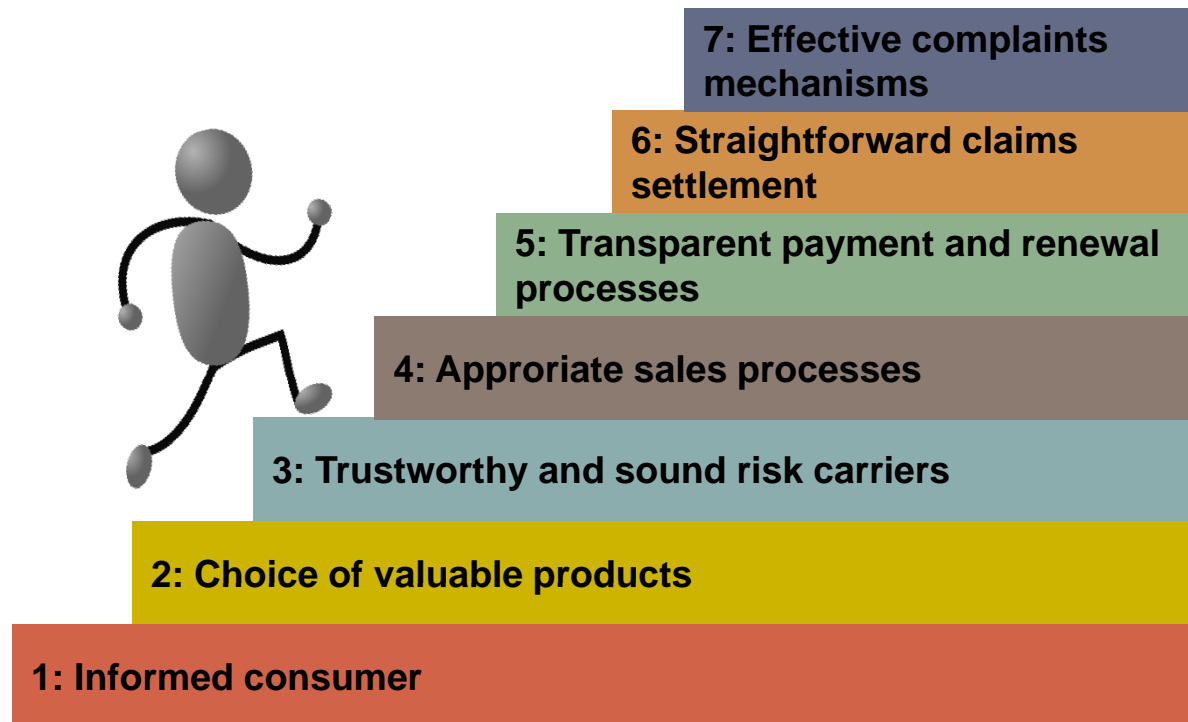


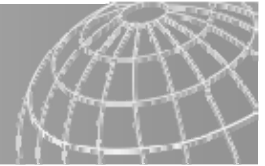
Why is CP in microinsurance distinctive?

- Insurers
 - Traditional: not used to serve the low-income market
 - Informal / mutual: insurance and management capacities
- Delivery
 - Non-traditional and innovative distribution partners
 - Longer value chain: sales incentives and accountability
- Weaknesses at policy-level, in regulation and enforcement add to these challenges



The “ideal” insurance process

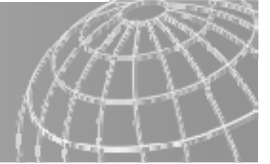




The “ideal” insurance process

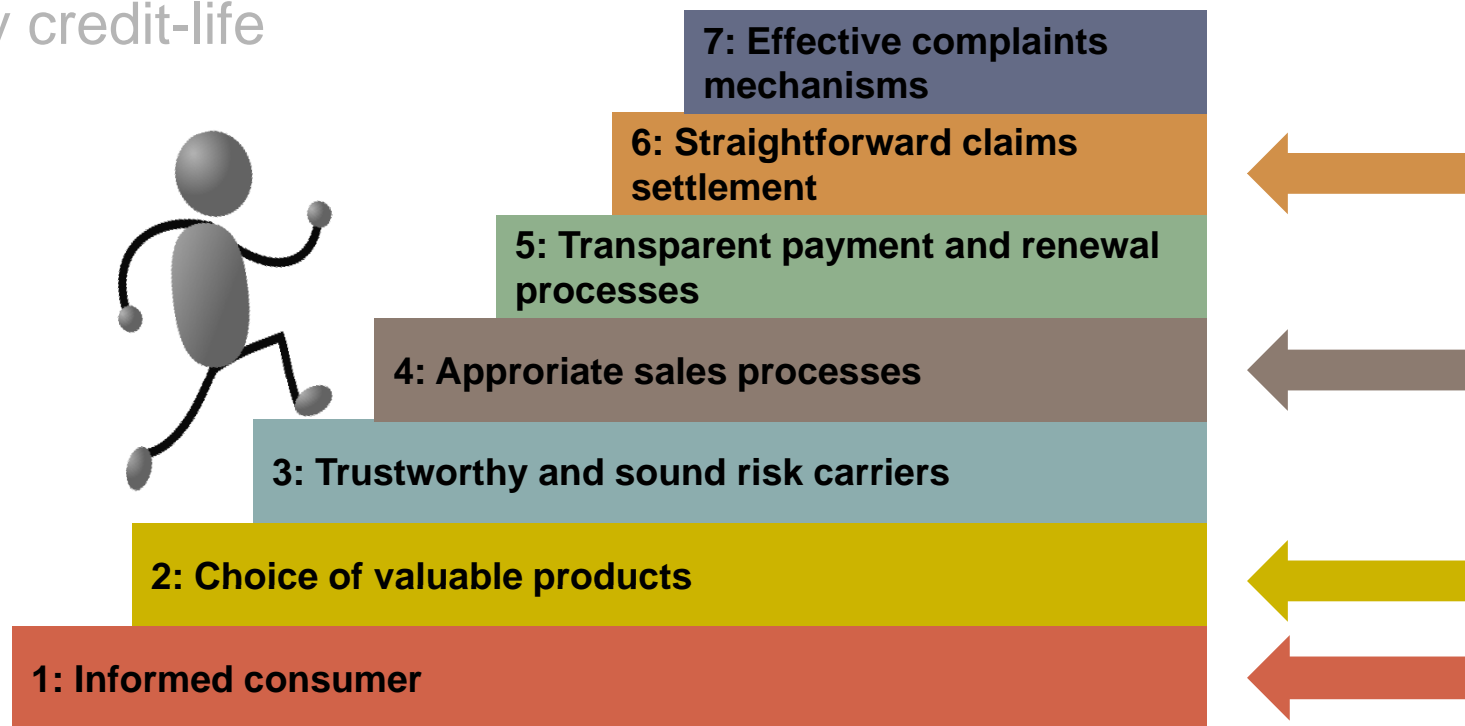
Low claims ratio -
compulsory credit-life



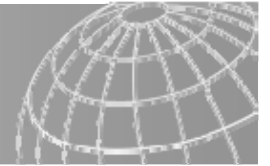


The “ideal” insurance process

Low claims ratio -
compulsory credit-life



- transparency and information requirements through appropriate regulation or industry standards

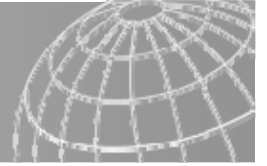


The “ideal” insurance process

High claims ratio -
mutual insurance



- Integration of informal players into prudential regulation
- Support to professionalization and larger risk pools through associations



Thank you very much!