

Plenary 5

Conference closing and outlook

The plenary began with a look back at highlights of the conference, then took a look ahead at the next decade of inclusive insurance development, by speakers from Hollard and the GSMA. These were followed by a welcome to next year's 15th conference, and closing remarks thanking all those whose hard work helped organise and stage the event.

91 — Maria Victoria Sáenz, Consultant / Rapporteur, United States (centre), presenting preliminary key findings of the conference on behalf of the rapporteurs team.



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Selected key findings of the conference

Inclusive insurance in the digital economy

The development to watch is the partnership of e-commerce, insurer and mobile communication. And there is a need to ensure that digital platforms reach the low-income level.

Agriculture/natural disasters

In the wake of increasing frequency and cost of natural disasters related to climate change, vulnerable people can be protected effectively with synergies between macro, meso and micro levels of insurance.

New products/partnerships

Digitalisation can help to reach scale. BRAC for example, covering 5.6 million households in Bangladesh, offers Credit Shield+, insuring the borrower and an additional person, and using a mobile phone app to process claims in a day. A partnership to watch is Allianz investing nearly US\$ 100 million in BIMA to empower each other in emerging markets with new digital business models and distribution channels.

Insurance for MSMEs

Segment the diverse category of businesses, draw the line between the enterprise and the individual running it, and facilitate access to credit and investment.

Innovative distribution and partnerships

A shift away from individual agents is leading to digital and business-to-business distribution: B2B (networks of banks and MNOs), and B2B2C (B2B plus a call centre). A notable partnership involves bundling climate-smart agriculture with insurance, with premium subsidies conditional on better environmental practices, lowering the risk for farmers and increasing their productivity.

Improving business processes

Use digital enrolment (instead of KYC documents) and WhatsApp as a platform for claims processing. Piloting and analysing outcomes in real life before rolling out a new product are crucial.

Consumer education

Common beliefs (like the importance of death as a risk and availability of mobile devices) should be tested in a demand study before designing a campaign in a financial inclusion strategy.

Role of insurance in development

Well-designed insurance schemes, aligned with the needs and informal coping mechanisms of vulnerable people, can help governments achieve the UN's sustainable development goals (SDGs). Zambia serves as a good example of increasing inclusive insurance to 2.2 million people – more than a third of its low-income sector – as part of overall development in 10 years.

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An outlook on inclusive insurance 2030

Forecasting the state of inclusive insurance, one thing is certain: it will be in continuous flux, with opportunities and challenges to overcome.

Players not willing to change will be left behind.

A significant unserved market will continue to present a **big opportunity**. It will call for a deep understanding of the fundamentals of inclusive insurance – simplicity, accountability, affordability and technology. Lack of trust in insurance amongst unserved low-income people will continue to be a major hurdle in insurers’ efforts to be more inclusive. It will require insurers to be vigilant, making sure they practice what they preach.

To spur on demand and ensure effective supply, **the key will be innovation**. To modify existing products and design new ones, insurers must keep in mind the impact of changing demographics, including climate change, on customer needs. Marketing and distribution will require innovation across the value chains and true public-private partnerships where partners’ values and objectives are aligned.

What it means for regulators and supervisors is that there should be no let-up in efforts to monitor markets and create enabling and positive environments.

The future of mobile microinsurance

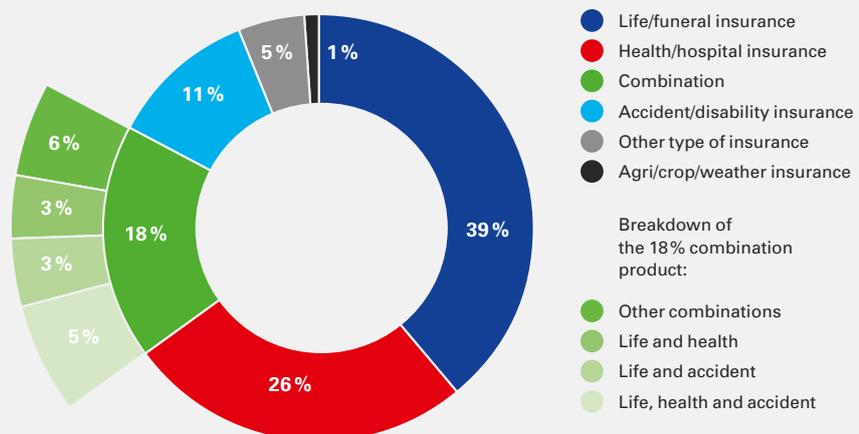
Inclusive insurance leveraging mobile channels has seen transformative growth. Mobile money is no longer just about making payments and sending money home. It is now used as a platform opening up access to other financial services and is part of complex delivery value chains for sophisticated products, including mobile microinsurance.

New technologies are rapidly increasing the outreach of financial and insurance services for low-income customers. The global association of mobile network operators, GSMA, says that there are now 690 million mobile money accounts worldwide, most of them in developing countries. By mid-2017, mobile insurance had already reached more than 60 million people, an increase of 100% within just two years. Mobile-enabled microinsurance providers now offer a diverse range of products (see Figure 45).

The first fully online insurer, Zhong An, is demonstrating the power of its distribution tool in China, and there is potential in Africa too (see Plenary 2).

However, regulation in many countries may slow the use of mobile technology, for example when providers are not allowed to use airtime to receive and make payments. The challenge mobile microinsurance poses for regulators is to strike the right balance between innovation and regulation.

Figure 45
Overview of mobile microinsurance products 2017



Source: Raithatha, Rishi. Presentation “The Evolution of Mobile Microinsurance.” 14th International Microinsurance Conference 2018

Bangladesh to host 15th IMC

All participants are invited to attend the 15th International Microinsurance Conference to take place in Dhaka, Bangladesh, from 5 to 7 November 2019, announced Nishith Kumar Sarker, secretary-general of the Bangladesh Insurance Association.

Climate change will increasingly challenge low-income customers, many of whom depend on agricultural income vulnerable to natural disasters. The G7 promise of covering 400 million people with some sort of climate risk insurance is due shortly. The conference focus will be on “Coping with climate risk.”

Closing remarks

Shipango Muteto, chairman of the local Organising Committee, paid tribute to and thanked partners and sponsors “for believing that we’ll be able to host the conference”; participants, speakers and facilitators “without whose attendance the conference would not have taken place at all”; Munich Re Foundation and the conference Steering Committee “for the confidence and trust you had in us”; and Members of the local Organising Committee “for their hard work and dedication.”

Remember the key takeaways from the conference, he said. “Design suitable products, create enabling regulatory environments, and pursue public-private partnerships.”

Doubell Chamberlain, chairman, Microinsurance Network, said the conference was a great success. “Zambia, you have done phenomenally well. You have led and pursued microinsurance development in a way that I haven’t seen elsewhere.”

He lauded the partnership with the Munich Re Foundation over the years resulting in memorable conferences providing new insights for microinsurance development. “If there’s one lesson to keep in mind now it is that you can no longer pursue scale at any cost.”

Dirk Reinhard, vice chairman, MRF, and chairman of the Conference Steering Committee, thanked the board of the local sponsor, the Microinsurance Technical Advisory Group (TAG), for hosting the conference. “The expectations were high and we are overwhelmed by the interest and cooperation of some 15 organisations that got together to help stage the conference.”

Once again the conference has proved that the low-income market can be served successfully. “I thank all participants for exchanging ideas and sharing their stories. It’s a sign of the value of this international event that one person who attended the very first conference in 2005 is now the CEO of a company in Zambia.”

92 — Pravin Kalpage, Central Head of Life, Hollard, South Africa

93 — Rishi Raithatha, Analyst – Mobile for Development, GSMA, United Kingdom

94 — Shipango Muteto, Chairman, 14th IMC Organising Committee, Zambia

95 — Doubell Chamberlain, Chairman of the Board, Microinsurance Network, Luxembourg

96 — Dirk Reinhard, Vice Chairman – Chairman of the Conference Steering Committee, Munich Re Foundation, Germany

97 — Nishith Kumar Sarker, Secretary General, Bangladesh Insurance Association, representing the hosting organisation for the 15th IMC taking place in Bangladesh



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