ANNUAL REPORT

2013
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The Microinsurance Network believes that:

**THE WORLD’S POOR WILL NOT ACHIEVE LASTING PROSPERITY WITHOUT ACCESS TO INSURANCE**

**ACCESS TO INSURANCE IS ESSENTIAL TO SUSTAINABLE DEVELOPMENT**

**APPROACHES BASED ON INSURANCE PRINCIPLES ARE THE BEST WAY TO PROVIDE ACCESS TO RISK MANAGEMENT TOOLS PROVIDING VALUE FOR BILLIONS OF PEOPLE AND SMALL BUSINESSES**

**EXISTING ACCESS IS INSUFFICIENT AND CALLS FOR COLLECTIVE ACTION FROM A RANGE OF STAKEHOLDERS**

Collective action by the Network will provide critical knowledge to the organisations that drive improvements to yield lasting prosperity for billions.
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The Microinsurance Network’s vision is for a world where people of all income levels are more resilient and less vulnerable to daily and catastrophic risks.
Microinsurance is an essential component of sustainable development and this was made painfully evident by the typhoon that ravaged the Philippines in 2013. While it could be argued that disasters such as this require macroinsurance, there is a clear need to dramatically expand access to better insurance services.

The Microinsurance Network’s vision is for a world where people of all income levels are more resilient and less vulnerable to daily and catastrophic risks.

2013 has been a watershed year for the Microinsurance Network, both at operational and financial levels.

This year, the Microinsurance Network has built on its promise to promote the development and delivery of effective insurance services for low-income people by encouraging shared learning, facilitating knowledge generation and dissemination, and providing a multi-stakeholder platform.

The Network has finalised its transformation from informal structure to non-profit organisation with clear goals and indicators, and we need to thank our members and the Luxembourg Government for having made this financially possible.

The secretariat has been fully operational since March 2013, with four permanent staff members and an office at the House of Microfinance in Luxembourg.

Our mission in 2014 is to continue ensuring that low-income customers receive high-value insurance services and to ensure that the appropriate infrastructure is in place to support insurance providers and the emergence of effective insurance services for low-income populations.

The activities of the different working groups will continue to contribute to the Network’s mission and move from production to targeted dissemination.

The General Assembly has approved three new projects, prepared and negotiated in 2013, including the new governance model for the board of directors. Elsewhere, the World Map of Microinsurance, with regional landscapes, will be set up as an online platform and made accessible by the end of this year.

The massive growth in microinsurance needs a strong and expanded Network to facilitate its sustainable evolution and advocate on behalf of all stakeholders. The Microinsurance Network’s strength is its diversity, with insurance companies and NGOs, international agencies and technology companies, academics and actuaries, all working together to explore ways of improving the risk management options for those who need it the most. By bringing together the varied backgrounds and skill sets of its members, the Network is able to generate the synergy and linkages needed to create new approaches to protecting the world’s poor.

Thank you for your continued trust in the Network.
It has been another exciting year for the Network. The field of microinsurance is developing rapidly and so is the Network’s influence.

One of our biggest achievements in 2013 was the Network’s collaboration with the International Association of Insurance Supervisors (IAIS) and the launch of the 1st Consultative Forum at our 2013 conference in Jakarta.

The forum creates a global platform for policymakers and practitioners to understand each other’s perspectives. Previous policy forums primarily consisted of supervisors talking to each other, but now that the Network is involved, we have created an opportunity for all stakeholders in the value chain to share their concerns and perspectives, and move toward finding common ground.

For example, the role of technology is quickly changing the features and distribution of microinsurance products, often in substantially different ways from traditional insurance products. This is a great opportunity but also a challenge, especially since many new approaches did not exist when insurance regulations were developed. By facilitating discussions between insurers and regulators, we can better understand the barriers and stumbling blocks and discuss possible solutions, such as embracing digital applications and electronic signatures while still ensuring consumer protection. The Network is planning two more meetings of the forum in 2014 and through these we hope to have more tangible recommendations for policymakers to be able to create a more enabling environment for inclusive insurance markets.

"This is a great opportunity but also a challenge, especially since many new approaches did not exist when insurance regulations were developed."
Internally, the Network is also making good progress in enhancing its effectiveness. In recent years there haven’t been any changes to membership of the board. It has been necessary to have consistent leadership to marshal the Network through the process of formalisation, registering as an independent organisation and signing the partnership agreement with the Luxembourg Government. Now that we have got through that process, we must thank the outgoing board members – Alexia Latortue, Brandon Mathews and Maria Victoria Saenz – for their tremendous contributions to the Network. They are certainly going to be missed.

At the same time, let me welcome the new board members – Thierry van Bastelaer, Bert Opdebeeck and Denis Garand – who have joined Michael McCord, Dirk Reinhard, Brigitte Klein and me. They have already demonstrated that they bring significant expertise and valuable insights into the Network’s leadership. I look forward to this time of renewal.

Another significant change is the new nomination process for selecting the board, which was approved by the members at the 2013 annual general meeting and will be implemented for the first time in 2014. We think this new “slate” approach will further enhance the effectiveness of the board while enabling additional members to participate in the leadership of the Network.

Indeed, the timing is right for the Network to bring in some new members, particularly underrepresented stakeholders such as distribution channels. Our members are crucial to us. As a member organisation, we can only be as good as our members. We have made good progress in diversifying our membership, but there is still scope to improve and that’s what we hope to achieve in 2014.

As I mentioned at the Jakarta conference, the extension of insurance to new markets represents a tremendous opportunity, and a tremendous responsibility. Formal insurance does not come naturally to people who have never had it before. Consequently, it is absolutely critical that when we do get an insurance policy into their hands for the first time, even if it comes via an SMS, they have a positive experience with the product and its benefits. This reminds me of an old saying, “Needing insurance is like needing a parachute. If it isn’t there the first time, chances are you won’t be needing it again.”
Microinsurance continues to be a fast growing sector. Partly, this has been confirmed by the number of low-income people and households that have bought different types of insurance policies.

With an estimated 262.7m lives and properties covered across the three regions, 66% are living in Asia and Oceania, 17% in the Latin American and Caribbean region and a further 17% in Africa.

This growth is also confirmed by the increasing interest from insurance companies in joining the Network. Today, 16 insurance companies and associations are actively involved in our activities and contribute to the learning agenda.

Scale or quantity are still the key drivers for sustainable insurance but value of services for clients is quickly becoming a top-of-the-agenda item. This is not only because quality of service can drive renewal and word-of-mouth marketing (and thus is inherently linked to quantity), but also because making people’s lives better is the ultimate objective and reward for anyone investing time and energy in this sector.

There is a lot of “good” microinsurance out there but it could be “better”! Providers need to get better at listening to what clients need. Support organisations could better target their interventions and employ insurance when it is the best financial alternative. I would like to see funders and investors better leveraging funding through clearly defined
partnerships and I would like to see low-income people having better access to high-quality services.

As a multi-stakeholder platform, the Network cannot do this alone. However, we are responsible for pulling our weight and making sure discussions are had and learning about good practice is expressed clearly. Sufficient experience and knowledge has been gathered that some fundamental “truths” or principles are beginning to take shape. By bringing this shaping forward, the Network will contribute considerably to setting the tone of the sector’s actions and thinking when it comes to making sure that insurance is most valuable for those who matter most; the low-income families around the world.
In 2013, the Microinsurance Network and the 9th International Microinsurance Conference was mentioned almost 300 times in the press. The Network's vision is for a world where people of all income levels are resilient to daily and catastrophic risks. Our collective actions provide the critical knowledge to the organisations that drive improvements to yield lasting prosperity for billions of people.

The Network achieves this primarily by supporting the work of the working groups from inception to publication and diffusion of publications and events, providing opportunities for face-to-face and virtual meetings and carrying out activities targeted at increasing the visibility of the working group outputs.

In 2013, the Microinsurance Network and the 9th International Microinsurance Conference was mentioned almost 300 times in the press. The website received hundreds of unique page views per day, most notably for downloads of our latest publications.

We also organised a number of events in 2013. Our New York event, Going Beyond Business, in partnership with Women’s World Banking, was targeted at commercial insurers covering some of the benefits and market opportunities in microinsurance. There were some 45 participants and feedback from the event was very positive. A follow-up event was held in January 2014.

We produced a number of publications. The Health Working Group published a study entitled, Lessons Learned and Good Practices in Health Microinsurance, which was translated into Spanish and French. This study aims to foster the proliferation of high quality and sustainable
health services by showing what works and giving practical guidance to practitioners and donors. The Emergence and Development of Agriculture Microinsurance by the Agriculture Insurance Working Group was published in English and French, and a Spanish version is on its way. This publication looks at what circumstances in crop microinsurance are most likely to kick-start rural development and the specific value propositions of the various existing approaches to agricultural microinsurance. The French version was formally launched at the annual farmer’s fair in Paris this year.

In 2013 we produced a raft of additional material for recruiting new members and assisting existing members, including a card with a summary of what the Network is and does, a stack of cards for the Board of Directors, with speaking points according to different audiences for advocacy work and a belief statement. Our social media following is increasing all the time, with more than 1100 followers on Twitter and more than 9900 post views on Facebook in 2013.

During this year, we worked hard to build the backbone of the new website, which is due for launch in the middle of 2014. The site will increase visibility of the Network and the sector through an active and engaged exchange and learning community, drawing in more members as well as groups affiliated to the sector.
A MESSAGE FROM THE WORKING GROUPS
AGRICULTURE WORKING GROUP

The Agriculture Working Group had a good year in 2013. The highlights were undoubtedly the finalisation of two major publications; *The Emergence and Development of Agriculture Microinsurance* by Thérèse Sandmark, Jean-Christophe Debar and Clémence Tatin-Jaleran has been very well received and *Agriculture, Microinsurance and Rural Development* by Silvia Muller, Gaby Ramm and Roland Steinmann will be published in 2014. These two publications provide a very strong basis for understanding the evolution of agriculture microinsurance and how it fits in the scheme of rural development. The next key focus for the group is dissemination of these publications and initiating discussions around them.

HEALTH WORKING GROUP

In 2013, we produced our key publication, *Lessons Learned and Good Practices in Health Microinsurance* by Tara Chandani and Denis Garand. Through this publication, we have aimed to provide a practical guide to practitioners in designing and implementing client-centred and viable health microinsurance schemes. This has been one of our major successes.

We also successfully organised the webinar, *Health Microinsurance in 2013: An Update and Discussion* in May with CGAP, which was attended by more than 30 researchers and practitioners. The webinar discussed roles of subsidies and technology in reaching scale and how the public and private sectors can collaborate to provide health microinsurance coverage to low-income people.

We also had a delegation at the annual congress of the International Health Economics Association (iHEA), in July in Sydney. The group members organised and participated in a panel session on health microinsurance in South Asia.
CAPACITY BUILDING WORKING GROUP

2013 was a good year for the Capacity Building Working Group. We finalised our local training provider concept paper, which looks at how to enhance the capacities of microinsurance training providers. Through a seed-funding grant from the Network we will now be testing the concept paper through four case studies. We look forward to conducting these studies and sharing the lessons with the Network membership.

Last year, we organised a capacity building tools fair at the June Member Meeting, which was followed by a roundtable discussion on how to get the capacity building tools in use. This discussion was relevant to us given that we have also a sizeable inventory of various capacity building tools that we want to be put to greater use by the sector in general.

FUNDERS DISCUSSION GROUP

The main feature of the year for the Funders Discussion Group in 2013 was our organisation of the Investor’s Roundtable in Paris in September. The roundtable brought together more than a dozen investors to discuss the microinsurance investment landscape. The roundtable was also the first time that the key findings of the investors’ survey were presented, setting the agenda for the discussions. The roundtable led to the extension of the survey to include a survey of investees to understand the needs and expectations of the microinsurance investees. The detailed report of the study will be available in 2014.

Presentations of the preliminary findings were also held during the 9th International Microinsurance Conference in Jakarta and in Luxembourg, at the European Microfinance Week.

A blog post, entitled The Top Seven Opportunities for Funders to Advance Microinsurance, by group members Craig Churchill and Thérèse Sandmark, highlighted the top seven opportunities for funders in microinsurance to advance the sector. The blog post had some very interesting feedback and is helping the group devise its focus for 2014 and beyond.
TECHNOLOGY WORKING GROUP

2013 was the year when the Technology Working Group decided to look at the potential of open-source solutions for microinsurance and introduced the idea of MOSI, the Microinsurance Open Source Initiative. In the long run, we will develop open-source applications for microinsurance operations, both client interface as well as back-end operations, which could lead to the establishing of a microinsurance app store for the future.

The group also organised a session on How to Attain Scale in Microinsurance: Data Standardisation at the June Member Meeting. Through some real-life examples, we showed how standards make life easier and identified the issues to be addressed in creating standardisation in microinsurance for information processes, performance indicators and use of technology. This will be a focus that the group will maintain in the coming year.

We also completed a review of some key client interface tools and applications that can help in scaling up microinsurance operations. These reviews will be added to the technology tools inventory managed by the group and will be displayed when the Network’s new website goes live in 2014.

PERFORMANCE WORKING GROUP

In 2013, we kept our focus on organising the Key Performance Indicators for Microinsurance workshops. We organised the workshops in places such as Frankfurt (in partnership with GIZ) and a special microinsurance simulation workshop in Jakarta, in partnership with ICMIF, where we fitted the KPI training material to the simulation tool and training that ICMIF developed. The group is encouraged by the response from the workshop and will look at more opportunities for such collaborations.

One of our major achievements, the handbook Social Performance Indicators for Microinsurance, was published in 2013 and we focused heavily on its dissemination and uptake. We organised a successful webinar in May on social performance indicators for microinsurance. The group also participated in the capacity building fair organised during the June Member Meeting.
RESEARCH AND IMPACT DISCUSSION GROUP

We are not a new group but came into existence after the Impact Working Group merged with the Research Discussion Group, given the synergy in the areas of focus of the two groups.

The Impact Working Group decided to disband as an independent group as its major objective of finalising the *Practical Guide to Impact Assessments in Microinsurance* will be published in 2014.

However, as impact and research are so closely related, it made sense for us to come together and renew our focus on providing a platform for researchers and professionals to discuss how they can create value for the sector as a whole.

As we move forward in 2014, we will take the lead in making sure that new and relevant research is made accessible to Network members.

REGULATION, SUPERVISION AND POLICY WORKING GROUP

2013 marked the end of the journey for us; a very successful journey during which we achieved all that we had set out to achieve. We are proud of our contributions in developing the capacities for insurance supervisors worldwide on microinsurance regulations, being part of the IAIS-Microinsurance Network Joint Working Group, and its transformation into what we now know as the Consultative Forum.

Our work also strengthened the Access to Insurance Initiative (A2ii), in terms of know-how, standards and capacity building and partnering in its regional and global projects.

As we bid adieu to the Network as a group, we would like to say thank you for all the help and support.
In 2013, the focus of the Social Protection Working Group was exploring and understanding the role microinsurance can play in the social protection systems of emerging economies, not as a competing idea but rather as a complementary solution. The main summary of its findings has taken the shape of the synthesis paper, *The Role of Microinsurance in Social Protection*. This paper synthesises the key messages of the country studies from Bangladesh, India and Vietnam, formulates the “lessons learned” and provides recommendations for better integration of microinsurance with social protection under consideration of the social protection principles of universality, solidarity and equity.

In 2013, the Insurance Education Working Group has been discussing some of the fundamental issues in consumer education in microinsurance. The group has discussed questions such as what kind of impact is expected from consumer education efforts and where does consumer education stop and marketing begin? It has also been exploring the behavioural aspects of insurance and how they are relevant to microinsurance. The discussions have led the group to believe that these questions need to be discussed in greater detail and therefore will be coming out with a discussion paper on these questions in 2014 which it hopes will provide a new perspective to look at consumer and insurance education.
ACTUARIES AND MICROINSURANCE DISCUSSION GROUP

2013 has been a year of exploring partnerships with other groups of the Network. During the June Member Meeting we engaged in discussions with the Capacity Building Working Group, discussed the development of a curriculum for microinsurance training and explored how technical training on actuarial aspects can fit in. Also, this year the group initiated a project on developing a tool for pricing health microinsurance products which, once developed, will be disseminated through a partnership with the Health Working Group. The group is looking to build on such synergy with other groups in the next year as well.

DISTRIBUTION WORKING GROUP

In 2013, the Distribution Working Group engaged its members in some key discussions on the assessment of the emergence of new distribution models. The focus was on the usage of technology as a driver and how new technology and such models are changing the way the business of microinsurance is done and how the client is reached, educated and serviced. The group has also identified via its discussions that it is important to demonstrate such technology-led changes and this has led to it working on some very innovative ideas for 2014.
OUTCOME 1

INCREASED SUPPLY

A diverse and growing number of providers offer a broader range of insurance services to an increasing number of low-income people.

In order to address the gap between the need and provision of insurance, overall supply of insurance products and services should increase. This is both in terms of the number of low-income individuals covered by insurance, but also the range of services offered. As such, the Network can promote the expansion of insurance suppliers into previously neglected geographical markets and market segments. It can also encourage insurers to broaden the type of services on offer, for example by moving into health insurance. The Network’s position as a multi-stakeholder platform means it is best placed to encourage good practices and facilitate knowledge sharing as a way of stimulating supply.

Roland Steinmann is an independent consultant with a focus on micro-insurance. He worked as a reinsurance expert for Swiss Re in France and since 2008 he has been on regular assignments for the Microinsurance Centre (USA), particularly in Armenia and Vietnam. He is co-chair of the Agriculture Working Group.

In the last couple of years, the Working Group on Agricultural Insurance focused its activities on index-based crop insurance. Discussions were lively and ambitions high when we met in June in Königstein and in November for the general assembly. In 2013 we worked on two publications as well as saw increased inputs from institutional members, notably the Grameen-Credit Agricole Foundation, GIZ, IFAD and IADB.

Presently, the Working Group is exploring ways to make itself more relevant to the sector, continuing its shift from a “self-help group” to a thought leader on agricultural micro-insurance.

As a Network Working Group we have the unique opportunity to bring a wide spectrum of actors along the agricultural value chain together. This opportunity has not been fully exploited in the past. Topics such as distribution, the analysis of key constraints facing smallholders and the conception of integrated service packages that could address the most binding constraints are high on the agenda. Furthermore, the Working Group aims at advancing the debate on basis risk in order to increase client value of agricultural insurance products.

Alejandra Díaz Agudel is responsible for the direction of social responsibility and microinsurance at Fasecolda (La Federación de Aseguradores Colombianos). She develops and promotes sustainability strategies for the insurance sector and consolidates consumer protection strategies as well as managing financial education programmes.
Microinsurance and crop insurance, as well as financial education, are part of our financial inclusion strategy. In microinsurance and agroinsurance, we work in three main areas: regulation and public policy, data collection, and capacity building.

Insurance associations are vitally important as they contribute to the conditions and the general framework to stimulate the growth of the insurance sector. Associations develop projects in which companies have a common interest and allow them to increase efficiency. Furthermore, associations contribute to the technical equilibrium of the sector, promote best practices, create information systems to reduce asymmetric information and administration costs. They represent insurance companies’ interests, promote capacity building into the companies, provide training and promote the sustainability of the insurance sector in the long term.

We are working with the Superintendencia Financiera de Colombia (Financial Superintendence of Colombia) in a project to diagnose a framework of regulation and supervision. Additionally, we are working on the use of third correspondents by insurers as a means of expansion for their products.

We are in the process of improving information collected by companies through a quantitative survey, including new indicators such as costs and commissions to build the combined index (which discriminates percentages of all components of the commercial premium) to measure the efficiency and growth of the sector. We are supporting the Financial Superintendence of Colombia in redefining its survey of financial inclusion by incorporating more accurate indicators of insurance.

We have conducted two courses for the microinsurance industry and systematised information collected through surveys to generate monthly reports, and adopt social indicators. In doing this, we have added more companies to the association, conducted 118 workshops, trained 2719 people and continued to boost our web and televisual presence.

Furthermore, we have evaluated the impact of our programmes and made some significant changes in the areas of knowledge of insurance. This has helped us focus our efforts and resources on initiatives that create greater cost efficiency.

In 2014 we want to continue sharing the code of good practice with insurance companies and make headway in discussions about microinsurance regulations and the differences between micro and macro. We also want to pursue training on different topics, transmit relevant global information and share our financial education lessons to other markets. We’d like to find a way for microinsurance BEPS (Periodic Economic Benefits) to enter the market without incurring high operating costs for insurers and devise incentives to be offered to this segment of the population.

We also want to build and publish a code of practice for the insurance industry that favours the protection of insurance consumers and restates our financial education programme in order to achieve changes in the financial behaviour of individuals.

“We have added more companies to the association, conducted 118 workshops, trained 2719 people and continued to boost our web and televisual presence.”
**OUTCOME 2**

**IMPROVED CLIENT VALUE**

Low-income customers receive high value insurance services

Ensuring the provision of high value services to clients enables the Network to achieve the mission of promoting effective insurance. Through its role as a global multi-stakeholder platform, the Network is well positioned to establish and disseminate principles and guidelines to ensure client value and the related issues, e.g. demand and impact. Although the Network aims to encourage value for all stakeholders along the value chain, the decision was taken to focus on client value as an outcome as this is key to the concept of microinsurance and clients are as such not represented in the Network.

**IMPACT WORKING GROUP**

Ralf Radermacher is the director of research and training at the Micro Insurance Academy (MIA), a Delhi-based charitable trust dedicated to evidence-based studies, training and advisory services for microinsurance units serving the poor.

The Impact Working Group, which has now merged with the Research Discussion Group, was established in 2008 to underline the great importance the Network and its members place on creating positive impact. At that time – and to a certain extent still today – the amount of evidence on impact has been fairly limited. The aim of the Impact Working Group has thus been to increase the quality and quantity of information available on the impact of microinsurance, allowing the sector to learn how to create high-impact products. The group members quickly realised that it was beyond the scope of the group to actually conduct studies out of this group, so we focused on creating some overview on the current state of knowledge. The review underlined that quite a number of studies could have benefited from some methodological improvement. So we have created a Practical Guide for Impact Assessments in Microinsurance to disseminate knowledge on options for assessing microinsurance. To give this book a benchmarking role, we decided to reach out to reputed impact and microinsurance researchers, many of whom agreed to contribute chapters.

We also conducted structured interviews with experts – using a Delphi technique – to define core impact and outcome dimensions for microinsurance, which we recommend measuring in all impact assessments. The guidebook is published in 2014 and we hope it will trigger many successful impact assessments in microinsurance.

Susan Steiner is Assistant Professor for Development Economics at Leibniz Universität Hannover, Germany. She has been an individual member of the Network for the last four years and is a member of the Research and Impact Discussion Group.
I attended the Microinsurance Conference in 2009 and the June Member Meeting in Königstein. I have met several people who have been very helpful in discussing my research output or in making plans for new research projects. To me, this is the greatest value added at the moment.

**OUTCOME 3**

**CONducive ENVironment**

Relevant stakeholders at the international and national level stimulate the provision of insurance services and protect clients

A well-functioning policy and regulatory environment is critical to the successful expansion of insurance to low-income individuals. The Network is well positioned to assimilate the views of industry stakeholders and communicate on their behalf to policy makers at global and national levels. The Network plays an important role in this regard by representing the collective voice of the industry to catalyse beneficial policy decisions.

In 2013 I was a board member and facilitator for the Regulation, Supervision and Policy Working Group. The Network has made a big step towards professionalisation and formalising the learning around microinsurance, and I have been really proud of its work this year.

I have been involved with the Network since its early days and I have seen the Network evolve as microfinance has. When we started we were just a handful of people but it has grown considerably.

In June 2013 the Regulation, Supervision and Policy Working Group dissolved, having achieved the objectives that it had set for itself. The Network has institutionalised the partnership with the IAIS (International Association of Insurance Supervisors) and will work in close collaboration with the A2ii (Access To Insurance Initiative).

One of my 2013 highlights was the Responsible Finance Forum, hosted by BMZ and the Federal Financial Supervisory Authority (BaFin) in Berlin in June, where representatives of supervisory authorities, industry representatives and development organisations discussed consumer protection in emerging insurance markets. It was a great platform to share ideas with stakeholders.

We have noticed that we need more than regulations to make this work. I think what we need now is a holistic approach to microinsurance. We need engagement of people and motivation to contribute, and we need a comprehensive approach to market development. We also need a broader approach at donor level. We still need capacity building but we also need quality and value for money.

**REGULATION, SUPERVISION AND POLICY WORKING GROUP**

**Brigitte Klein, GIZ on behalf of BMZ (Financial Systems Development).**

**Emily Zimmerman** is a research associate at EAS Consultants and the MicroInsurance Centre. She has worked on both the client value and the business case components of the MILK project, a three-year
In 2013 I worked with co-authors and Network members Barbara Magnoni and Andrea Camargo to develop a framework for assessing consumer protection at a country level. This framework looks at consumer protection issues and the roles and responsibilities of various players in microinsurance, ranging from regulators, policymakers and donors, to insurers and delivery channels and clients themselves. It aims to understand the current consumer protection outcomes within the country and the roles of different stakeholders in achieving those outcomes. We tested this framework through case studies in Colombia and the Philippines. The final version will be made public in 2014. The Network also finalised and published a discussion paper on consumer protection in microinsurance and collaborated with the SMART Campaign on its SMART Microinsurance tool.

As a young sector, the low-income insurance sector lacks the support of meso-level infrastructure along the insurance and financial value chain, as well as in corresponding areas such as technology (hard- and software), and data collection and analysis. The Network can encourage the development of this infrastructure by reaching out to external stakeholders and increasing awareness of the sector and the opportunities that exist. The Network can also help identify skills gaps and encourage capacity building and development in areas of need.

**OUTCOME 4**

**ENABLING INFRASTRUCTURE**

Appropriate infrastructure - information, technical assistance, payments, and financial - is in place to support insurance providers and the emergence of effective insurance services to low-income populations.

**FUNDERS DISCUSSION GROUP**

Aude de Montesquiou is a microfinance specialist at CGAP (Consultative Group to Assist the Poor). Her engagement has been essential to the work of the Funders Discussion Group.

The Funders Discussion Group tries to bring together different funders and donors and also DFIs (development finance institutions) and investors who are part of the network and want to discuss questions around the effectiveness of funding. The group evolved from a broad group of investors and at first it was a co-ordination activity to talk about where there might be synergy. After last June’s Member Meeting, we undertook a prioritisation exercise, from which we decided that we needed to focus on the specific roles of investors in the microinsurance space. In 2013, CGAP with Grameen Crédit Agricole Foundation organised the roundtable in Paris, for which the Microinsurance Network funded a preparatory study on the role of investors, led by Jeremy...
Leach from BFA (Bankable Frontier Associates) and CENFRI (Centre for Inclusive Banking in Africa). The report looked at the role of investors and where investors were investing regionally and at the stages of market development.

One of the discussion points of the report was that we were lacking the perspective of investees on the role of funders. So we did a scoping of the investees and what they were looking for (in terms of things like active governance), and in many cases it seems there’s a missing middle-man. We have done a follow-up survey and BFA is finalising the report, which will form the core of our activities in 2014 while we determine our workplan. Top of our list of priorities is more guidance on the role of donors.

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Richard Leftley is CEO of MicroEnsure and is an industry expert in the field of microinsurance.

Microinsurance works as a safety net stopping low- and middle-income families from falling back into poverty following an unexpected event. Families that live in the Philippines are not only exposed to the cost of funerals and medical bills but they are also exposed to a high frequency of natural disasters. Whilst the Philippines is used to being visited by 20 typhoons a year, Haiyan was an exceptional event and MicroEnsure’s clients were badly affected by the devastation. As a leader in the Philippines with operations spanning back to 2003, MicroEnsure was one of the only providers of calamity insurance and we have in excess of 100,000 clients with calamity claims arising from Haiyan. We see this as a huge privilege to be able to provide a safety net to so many people; whilst we cannot stop these events from happening, we are proud to be able to provide a safety net that stops those affected from slipping back into poverty.

The 2013 highlight for MicroEnsure was the annual conference in Jakarta. It was a great opportunity to catch up with friends and partners as well as to learn what others are doing and have a chance to share success and failures with the community. In 2014, MicroEnsure will continue to expand its operations in partnership with its mobile network operator partners. February was an exciting month, with more than 3m new clients signed up in one month alone. We hope to exceed 10m active clients by the end of 2014.

OUTCOME 5

PERFORMING AND SUSTAINABLE NETWORK

The Network operates in a result-oriented and sustainable manner

In order to successfully achieve the first four outcomes, the Network must become a sustainable organisation. It is important that the Network operates efficiently by focusing on achieving specified outcomes and outputs. It is also important that the Network secures long-term funding and is not over-reliant on one source of income. In 2011, Network members agreed to a substantial increase in their membership fees, but that will still only cover a portion of this more ambitious agenda.
Since 2011, Martin Hintz has coordinated the microinsurance activities of Allianz Group. Prior to that, he helped establish the microinsurance business of Allianz in Indonesia from 2004 to 2011.

We generally involve customers as much as we can (this is one of our key quality criteria) but we don’t go to them and ask them what products they need. When we enter a new market like Indonesia, we know we can’t start with something like health insurance, even though we know it’s in high demand. We use customer interviews and focus groups to fine-tune our product, using the local Allianz team. In our focus groups we ask people what they know about insurance and how it works. We use a toolkit, which includes games, and at the end we present them with some options and ask them how much they think is a fair price to pay. Usually they overestimate the price by 50%. We know that people want to be nice and so we expect them to downsize again but we hardly ever have affordability issues and most of the things we insure for are life insurance or accident insurance.

We are currently insuring 25m people and 2013 was a landmark year in that we started to replicate some good success in Indonesia on a modular credit life product, which is easy to adapt to a local market and has a standardised IT system behind it. It takes just one week to set up an entire network and we did this several times in the last year. This enabled us to enter markets we would never have entered before.

We have found that customers spend on average 0.1% of household expenditure on insurance. We don’t think it’s unfeasible to make them spend up to 1%. In our 2013 customer service survey we found that only 73% of our customers knew they were insured. They are also not aware of what they are buying because of products being bundled. So our long-term aim is to really grow with those customers and build up their loyalty. We already have 25m customers but we can serve them better.
Manoj Pandey,  
MICROINSURANCE NETWORK  
KNOWLEDGE COORDINATOR

In my role as the Knowledge Coordinator for the Network, I coordinate the working groups, which are the knowledge units of the Network. I assist them in making sure that they achieve what they have set out to do. This is quite fulfilling and interacting with so many members on a regular basis keeps adding to my understanding of the microinsurance sector and that helps me continually improve my role.

Dace Picot-Stiebrina,  
MICROINSURANCE NETWORK  
OFFICE COORDINATOR

For me, the 2013 highlights were the June Member Meeting as well as the 9th International Microinsurance Conference. These were great opportunities for me to meet a large number of our members. As a global platform, for me it seems essential to meet members in person to build a relationship. More generally, I think this aspect is essential to building a strong and efficient Network.
Introduction
Annual Report 2013
Postcards Events Numbers

Letters
Outcomes
EVENTS
JUNE MEMBER MEETING
Königstein, Germany

The Microinsurance Network held its fourth Member Meeting from 18-19 June 2013 in Königstein near Frankfurt, Germany, with more than 50 attendees from 21 different member organisations. The theme of the two-day meeting was “leveraging relationships” and the objective was to collect ideas on how to strengthen the Network’s processes and membership.

The Network’s working and discussion groups reported on their efforts so far to address the ongoing challenges of increasing supply, improving client value, supporting conducive environments on a regulatory and policy level and develop an enabling infrastructure.

The event featured a special plenary session on client value and a fair, as well as a roundtable on capacity building tools.

The roundtable discussed challenges in dissemination and use of capacity building tools and looked at strategies which could lead to their greater adoption by practitioners.
INVESTORS ROUNDTABLE

Paris

The Network hosted its Investors Roundtable in September in Paris. Facilitated by the Network Funders Discussion Group, Grameen Credit Agricole Microfinance Foundation and CGAP, the roundtable aimed to generate new intelligence on the roles and opportunities for investors in microinsurance. The roundtable brought together investors, leading insurers, and microinsurance practitioners to explore how debt, equity, and guarantees can be used effectively to stimulate the growth of the sector.

The study on which the discussions were based found that Africa sees a higher number of deals but with a smaller ticket size compared with Latin America or Asia. Africa is also seen as the driver of innovation, especially in terms of m-insurance, which is insurance sold through and with the mobile operator or mobile money provider. The study shows that types of innovations, as well as new microinsurance regulations, open up new needs for funding and keep the opportunities for investors evolving.

The participants at the roundtable identified a number of topics that need to be explored by the Funder Discussion Group to encourage further development. These topics include, amongst others, the demand for investments, the viability of different business models, and new, innovative finance instruments. Potential follow-up activities in 2014 will include using this knowledge to guide investors wanting to get involved in microinsurance, and the organisation of a regional microinsurance investors fair.
The 9th International Microinsurance Conference took place in Jakarta in November and brought together more than 400 participants from nearly 60 countries to discuss the challenges and opportunities in the sector.

The conference published preliminary results of the new study, The Landscape of Microinsurance in Asia and Oceania, by the Munich Re Foundation and GIZ, revealing that the number of insured low-income people in the region has increased by over 30% from 2010 to 2012. It was presented that more than 170m people benefit from microinsurance and government schemes are playing a leading role in this.

It was found that India is leading the market with more than 100m insured and the Philippines has the highest insurance penetration (number of people with microinsurance in relation to the total population). This is followed by Thailand, which up until recently had rarely been in the focus of discussions among microinsurance experts.

“Over the years the conference has become very diverse and the teams have really grown so we try to cover a series of themes and it’s very difficult to pick out one,” says Dirk Reinhard, Vice Chairman of the Munich Re Foundation, “but still the core of the conference is the discussion of case studies. We want to see successful case studies and we want to learn what goes wrong so that others don’t make the same mistakes.”

Reinhard adds, “Regulators are key to setting up the right framework for the development of microinsurance. Since 2009 we have invited academics to present their research and to translate their research for the practitioners. So the academic track is an important part as well. This year’s stream for the participants was to learn from the Philippines’ experience.”
1ST CONSULTATIVE FORUM
Jakarta

The 1st Consultative Forum was hosted by the Microinsurance Network and the International Association of Insurance Supervisors (IAIS) during the Jakarta conference. The forum facilitated the exchange of information between regulators and microinsurance practitioners.

Peter van den Broeke, representing the IAIS, reported that, since development is a part of the IAIS core mission statements, the organisation and its members are accelerating efforts for microinsurance. Two weeks prior to the International Microinsurance Conference, the Indonesian Financial Service Authority (OJK) launched its vision; a “grand design of microinsurance”. Improving the level of financial literacy is paramount for further lifting Indonesia’s economic development, Kornelius Simanjuntak, Chairman of Insurance Council of Indonesia (DAI) stated at the conference. At the moment, 250m people live in the country and the population is still growing at a rate of 2% per year. However, only one third of the population has a bank account and microinsurance penetration is below 0.6%. One of OJK’s goals is to improve the financial literacy of the broad public at large.
MICROINSURANCE NETWORK IN NUMBERS

INPUTS

2 Board members
67 Institutional members
27 Individual members
260 People in the Network
15 Working group facilitators
10 Average members per working group
7 Board committees
14 Working groups
3.5 Average people per institution

OUTPUTS

4 Events
34 Citations of the Network in the media
95 Website visitors per day
15 Publications and papers
6 Workshops and meetings
2013 BOARD MEMBERS

Craig Churchill
ILO’s Microinsurance Innovation Facility, chair

Brigitte Klein
GIZ on behalf of BMZ (Financial Systems Development)

Alexia Latortue
CGAP, vice-chair (until August 2013)

Brandon Mathews
Zurich Financial Services

Michael J. McCord
MicroInsurance Centre, vice-chair (since August 2013), treasurer

Bert Opdebeeck
Belgian Raiffeisen Foundation (BRS), (since August 2013)

Dirk Reinhard
Munich Re Foundation

Maria Victoria Sáenz
Inter-American Development Bank (IADB)
**2013 FACILITATORS**

**Actuaries and Microinsurance Discussion Group:** Howard Bolnick, International Actuarial Association (IAA)

**Agriculture Working Group:** Roland Steinmann, Mark Wenner, MicroInsurance Centre, Inter-American Development Bank (IADB)

**Capacity Building Working Group:** Gaby Ramm, Independent Consultant

**Consumer Protection Task Force:** Brigitte Klein, Greta-Maria Roeber, GIZ [on behalf of BMZ]

**Distribution Working Group:** Brandon Mathews, Stonestep

**Funders Discussion Group:** Thérèse Sandmark, Aude de Montesquiou, Grameen Crédit Agricole Microfinance Foundation, CGAP

**Health Working Group:** Thierry van Bastelaer, Abt Associates

**Impact Working Group:** Ralf Radermacher, Micro Insurance Academy

**Insurance Education Working Group:** Arman Oza, Quadrant Consultants

**Performance Working Group:** Bert Opdebeeck, BRS

**Regulation, Supervision and Policy Working Group:** Brigitte Klein, GIZ [on behalf of BMZ]

**Research Discussion Group:** Karlijn Morsink, University of Twente

**Social Protection Working Group:** Thomas Wiechers, Making Finance Work 4 Africa

**Technology Working Group:** Michiel Berende, Berende Consulting

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**2013 SECRETARIAT**

**Elena Bagnera,** Summer Intern

**Annalisa Bianchessi,** Communications Coordinator

**Giorgio Cacciaguerra,** Summer Intern

**Olivia Caverley,** Communications Intern

**Véronique Faber,** Executive Director

**Nadine Haas,** Knowledge Intern

**Manoj Pandey,** Knowledge Coordinator

**Dace Picot-Stiebrina,** Office Coordinator
### PROFIT AND LOSS

**12 February 2013 - 31 December 2013**

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| **NET INCOME**                   | 348,851,79   |
2013 Institutional Members

Abt

accenture

access to insurance initiative

AIG

AXA

Consultants International

Allianz

AIC

ada

adie

Barnert Companies

Ahead of the curve

german cooperation

BRS

Brazilian National Agency for Industrial Development (Finep)

Bradesco

Seguros e Previdência

cenfi

C/RM

CRM

Corporacióninmedical

Correcol

Delta

Desjardins

Développement international

Ministry of Foreign Affairs of the Netherlands

CGAP

Corporación inmedical

Administración de riesgos de la salud

CORRECOL

Correcol

Correspondencia de Seguros

Deutsche Gesellschaft

für Internationale Zusammenarbeit (GIZ) GmbH

Grameen Crédit Agricole

Microfinance Foundation

GRET

GCMicro

Inlink

Institute of International Education

IDB

Inter-American Development Bank

Instituto de Desarrollo

Microfinanciero de América Latina (IDM)