

Increasing access to insurance

Presentation to 16th Annual IAIS Conference

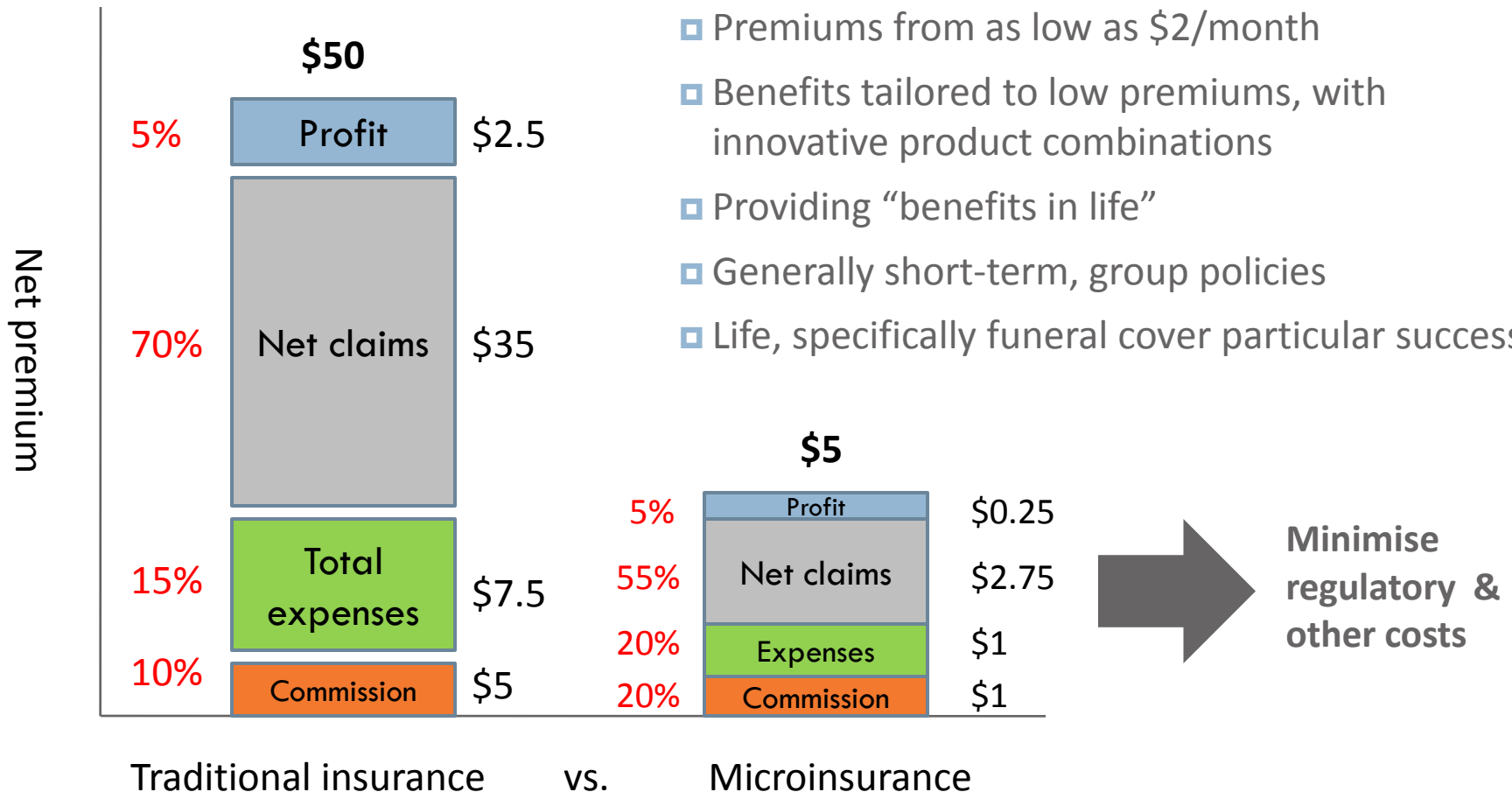
Hennie Bester

Rio de Janeiro, 22 October 2009

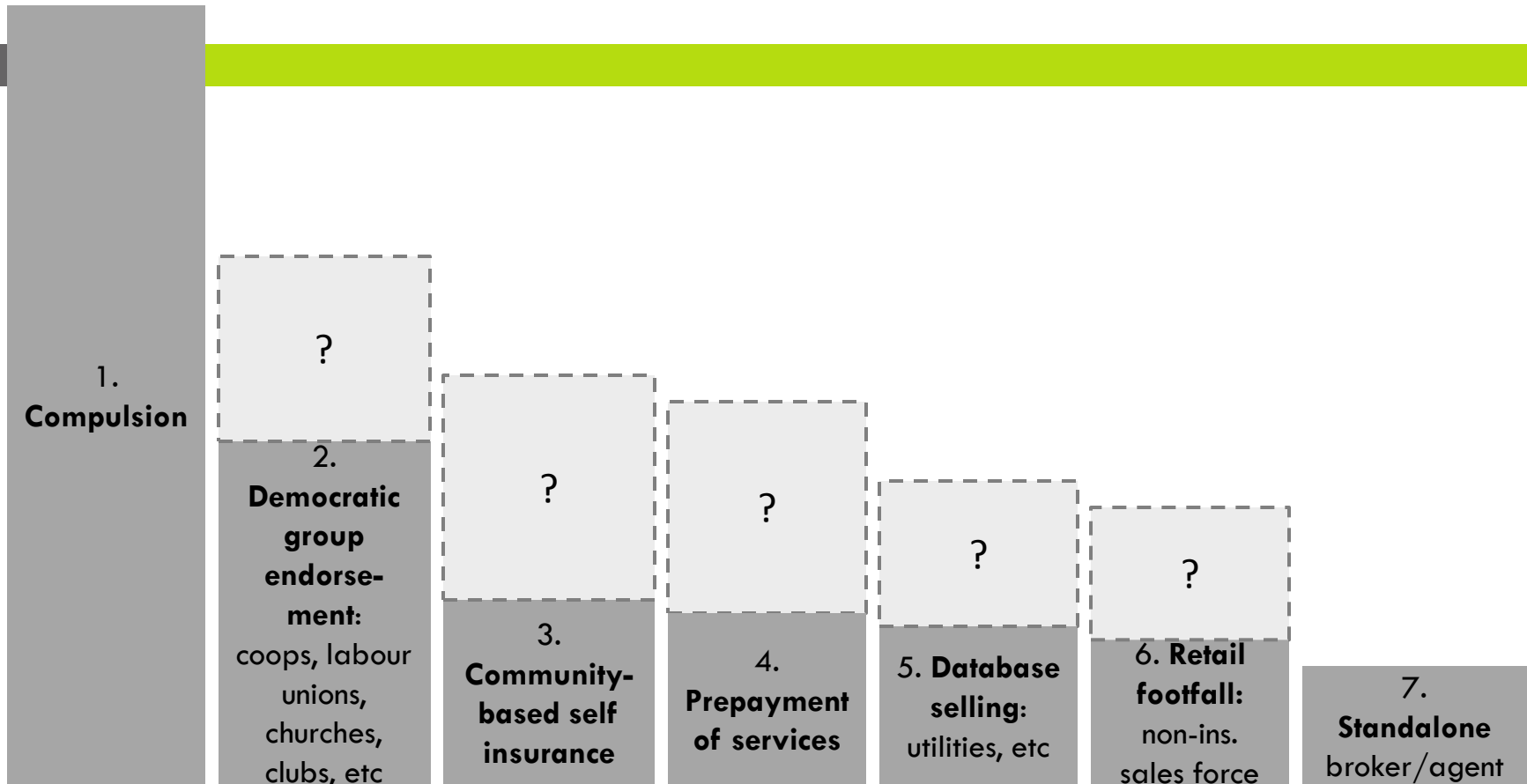
The microinsurance bottom line

MI features:

- ▣ Premiums from as low as \$2/month
- ▣ Benefits tailored to low premiums, with innovative product combinations
- ▣ Providing “benefits in life”
- ▣ Generally short-term, group policies
- ▣ Life, specifically funeral cover particular success



MI belongs to the delivery channel



• Credit life: India, Philippines, SA, Colombia

• Brazil: PASI

• SA & others: burial societies

• Funeral parlours: Colombia, Brazil
• HMOs: Zambia, Uganda

• Brazil: electricity & telco companies

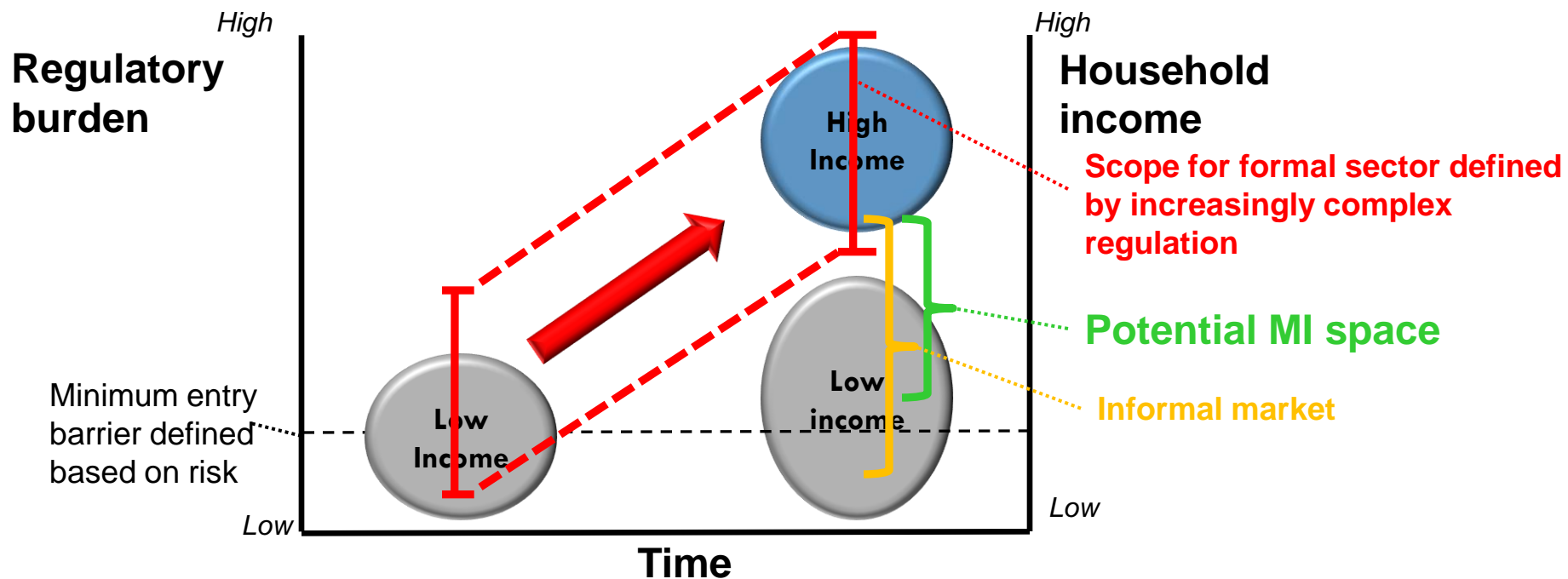
• SA: Shoprite,
• Brazil: Casas Bahia, etc

• Brazil: SINAF

Role of government in MI development

1. Ensure stability and integrity of the market
2. Ensure fair treatment of consumers
3. Promote financial inclusion
4. Reduce regulatory costs & barriers
5. Support payment system development
6. Subsidise insurance provision

Beware of regulatory drift



Supervisors' challenges

- Changing supervisory mandate and implications
 - ▣ Moving from stability only to also include market conduct and consumer protection
 - ▣ Moving from supervision focused on large institutions to supervision focusing on small transactions
- Enforcement and capacity challenges
 - ▣ Formalising the informal
 - ▣ Start by simplifying the product
 - ▣ Coordination with other government agencies
 - ▣ Selective delegation of oversight



Thank you!

hennie@cenfri.org

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