

SUMMER 2011

This edition of the Microinsurance Trilogy presents two initiatives that focus on the various aspects of knowledge management: ILO's Microinsurance Innovation Facility and the Microinsurance Learning and Knowledge (MILK) project implemented by the MicroInsurance Centre, both initiatives are funded by the Bill & Melinda Gates Foundation.

While the Facility is addressing the knowledge issue through lessons learnt from their grantees and its research activities, the MILK project is addressing them through in-depth studies of the business cases of key players throughout the value chain, and through research with clients looking at the value added of insurance over other risk management options. These two different yet complementary approaches of creating knowledge will provide a comprehensive understanding of microinsurance.

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Knowledge management (KM) encompasses a range of strategies and practices that focus on the collection, generation, analysis and dissemination of knowledge, and for microinsurance, it is playing an increasingly important role due.

These initiatives include a strong component that aims to collect and compile information, analyse and compare the findings, and then disseminate the lessons learnt with the ultimate goal of improving insurance services to the low-income populations.

KNOWLEDGE MANAGEMENT AT THE ILO'S FACILITY

In 2010, the ILO's Microinsurance Innovation Facility (Facility) aligned its research, knowledge management (KM) and communication strategies to create a coherent framework for capturing, analysing and sharing lessons learned from its past and current activities.

The goal of this framework is to learn how insurance can best benefit low-income households, and use it to contribute to the development of appropriate products, business

models and consumer education approaches. These activities are geared towards answering two key questions:

- Do low-income households benefit from insurance (client value)?
- Is the provision of insurance to the poor viable (business case)?

With the KM strategy in place, the Facility reconceptualised its activities within a knowledge management framework, focusing on two main components: Knowledge capture and knowledge sharing.

KNOWLEDGE GENERATION AND CAPTURE

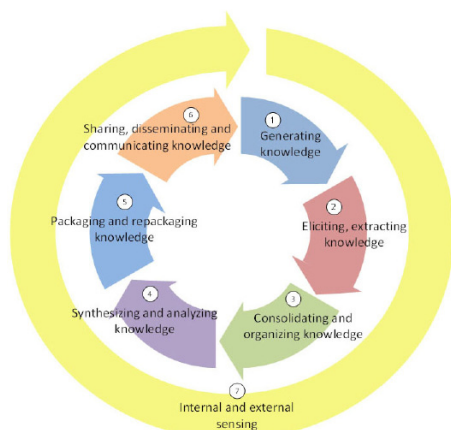
The Facility relies primarily on its innovation grants programme to produce lessons. Each grantee implements a learning agenda that strives to answer concerns that are core to their organisation. Knowledge capture is facilitated by implementing a series of reporting and lesson extraction processes and tools. One of the key tools is the 'Learning Diary', a simple yet reflective tool used to capture lessons that a project generates while working toward its milestones.

The knowledge capture activities are supported by the KCapture component of the **Facility's Knowledge Management Portal** where grantees can upload, consolidate and share information. This KCapture component enables the Facility to centralise the information in one location facilitating not only their grantees reporting, but also allowing the Facility to organise, consolidate and analyse the emerging lessons and trends more effectively.

With inputs coming from the innovation grants, research activities are then undertaken to capture lessons along thematic areas in microinsurance. All these thematic studies are geared towards answering the two key previously mentioned questions.

KNOWLEDGE SYNTHESIS AND SHARING

Knowledge generated from the Facility's innovation grants and research programmes is then synthesised by the Facility team for sharing to the broader microinsurance community.



The Facility's KM framework

The Facility uses a variety of tools to share this knowledge. Grantee specific lessons are shared using the online 'Learning Journey' documents, which are chronological and narrative accounts of all lessons learned by a partner during project implementation, including challenges and successes. Lessons along thematic lines are shared in online 'Thematic Pages', and in publications such as the 'Microinsurance Papers' and 'Briefing Notes'. Lesson alerts are also sent via email to microinsurance players in what is called the 'Emerging Insights' series, which provide bite-sized lessons on a variety of topics from microinsurance practitioners, such as the use of scratch cards or why targeting migrants, and not their families, makes more sense. All these tools are available in the **Knowledge Center**.

More engaging and interactive tools are likewise being used, including webinars on key microinsurance issues, videos on specific lessons, discussion forums for online exchanges, and other social media tools.

KNOWLEDGE MANAGEMENT PORTAL ON MICROINSURANCE

The Facility's Knowledge Management Portal was created as the key tool to implement its KM strategy. Its two main components—the KCapture, which is available only to its partners and the KCenter, which is available to the public—correspond to the Facility's two main KM activities which is knowledge extraction and knowledge sharing. The KM Portal is a comprehensive microinsurance information sharing platform that enables users to learn from what others are doing, share their own experiences, and connect with other practitioners.



Conferences and workshops, as well as capacity building activities are also important forums for disseminating the emerging experiences of grantees and partners.

The Facility is playing a significant role in furthering the understanding of microinsurance. By focusing its activities through a knowledge management framework, the Facility is making sure that no lessons are being lost and that as much information is extracted from its grantees.

Source:

ILO's Microinsurance Innovation Facility
Annual Report 2010

www.ilo.org/public/english/employment/mifacility/download/annual/annualreport2010_en.pdf

ILO's Microinsurance Innovation Facility website
www.ilo.org/microinsurance

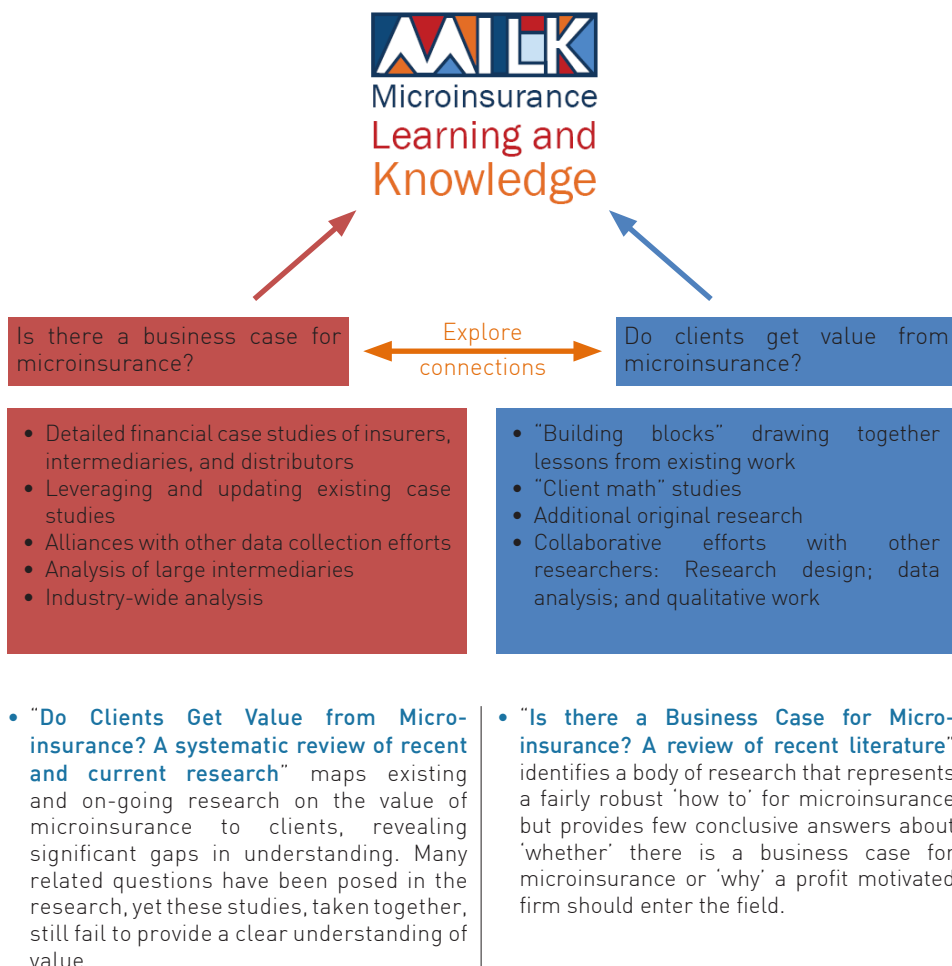
MILK PROJECT AND THE GATHERING OF KNOWLEDGE

The Microinsurance Learning and Knowledge (MILK) Project is an initiative of the MicroInsurance Centre aimed at furthering understanding of microinsurance, specifically whether and under what conditions (1) microinsurance offers value to clients and (2) there is a business case for microinsurance. Testing the assumptions that have been made about the value and profitability of microinsurance and developing a clear understanding of these two issues is fundamental to establishing the best path forward for the industry.

MILK partners closely with the ILO's Microinsurance Innovation Facility, which studies similar core questions, but takes a different approach to the research. This diversity of approaches will generate a more thorough understanding of these key issues and will culminate in final master papers on the business case and client value jointly authored by the two programmes.

MILK will both contribute directly to the limited but growing pool of value and business case information and leverage the work of others to improve the outputs of all. The project works with a variety of partners such as academic research groups, insurers, intermediaries, delivery channels, NGOs, and others to leverage available information and research. The key components of MILK's strategy are illustrated below.

MILK began with landscape reviews of the literature on client value and the business case of microinsurance:



MILK is examining a variety of microinsurance models and products across various regions. The project's original research aims to begin to fill gaps in current understanding of client value and business case identified in the landscape studies. Collaborative efforts aim to bring together the various parties involved in microinsurance delivery and research, enhance those parties' work to understand microinsurance, and explore the connection between client value and business case.

Through these various channels, MILK will test the core assumptions that have been made about microinsurance and help to provide a realistic vision of microinsurance to facilitate better informed and more effective decision-making by the various parties involved.

Source:
MILK Project documents
www.microinsurancecentre-milk.com/index.html

DATA AND MICROINSURANCE

Data, in its broader sense, benefits the performance along the value chain, from specific client data allowing microinsurance providers to adapt their services to the clients' needs, to country and regional data that can assist governments to regulate the sector. In microinsurance, the importance of data is well documented and some publications and initiatives exist.

The "The Landscape of Microinsurance in the World's 100 Poorest Countries" was published in 2007 by the MicroInsurance Centre, looking at different aspects of microinsurance including products, insurers, delivery channels, regulations, social security schemes, and donor interventions. The "The Landscape of Microinsurance in Africa", published in 2009 by the ILO's Microinsurance Innovation Facility, looked at the microinsurance industry in Africa.

The Global Microinsurance Benchmarking Database (GMBD) project was initiated in 2008 and is being led by the World Bank

in collaboration with the Microinsurance Network. The objective of the initiative is to get an improved understanding of microinsurance by collecting and analysing data, creating a system for benchmarking performance and, providing data analysis for the use of the different stakeholders.

The Performance Indicators Working Group of the Microinsurance Network made available a factsheet to calculate the key performance indicators and organises workshops around this. The participants' data is discussed during the workshops, however, it is not published as the indicators are used primarily as management tool to improve performance.

The Swiss Re's 2010 Sigma report on microinsurance entitled "Microinsurance – Risk protection for 4 billion people" is an analysis of the global microinsurance market and states that the 4 billion people could potentially be covered through market-based risk transfer solutions and public private partnerships (PPP).

Sources:
Jim Roth, Michael J. McCord y Dominic Liber, MicroInsurance Centre, 2007: [The Landscape of Microinsurance in the World's 100 Poorest Countries](#)
Michal Matul, Michael J. McCord, Caroline Phily, y Job Harms, ILO, 2010: [The Landscape of Microinsurance in Africa](#)
Global Microinsurance Benchmarking Database
www.worldbank.org/microinsurance
Performance Indicators Working Group
www.microinsurancenetWORK.org/workinggroup/Performance-Indicators/9.php
Sigma N°6/2010, Swiss Re: [Microinsurance – Risk protection for 4 billion people](#)

NETWORK NEWS

7TH INTERNATIONAL MICROINSURANCE CONFERENCE

The 2011 conference will take place from 8-10 November, 2011 in Rio de Janeiro, Brazil and will be hosted by the Munich Re Foundation and the Microinsurance Network with the support of CnSeg, GIZ/BMZ and Georgia State University's Center for the Economic Analysis of Risk (CEAR).

The content of the conference will include a scientific track, which involves the economic analysis of microinsurance markets; case studies of innovative and viable client-centred microinsurance solutions; and thematic issues such as national and regional strategies to develop microinsurance, distribution and demand, technology to achieve scale and efficiency, and protecting the poor against natural disasters.

For more details visit: www.microinsuranceconference.org/2011

Note: The Microinsurance Network **General Assembly** will be held traditionally on the following day: 11 November 2011! Invitations to members will be sent out in September.

MICROINSURANCE NETWORK JUNE MEMBER MEETING 2011



The Microinsurance Network held its second June Member Meeting in Königstein, Germany. The objectives of the two day meeting, which took place at the end of June 2011 and was attended by over 60 members from 32 organisations, was to offer a knowledge sharing platform to members, advance the agenda of the Network and its Working Groups, and map its future strategy and objectives.

For details on how to become a member visit: www.microinsurancenetWORK.org/become-member.php

MICROINSURANCE LEARNING SESSION IN LONDON

The British Actuarial Profession, together with the Munich Re Foundation and the Microinsurance Network, held the first learning session at the end of June in London. The event's objective was to reach out to actuaries by showcasing key developments in microinsurance and using outcomes from the 6th International Microinsurance Conference.

Download report:

www.munichre-foundation.org/StiftungsWebsite/Projects/Microinsurance/2011Microinsurance/MI+Summary+Learning+Session+London.htm

MICROINSURANCE GLOSSARY

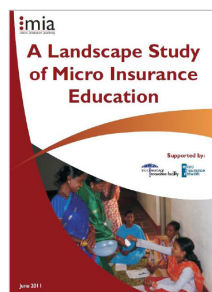
A glossary of English, French and Spanish microinsurance terminology has been published by the Microinsurance Network. The aim of the glossary, which contains over 350 terms and was prepared through consultation with insurance and microinsurance professionals, and language experts, is to standardise translations of microinsurance terminology to facilitate consistency and understanding.

Download glossary:

www.microinsurancenetwerk.org/file/MIN_Microinsurance_Glossary.pdf

PUBLICATIONS

A LANDSCAPE STUDY OF MICRO INSURANCE EDUCATION

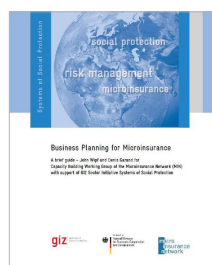


The Insurance Education Working Group of the Microinsurance Network, in collaboration with the Micro Insurance Academy and the ILO's Microinsurance Innovation Facility, has published a landscape study of microinsurance education. This study provides a global landscape of insurance education, identifies existing gaps and some promising practices, and highlights some concrete areas where investment in insurance education can make a positive impact on the extension of microinsurance in developing countries.

Download study (only available in English):

www.microinsurancenetwerk.org/publication/fichier/MIN_Landscape_Study_of_Micro_Insurance_Education.pdf

BUSINESS PLANNING FOR MICROINSURANCE

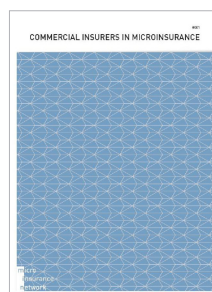


The Capacity Building Working Group of the Microinsurance Network has published, with the support of GIZ Sector Initiative Systems of Social Protection, a brief guide on business planning in microinsurance. This guide describes the main components of a microinsurance business plan and how they should be developed. The guide targets readers that aim to initiate a microinsurance business, especially those who have not yet developed a systematic plan on existing microinsurance operations.

Download guide (only available in English):

www.microinsurancenetwerk.org/publication/fichier/Business_Planning_2011.pdf

COMMERCIAL INSURERS IN MICROINSURANCE



This study examines the involvement in microinsurance of the top 50 insurance companies according to the Forbes "The Global 2000 Insurance" list and some other key players. The study, which is published by the Microinsurance Network, aims to understand the incentives and long-term perspectives of their involvement in the low-income market.

Download study (only available in English):

www.microinsurancenetwerk.org/publication/fichier/MiN_Commercial_insurers_study_2011.pdf

Note: See also new paper on "**Public Private Partnerships in Microinsurance**" on the Network's website.

The Microinsurance Network newsletter is published three times per year. The Microinsurance Network is a member-based network and its mission is to promote the development and proliferation of good-value insurance products for low income persons by providing a platform for information sharing and stakeholder coordination with the aim of creating public goods.

To subscribe to this publication in English, French or Spanish, visit www.microinsurancenetwerk.org/newsletter.php

To view all the back issues and other Microinsurance Network publications, visit its website at www.microinsurancenetwerk.org

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