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*Helping communities manage risks
from the ground up.*



Can We Design Better Microinsurance?

by

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Microinsurance Key Challenges

Supply Challenges

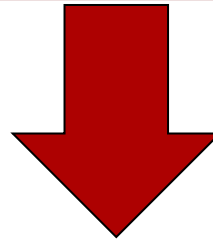
- “One-size” products not sufficiently customized to local risk exposure
- Extremely costly and complex program
- Too linked to loans

Demand Challenges

- “the government should solve this problem”
- “I am too poor to pay”
- “What is in it for me”

Intermediation Challenges

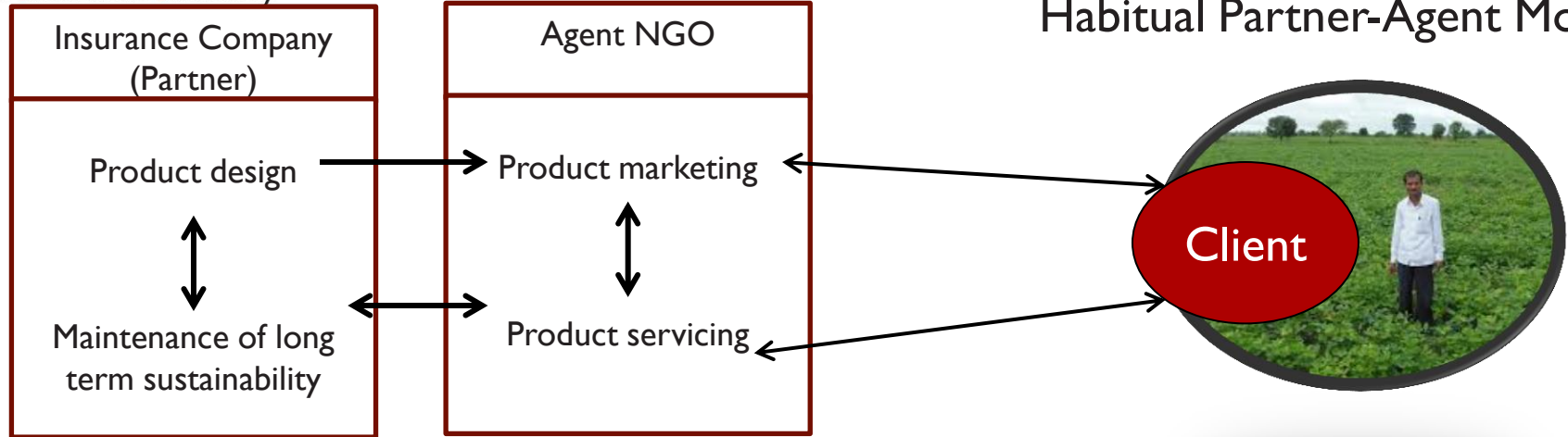
- Formal vs informal sector
- Complicated policies and processes
- Regulatory constraints



Last mile untouched

Habitual Partner-Agent Model vs MIA's model

Habitual Partner-Agent Model



MIA's model



MIA's New Agri Index: CCC Index

Risks Covered



Water Stress



Water Logging



Excess Heat

Parameters

Non-Climatic
(Topography, Soil type,
Groundwater depth)

Climatic
(Daily Rainfall, Temperature,
Humidity etc.)

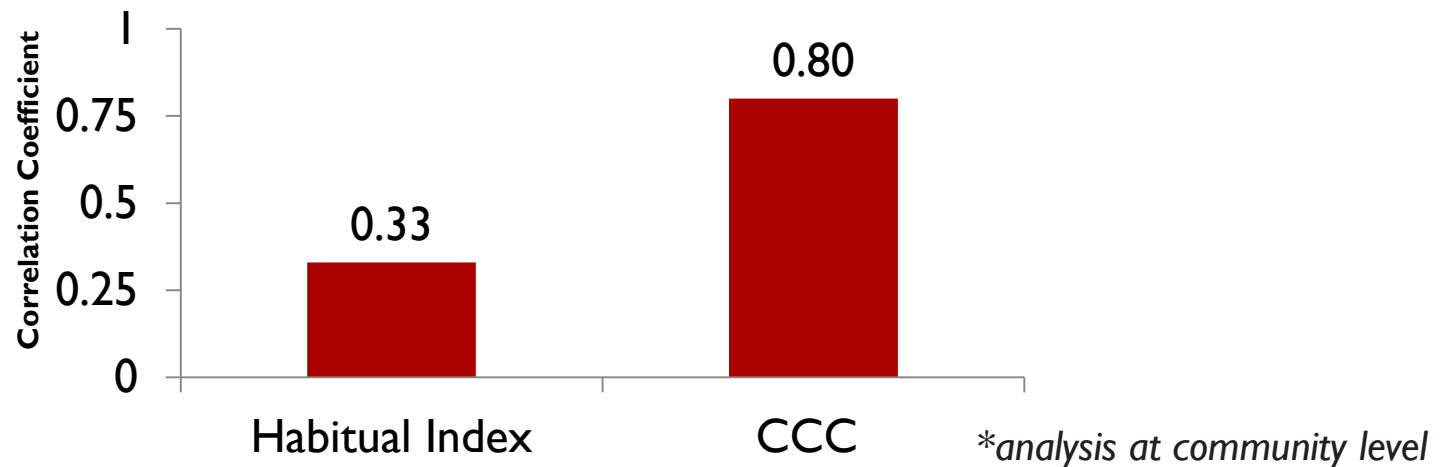
Index

**CCC
Index**

“Climate Cost of Cultivation”: an innovative method to quantify the added cost to farmers of climate change

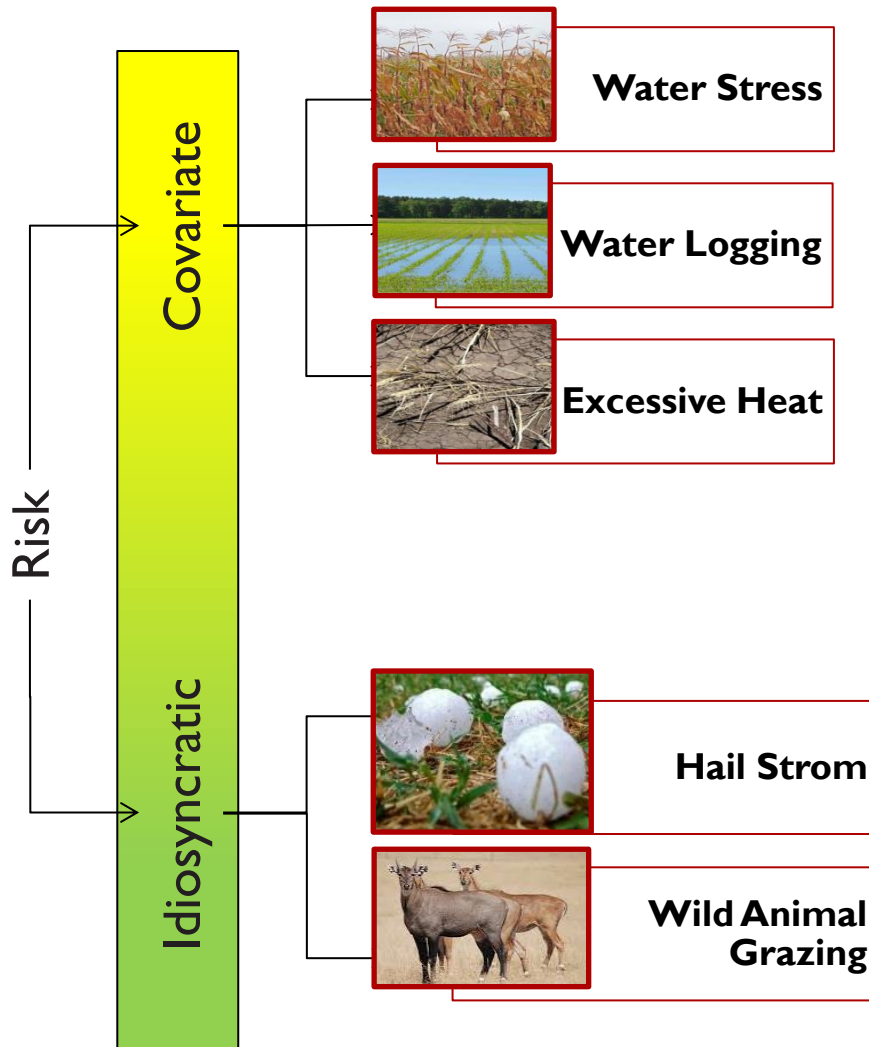
Better performance of CCC over typical index insurance

Correlation between losses and
payout*



- CCC premium: 75% cheaper than habitual index insurance at community level

Proposed Model for Agriculture Insurance

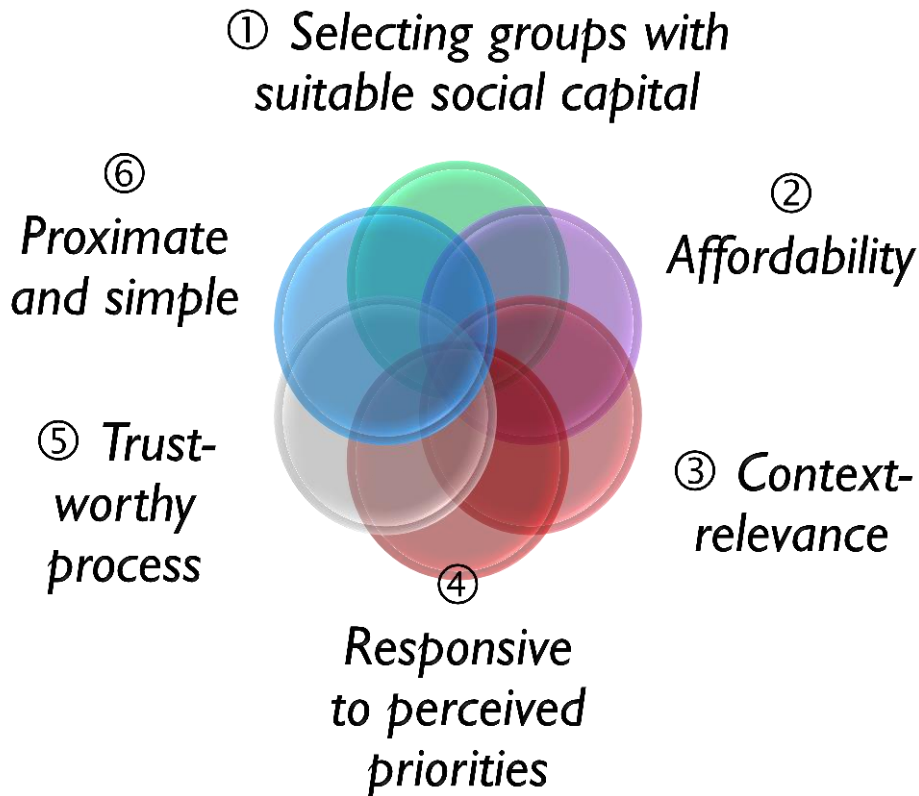


**Covered by
Index-based
Insurance**

**Covered by
Indemnity based
Insurance**

MIA's Efforts to Address Challenges: Community Run Schemes

MIA's Microinsurance Model



MIA's Success Stories with CBHI

High renewal rates: 40-80%

Cumulative enrollment: 94,379

Social empowerment: 57% women & 89% SC/ST enrolled + local governance

Prompt claim settlement: < 1 month

Claim ratio: 60-85%

Financial sustainability: All CBHI schemes solvent into year 4 of operations

Zero premium subsidy

MIA's: Glimpse From the Fields

Insurance Literacy & Awareness



Participatory Risk Assessment



Community Voices

Community Designed Packages



Prompt Payouts



Voices of the Communities

mia
micro insurance academy



- Government should **invest in catalyzing demand for voluntary uptake** (not linked to debt)
- **Pilot CCC** for 2-3 major cash-crops
- **Community governance** of the scheme (10% of risk mutualized, **community policy**)
- Remove paperwork hurdles (proof of landholding/leasing etc.)
- Link **insurance with value-added services**

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