

Certified Expert in Microinsurance



Course Overview

Are you seeking to understand microinsurance? Would you like to know how this product proposition could benefit your clients or organization? The Certified Expert in Microinsurance provides you with an understanding of the target market, marketing strategies and distribution channels to be successful with this product proposition.

The microinsurance sector is an evolving sector, which is impacting how low-income individuals and MSMEs protect themselves against everyday risks. Nevertheless, due to micro insurance's emerging role in microfinance, research is relatively new and few institutions offer executive training in the field. Insurance, microfinance and bank specialists can benefit greatly from learning about the current trends in the microinsurance market and the unique demands of this sector, including product development, marketing, distribution or customer and sales relationship management. The course is divided into 7 units that follow the order of the value chain for a microinsurance product.

Unit 1: Introduction to Insurance and Microinsurance

The first unit gives an introduction to the concept of insurance and its economic and social role. The distinction of microinsurance versus macroinsurance is clarified in the context of a continuum servicing distinct market segments. The historical evolution of microinsurance as part of microfinance programs in developing countries is described and recent statistics illustrate growth trends. Furthermore, the typical growth path of a developing insurance market and the important role of microinsurance are introduced.

The discussion of real cases serves to illustrate the presented material. Additionally, special attention is given to long run profitability for the provider in a market that is characterized by small premiums and low levels of funding. Large scale and cost effectiveness are paramount elements. The unit concludes with the topic of consumer protection and elaborates on three key elements: a strong regulatory framework, responsible industry conduct, and empowerment of the consumer.

Unit 2: The Microinsurance Client

The importance of knowing your customer and understanding his needs is paramount to derive appropriate products, communication strategies and client oriented processes. The second unit concentrates therefore on the particularities of the microinsurance client, which typically can be found in a developing country. Some key characteristics are low and infrequent income patterns, high vulnerability to external shocks, and exclusion from personal finance tools. Group works and role plays illustrate the actual risk exposure and choices faced by the typical low microfinance customer. Research material and case examples of successes and failures due to good or insufficient information about the client are provided.

The second half of the unit focuses on research methodology and practical tools for effective client research. The student is given a guideline for effective client segmentation process. Exercises are employed to deepen the understanding of the learned material and provide the student a chance to apply it in a hands-on assignment.

Unit 3: Microinsurance Products

Unit 3 focusses on the technical aspects of a microinsurance product. Furthermore, an overview of the most prominent microinsurance product types and their distribution is provided. Key features and significance in the regional context are explained and each product type will be illustrated with a concrete case study. Given the importance of an alignment between client needs, product features offered, as well as price calculations and risk assessment, the second half of the unit is dedicated to an effective product development process.

Tools are presented as well as issues covered that illustrate the challenges faced by microinsurance providers in product development. Practical assignments deepen the understanding of the learned material and demonstrate applicability.

Unit 4: Actuarial Topics in Microinsurance

The purpose of actuarial science is to measure risk. Probabilities are the basis of measuring risk. The probability or chance of an event occurring is used to assess risk. Each risk, whether it is death, accident, sickness, fire, natural disaster etc. should have its own probability tables.

Unit 5: Marketing, Communication and Financial Literacy

Unit 5 introduces the critical role that client communication plays in the distribution of microinsurance products. Principles of marketing are explained in the particular context of microinsurance. Marketing tools designed to reach low-income populations are identified and linked to the client segmentation theory presented in earlier units. Practice oriented exercises and assignments train on how to develop an effective marketing plan and marketing measures. The unit further explains how financial literacy can be used to deal with the challenges of introducing insurance concepts to low-income clients and to prepare internal sales and distribution staff. Best practice examples demonstrate how organizations have applied financial literacy programs to educate the client, reduce misselling and increase client awareness and trust.

Unit 6: Sales and Distribution (Partnerships)

Unit 6 provides an overview of traditional sales channels and how these can be leveraged to ensure take-up of microinsurance solutions. The overview includes an evaluation of which channels are best positioned to reach low-income client segments and how partnerships between distributors and risk providers can be designed. Criteria are presented to assist organizations with prioritizing different sales channels. Recent innovations in distribution are discussed, particularly the impact of technology and the growing importance of alternate distribution strategies. A review of how these new channels contribute to cost efficiency, reach clients in remote areas, and facilitate sales administration is undertaken. This unit transmits sales and distribution know-how through case studies and interviews with practitioners. Assignments test student's ability to apply know-how to their own institution and to identify channels that are most applicable to their organizations.

Unit 7: Client Relations Management and How to Ensure Client Access

The last unit reviews how customer relations can be maintained successfully by ensuring that access barriers are removed, appropriate operational processes are in place and a growth-oriented strategy is facilitated. Frequent operational challenges of microinsurance providers and distributors are summarized. A close look at enrolment, premium payment, renewal and claims management is taken. Practice-oriented examples are reviewed to highlight how different organizations have implemented customer-oriented strategies in their front- and back-office operations. Recent success stories are provided and dependent on data availability these are linked to measurable business results. Lastly, the unit reviews the relevance of staff training and defines areas in which know-how is critical for customer relationship management.

Unit 8: (Elective) Health Microinsurance

Previous modules in this Microinsurance Expert Course have incorporated Health microinsurance into the various topics. However, due to HMI's complexity compared to other types of insurance, there is a need for a more in depth look at its product design and mechanisms. Health insurance is different from other products in some key ways.