Cenfri's microinsurance activities [1]

About the Project
Organizational Overview

The Centre for Financial Regulation and Inclusion (Cenfr) is a non-profit thinktank based in Cape Town and operating in collaboration with universities in
the region. Cenfri’s mission is to support financial sector development and financial inclusion through facilitating better regulation and market provision of financial services. To do this, Cenfri conducts research, provides advice and develops capacity building programmes for regulators, market players and other parties operating in the low-income market.

Project Description

The following document is a narrative of the emerging lessons learned by the Centre for Financial Regulation and Inclusion’s (Cenfri’s) microinsurance activities from 2012 to early 2014. The document is an output of the partnership between the ILO’s Microinsurance Innovation Facility and Cenfri. It is targeted at microinsurance practitioners, with an aim to understand the success factors for the development of valuable microinsurance products, but is also applicable to donors and government... READ MORE

Project Status

Project Updates

Cenfri’s approach to microinsurance research As noted above, Cenfri’s mission is to support the development of an inclusive financial sector through facilitating better regulation and market provision of financial services. Microinsurance is one service in a portfolio of financial services that provide value to low-income households. Appropriately designed and distributed services can play an important role in reducing vulnerability for the poor. The starting point for Cenfri’s... READ MORE

Project Lessons

Identifying barriers to market development On how to reach the potential market Understanding the consumer. At Cenfri, we believe that the first step for practitioners to reach the potential market for microinsurance is to identify and understand who they are trying to reach. It seems straightforward but in many cases practitioners have not taken this first step. By identifying and assessing the potential market it is possible to understand the... READ MORE

Exploring innovations in microinsurance business models On product design in alternative distribution Cover types should complement the distribution partner’s main business activity. One of the key factors behind the success of partnerships between insurers and distributors is that the insurance product complements and boosts the sales of the distributor’s product or service offering. For instance in Brazil, Itau Unibanco’s extended warrant... READ MORE

Investigating product standards for low-income households On tailoring product design to specific markets Market definitions of products and target markets need to be broad rather than narrow. The analysis reveals that both the Mzansi and Zimele standards suffer from too narrow a definition of product offerings and target market. For instance, the Mzansi standards allow for only one comprehensive insurance product, whereas the Zimele standards a... READ MORE

Establishing partnerships to cultivate innovation On establishing partnerships for an Innovation Lab InnoLab partners must be willing to innovate and be flexible. The partners must be willing to seek out new product offerings and, while they might have general ideas about the new products they are looking to offer, they must also be flexible enough to accept recommendations that might ultimately be implemented. This can sometimes be ch... READ MORE

Drivers of microinsurance business models at scale On achieving Scale[1] Scale is a key driver of success for many microinsurance initiatives. Low premiums with high fixed and marginal costs, such as distribution, administration and claims costs, mean that many microinsurance initiatives struggle to be sustainable. High volume is required to improve profitability as it increases premium revenue and allows overheads and fixed costs to be spread o... READ MORE

Enhancing market capacity for microinsurance On designing effective capacity building initiatives Establish committed partnerships. Cenfri’s capacity building activities leverage committed partners to ensure that quality and impact is achieved. Partners provide expertise outside of Cenfri’s core competencies, funding, connections to the local market and possible participants, and general support as a member of the training team. The progr... READ MORE

Project page contributor/s: The Cenfri team and Caroline Phily (the Facility)

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