Viability

If microinsurance is to be sustainable in the long-term, it must be a viable business. The Facility has worked with numerous organizations as they search for business models that can achieve viability.

Just like traditional insurance, achieving sustainable microinsurance operations is an iterative process, which involves the entire value chain. A good partnership with the distribution channel is a critical success factor. This requires insurers and distribution partners to monitor their experience, measure costs, learn from the market, and make adjustments to products and processes.

Insurers are likely to face challenges to offer both business viability and client value. For instance, it is easier to achieve scale, and consequently viability, through compulsory products. But, insurers must then be sure that these products meet the needs of clients and are understood by them. Balancing client value with business viability is essential, because long-term viability depends on products meeting client needs.

Sub-topics

Partnerships [1]

Good partnerships have been identified as a success factor in microinsurance.

Business viability [2]

Viability is driven by three success factors ? scale, containing claims costs, and containing administration costs.

Business models [3]

Public and private players are adopting a range of business models to successfully deliver microinsurance.

Links:
[1] http://www.impactinsurance.org/topic/viability/subtopic/partnerships
[2] http://www.impactinsurance.org/topic/viability/subtopic/business-viability
[3] http://www.impactinsurance.org/topic/viability/subtopic/business-models