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Source: A review of current trends in microinsurance, particularly in India

About 60 per cent of microinsurance clients worldwide are in India. By 2010, an estimated 163 million low-income persons had life, agriculture or livestock insurance. Government subsidized mass health schemes cover an estimated 300 million low-income persons, growing from 75 million people in 2007 to 302 million in 2010.

Even if other countries cannot replicate this staggering growth, governments and policy makers can replicate the underlying success factors observed in India. The most significant of these is the Indian Government’s use of insurance as a tool to achieve public policy objectives related to expanding social protection and promoting financial inclusion.

The Indian Government has used a combination of “carrot-and-stick” policies to leverage the experience of insurers and stimulate investment in the sector. These include: requiring insurers to originate a percentage of their portfolio from the rural and social sectors; contracting private insurers to manage state subsidized-schemes; and allowing aggregators such as NGOs, self-help groups and cooperative societies to operate as microinsurance agents, with fewer certification requirements than traditional agents.

To learn more, watch the Facility’s webinar on “Insights from India’s microinsurance success” held on 31 May, 2012.

Also see the following chapters in Protecting the Poor: A Microinsurance Compendium, Volume II:
- Chapter 1, “Current trends in microinsurance” by Craig Churchill and Michael J. McCord
- Chapter 2, “The potential of microinsurance for social protection” by Yvonne Deblon and Markus Loewe
- Chapter 20, “State and market synergies: Insights from India’s microinsurance success” by Rupalee Ruchismita and Craig Churchill

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