Subsidies

Many governments and donors are providing subsidies for microinsurance. If the subsidy is designed well, subsidized microinsurance can be a powerful and cost-effective way to achieve public policy objectives. A smart subsidy is one that is put in place for a clearly documented objective, targets those who need it, and is designed to address the objective as efficiently as possible. A good monitoring and evaluation system for subsidies is paramount for the success of any subsidized insurance scheme.

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