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Myanmar



**A Study on Micro Insurance
Feasibility and the Way Forward for Alliance**

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Acronyms

ALLIANCE/ AMFIM	Alliance for Microfinance in Myanmar
BIC	Burma Insurance company
BNIC	Burma National Insurance Company
BWP	Beneficiary Welfare Program
CGAP	Consultative Group for Assisting the Poor
FGD	Focus Group Discussion
GDP	Gross Domestic Product
IAIS	International Association of Insurance Supervisors
IBSB	Insurance Business Supervisory Board
IKBZ	IKBZ Insurance (Public) Co., Ltd.
JLG	Joint Liability Group
MAP	Making Access Possible
MIC	Myanma Insurance Corporation
MIMRM	Myanmar Insurance Market Reform Measures
MOF	Ministry of Finance
MSE	Medium and Small Enterprises
PGMF	Pact Global Micro Finance
SIC	State Insurance Corporation
TSEZ	Thilawa Special Economic Zone
UNCDF	United Nations Capital Development Fund

1. Objectives for the Research/ Survey:

- To Explore the opportunities to expand the Financial Services especially the Micro Insurance for the Target Clientele of Alliance
- To Assess the demand for the Micro Insurance in the target clientele and also to identify the customer priorities and choices for the Micro Insurance
- To explore the willingness and affordability among the customers towards Micro Insurance
- To have a look at the Market opportunities and feasibility for Micro Insurance
- To assess the Regulatory environment and explore the required modalities to launch the Micro Insurance through Alliance

2. Micro Insurance: Introduction

2.1 Introduction

- Micro Insurance defined as “the protection of Low income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved” – Draft Donor Guidelines, CGAP working Group (2003)
- “... not a specific product or product line. It is also not limited to a specific provider type. Micro insurance is the provision of cover to a specific market segment, ie., low – Income persons” IAIS Issues paper (2007)

From the above two definitions, it was described that Micro insurance is a service catering to the low-income population to cope up with the vulnerabilities of their lives and livelihoods. Micro Insurance cut across the product lines of both life and Non-Life to support the vulnerable community in managing their risks for the specific perils/ risks which will be covered for a regular premium payment based on the likelihood and risk exposure;

The target clientele of Micro Insurance is very vulnerable and often lacks the awareness and literacy, so it needs a special focus starting from the product design to policy servicing. Hence, it would be helpful to understand the variation between the conventional insurance and Micro Insurance. Please find a brief comparison between both types of Insurances.

- The major difference between the conventional Insurance and Micro Insurance:

	Conventional Insurance	Micro insurance
Clients	<ul style="list-style-type: none">✓ Low risk environment✓ Established insurance culture	<ul style="list-style-type: none">✓ Higher risk exposure/high vulnerability✓ Weak insurance culture

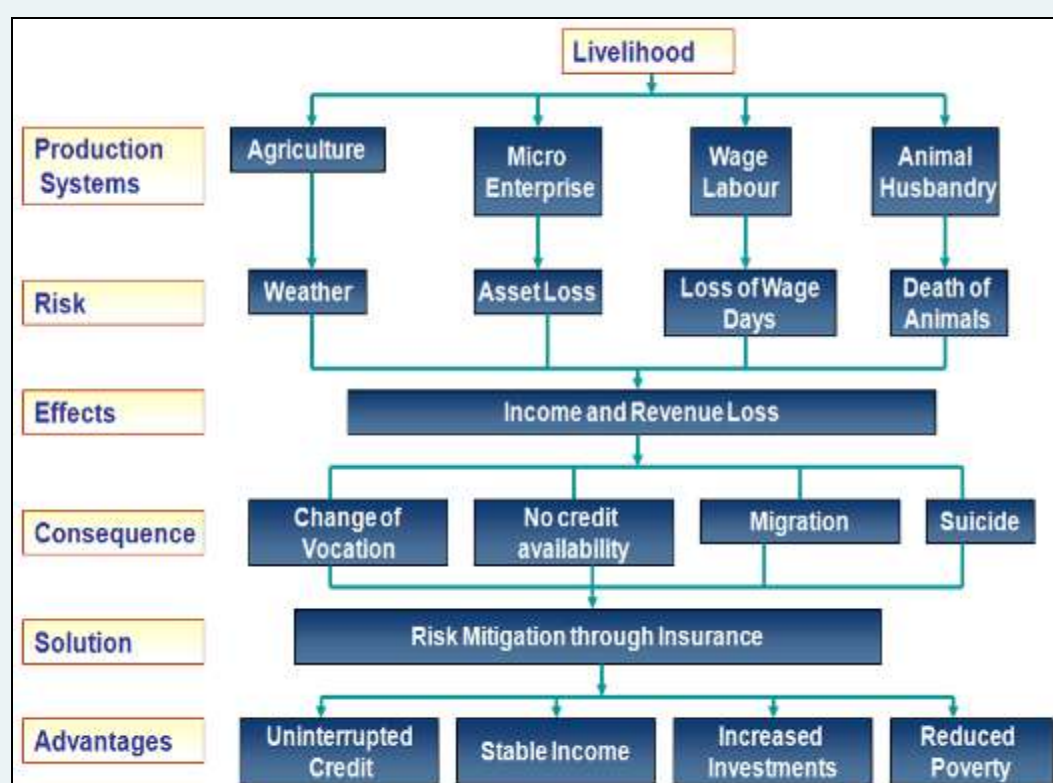
Distribution models	<ul style="list-style-type: none"> ✓ Sold by licensed intermediaries or by insurance companies directly to wealthy clients, middle class or companies that understand insurance well 	<ul style="list-style-type: none"> ✓ Sold by non-traditional intermediaries to clients with little experience of insurance, requiring significant consumer education
Policies	<ul style="list-style-type: none"> ✓ Complex policy documents with many exclusions 	<ul style="list-style-type: none"> ✓ Simple language ✓ Few, if any exclusions ✓ Group policies
Premium calculation	<ul style="list-style-type: none"> ✓ Good statistical data ✓ Pricing based on individual risk (age and other characteristics) 	<ul style="list-style-type: none"> ✓ Little historical data ✓ Group pricing, Often higher premium to cover ratios ✓ Very price sensitive market
Premium collection	<ul style="list-style-type: none"> ✓ Monthly to yearly payments ✓ often-paid by mail-based on an invoice, or by debit orders 	<ul style="list-style-type: none"> ✓ Frequent and irregular payments adapted to volatile cash flows of clients ✓ Often linked with other transactions (e.g. Loan repayment, savings)
Control of insurance risk (adverse selection, moral hazard, fraud)	<ul style="list-style-type: none"> ✓ Limited eligibility ✓ Significant documentation required ✓ Screenings, such as medical tests may be required 	<ul style="list-style-type: none"> ✓ Broad eligibility ✓ Limited but effective controls (reduces costs) ✓ Insurance risk included in premiums rather than controlled by exclusions ✓ Link to other services (e.g. credit and savings)

2.2 Need for Livelihood Insurance

The target population, the clientele of Micro Finance will be occupied with various avenues for their livelihoods. Broadly, the occupations can be divided in to 4 types of production systems, namely Agriculture, Micro Enterprises, Wage Labor and Animal Husbandry. These occupations are prone to various risks. The diagram alongside is an attempt to understand the Risks, effects and their consequences and how we can mitigate the risks to a possible extent.

Any of the adverse event will put these occupations in to trouble. Other than the direct impact, failure of agriculture will indirectly influence the other occupations as well. If there is failure of crop/agriculture due to bad weather or some other adverse events, generally the effect is visible over all of the other occupations as well;

Hence, it should be seen in a way that the production systems are inter dependent (most true to the rural areas). The effects of the risks can be result in low/no capital availability to continue the activities and result in changing the vacation, or migrating to the nearby cities/towns in search of alternative livelihood opportunities. Often people manage the risks by various means which may be migrating in search of new opportunities and avenues; some of them might change their vocation; more seriously, it was evident that in some cases the poor people will resort to suicides (as experienced in some of the countries)



Hence, the coping mechanisms like the risk mitigation through insurance will give them the advantage of minimizing the effects of bad events and to deal with the consequences in a more systematic way. If there is insurance offered along with the Loans, it will safeguard them from the adverse effect of the vulnerabilities. Insurance will bring several advantages in harmonizing the risk management and give comfort to all the parties who involved in the production system right from the farmer to the lender.

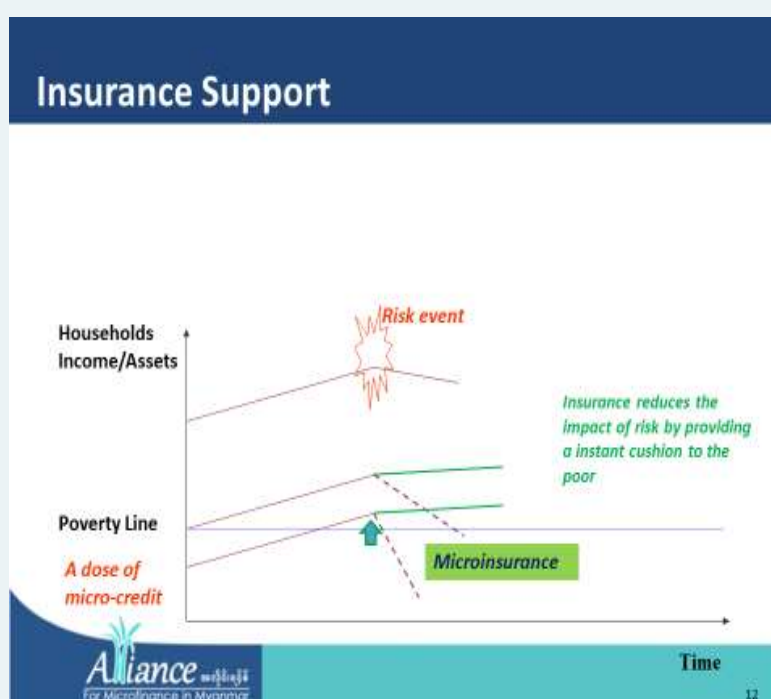
2.2.1 Role of Micro Insurance in Poverty Reduction/ coping up with the vulnerabilities:

Often the poor/ vulnerable population will be in a greater impact of the shock. The assumption is that, with a dose of Micro Credit, the poor could manage their livelihoods effectively to make progression to come out of poverty; in the absence of Risk Mitigation mechanisms any of the risk

event will pull them back to a more vulnerable situation. In the diagram, it was shown how the Risk event will impact the people across the various levels of poverty. The people who are better off will not be in a serious effect, while the people below the poverty line and just above the poverty line will be affected significantly and result in falling back into the worst situation.

Hence Insurance as a risk mitigation mechanism will give them the cushion to deal with the exigencies/ shocks to continue their progression without being affected by the shock; in the diagram, it is shown with a green line indicating how the insurance will help the poor to keep continuing their livelihood. And the absence of the Insurance is shown with dotted lines.

“Insurance reduces the impact of the risk by providing an instant cushion to the poor”



2.2.2 Characteristics of the Insurable poor

Majority of the Micro Finance institutions will be working with the active Poor, who are involving to various income generating activities. In this section, a list of assumptions on the common characteristics of the vulnerable population is shown below.

Vulnerable to risks	The target population of insurable poor will be more vulnerable to various risks.
Often work in the informal economy	As outlined earlier most of these people will be engaged in the informal economy which is prone to severe fluctuations
Irregular cash flows	The cash flows are often fluctuating and consistency in cash flows is an issue

Affordability is an issue	Often the people will have very little surplus, even though they are willing to take up the covers, they may not be in an affordable position due to their little surplus
Manage risks through myriad of informal means, including social networks	Often people will combat with the risks with their traditional and social networks; some of them include falling back on the savings, loans from the near and dear and social tie up to deal with the contingencies
Limited familiarity with formal insurance	Familiarity/ awareness on the formal insurance is an issue, generally many of the people will not have the access to information/ service
May not trust insurance companies	Due to several breakdowns in the society often, people will have a mistrust on the system. Hence initially it would require to build the confident/trust among the people

2.3 History of Insurance Sector in Myanmar

The Insurance sector in Myanmar dates back to before Burma's independence from the British Rule. During that time, a large number of local and foreign insurance companies operated in the country. As per the available information, there are two private insurance companies, ***the Burma National Insurance Company (BNIC) and the Burma Insurance Company (BIC)*** entered the insurance business before the Second World War, somewhere around 1940.

Some Insurance Companies during the pre-independence (during the years 1845 – 1897);

Sr. No	Name of Insurance Company	Year of Entry into Myanmar
1	The Alliance Insurance Co., Ltd	1845
2	The Imperial Insurance Co., Ltd	1845
3	The Northern Insurance Co., Ltd	1860
4	The Royal Insurance Co., Ltd	1863
5	The Sun Insurance Co., Ltd	1878
6	The Liverpool-London & Global Insurance Co., Ltd	1870
7	The North British & Mercantile Insurance Co., Ltd	1878
8	The London & Lancashire Insurance Co., Ltd	1880
9	The London Insurance Co., Ltd	1883
10	Phoenix Assurance Co., Ltd	1883
11	Atlas Assurance Co., Ltd	1886

12	The New Zealand Insurance Co., Ltd	1889
13	The Commercial Union Assurance Co., Ltd	1890
14	The Royal Exchange Assurance	1891
15	The Scottish Union & National Assurance Co., Ltd	1891
16	Norwich Union National Assurance Co., Ltd	1897
17	Yorkshire Insurance Co., Ltd	1897
18	The Caledonian Insurance Co., Ltd	1897

Under the British colonial rule, the number of companies increased to nearly 110 and these companies were generating different classes of insurance business. The foreign insurers have dominated the industry for a period of 100 years before the independence; during this time, it was noticed that only two insurance companies owned by Burmese citizens were operating;

After the independence, there were several changes in the Insurance Industry. A major change in the insurance sector took place in 1952 when the BNIC was nationalized and its name was changed to **State Insurance Corporation (SIC)**. Rather than operate as an independent entity, SIC became a division of the People's Bank of the Union of Burma (PBUB) to conduct Life and General insurance business in the country. Apart from the BIC there were around 100 private insurance companies used to conduct Insurance Business at that time

The second major change was, monopoly of Life insurance business – all the private insurance companies were prohibited to transact life insurance business in 1959

- Agency network expanded to 30,000
- In the year 1964 all the private insurance companies were abolished by military junta and the monopoly had been given to the state-owned enterprise
- All the agency networks were abolished by the government in 1969
- Previously the Myanmar Socialist government introduced some insurance products focussing on the farmers. It was observed that during 1980 there were special products for Peasant Life insurance, Cattle, and Livestock Insurance that were abolished again in the year 1988. The details for the same are not available.

2.3.1 Chronology of Development of Insurance Sector – Myanmar

1952	STATE INSURANCE CORPORATION LAW was established, BNIC was nationalized, and the name changed to SIC
1959	UNION INSURANCE BOARD was established and all private insurance companies were nationalised and put under a new state-owned insurance company called Union Insurance Corporation (UIC)

1964	The socialist government abolished formation of any private insurance companies in the future
1975	INSURANCE BUSINESS LAW OF 1975 (Pyithu Hluttaw Law No. 10) was established to regulate insurance business in the country
1976	State-owned Myanma Insurance Corporation (MIC) was established and all insurance business in the country was handed over to this company.
1993	MYANMAR INSURANCE LAW and INSURANCE BUSINESS LAW was established. The Insurance Business Law (Pyithu Hluttaw Law No. 10 of 1975) was repealed. The Myanmar Insurance Law and The Insurance Business Law were established authorising MIC to conduct 17 types of insurance business (1 life; 16 general) in Myanmar. Rules for Board of Directors and Management of MIC established. Insurance Business Supervisory Board (IBSB) established. IBSB was authorised to grant licence to private companies to conduct insurance business and supervise them. However, public were not invited to apply for insurance licence.
1997	MYANMAR INSURANCE BUSINESS LAW: The Myanmar Insurance Business Law was established ending the monopoly of stated owned Myanmar Insurance Corporation, which operated as sole insurer since 1976. The law allowed formation of private insurance companies. Insurance Business Supervisory Board was formed. However, public were not invited to apply for insurance licence.
2013	STATE-RUN INSURANCE MONOPOLY FINALLY ENDED: Private citizens were allowed to establish insurance companies and apply for insurance licence. IBSB conditionally approved 12 private insurance companies (3 life + 9 composite). Private insurance companies were allowed to offer only 7 types of insurance products. MIC continued to operate as stated-owned insurance company and offer all 17 insurance products. This was gradually increased to 48 products
2014	First National Insurance Company (FNI) commenced operations on 24 June 2014. It was the first private insurers to start operations out of 12 licensed companies.
2014	MIC launched SME Loan Insurance with technical assistance from GiZ and Sumitomo Misuri Bank of Japan.
2015	MYANMAR INSURANCE MARKET REFORM MEASURES (MIMRM): Chairman of IBSB announced that MIMRM would be launched before the end of 2015. Health insurance and crop insurance were part of the reform programme. Index-based weather insurance would be considered.

The effective nationalisation process of the insurance sector began, first, when all insurance businesses were nationalised and state-monopolised under the Union Insurance Corporation in 1959, and second when in 1964 the socialist government prohibited formation of any private insurance companies in the future. While the insurance sector flourished until 1963, insurance habits and awareness almost disappeared over the next few decades.

From late 1959 to 1976, all insurance business activities were centralised under the Insurance Division of the PBUB and UIC. Under the Union Bank Law (1975), banking functions were decentralised in 1976, and all insurance business was handed over to a newly formed state-owned insurance company named MIC. The Myanmar Insurance Law was enacted in 1993; it empowered MIC to engage in all insurance business activities (reinsurance business, determination of various insurance rates, etc.) exclusively.

Myanmar's regulatory standards are very basic and lack proper guidelines; the insurance market is dominated by the state-owned MIC. The Myanmar Insurance Law contains several provisions concerning compulsory insurance, which could only be effected through MIC:

- All government employees are required to buy life assurance.
- Owners of motor vehicles are required to buy third party liability insurance.
- An entrepreneur or organization operating an enterprise which may cause loss to state-owned properties or which may cause damage to the life and property of the public or which may cause pollution to the environment are required to buy compulsory general liability insurance.

The Insurance Business Law was enacted in 1993, which established the IBSB, controlled by the Ministry of Finance (MoF), and empowered it to scrutinise and decide on applications for business license of an insurer, underwriting agent or insurance broker, and to determine their capital and limits of investment. However, the IBSB did not call for applications for insurance license from the private sector until 2012 and the monopoly of MIC continued.

2.3.2 Insurance Industry information: ¹²

Myanmar's insurance market is not developed yet, but as the country with one of the highest population in Southeast Asia, there is a huge potential for growth amid economic reforms. At present 0.03% of the country's GDP is from the insurance sector; economists forecast that Myanmar's insurance penetration rate would reach 1.4% by 2030.

Myanmar's insurance industry began the transition from a centrally controlled operation to something closer to a free market in late 2013, when IBSB invited insurance licence applications from private insurance companies as part of the financial sector reforms to diversify the provision of insurance services and to modernize the sector. 20 applications were received from private companies, out of which 12 met the requirements. The five-decade long monopoly of state-owned MIC was ended in 2013 with the establishment of twelve Myanmar national owned private insurance companies - three life insurers and nine composite insurers. Even more dramatically, the new democratic government announced that it would open the industry to foreign insurers in the future.

The government imposed very high capital requirements - Kyats 6 billion (US\$6.25 million) for life insurers, Kyats 40 billion (US\$41.66 million) for non-life insurers and Kyats 46 billion (US\$54.5 million). Insurance companies have to deposit 60% of their capital at a state-owned bank and can

¹ Insurance in Myanmar – Mr.Mosleh Ahmed

² <https://www.linkedin.com/pulse/insurance-myanmar-mosleh-ahmed>

withdraw this money only after one year. 10% of the capital must be deposited into an interest-bearing account with Myanmar Economic Bank (MEB) as a provision for emergency compensation, and the remaining 30% should be used to purchase treasury bonds. The companies have to pay a license fee of Kyats 3 million and an annual fee of Kyats 1 million. Operations must start within one year after licensing. Private insurers are only permitted to underwrite business in ten of the forty-eight recognised insurance categories in the country. State owned MIC would retain its monopoly over the remaining thirty-eight categories.

2.3.3 Regulatory Environment

- The Insurance Business Supervisory Board (IBSB) which reports to Ministry of Finance and Revenue – responsible for Licensing Insurers, underwriting agents and Insurance Brokers
- Myanma Insurance Corporation (MIC), the state-owned insurance company performs the work of the supervisory Board. Recently there is a change in this functionality, which was given to the Financial Regulatory Division (FRD) under the Ministry of Finance and Revenue (MoFR).
- Insurance and Insurance broking business must be conducted through either a company incorporated in Myanmar or a company established outside Myanmar with an established place of business in Myanmar
- Foreign Investment in the insurance Industry is not permitted as of now
- Even though the Foreign Insurers are not allowed to operate in Myanmar as of now, there are around 21 Foreign insurers having their rep. offices in country which engaged with the local insurers and regulator in capacity building programs
- Recently two Foreign Insurers have been allowed in a special case to underwrite some business in the special economic zone of Thilawa to cover some specific product lines.

2.3.4 Insurance Providers and products available in the Market

Name of the Insurer	Type of Insurer
First National Insurance Public Co., Ltd	Composite Insurer
IKBZ Insurance (Public) Co., Ltd.	Composite Insurer
Young Insurance Global Co., Ltd.,	Composite Insurer
Global World Insurance Co., Ltd.,	Composite Insurer
Excellent Fortune Insurance Co., Ltd.	Composite Insurer
Aung Thitsar Oo Insurance Co., Ltd.,	Composite Insurer
Pillar of Truth Insurance Co., Ltd.	Composite Insurer
Ayeyar Myanmar Insurance Co., Ltd.,	Composite Insurer
Capital Life Insurance Co.,	Life Insurer
Citizen Business Insurance Public Ltd.	Life Insurer

2.3.5 Foreign Insurance Companies – Presence in Myanmar³

The world's top insurance firms are setting their sights on Myanmar. The opportunities are many; a large population, economic reforms and natural resources could combine to create rising wealth among Myanmar's people. Nearly 60 million population makes Myanmar as one of the highest population countries in the region. Per capita gross domestic product is also over \$850, near the \$1,000 mark that the threshold said by insurer where individuals begin buying insurance. There is also money to be made by providing cover for the impending boom in construction projects. It is estimated that the country will eventually generate between Kyats 1.3 trillion (US\$1.35 billion) and Kyats 2.4 trillion (US\$2.5 billion) of insurance premium revenue every year. The market is likely to prove lucrative for foreign insurers.

The year 2014 saw several multinational insurers establishing their representative offices and making themselves ideally positioned to enter the Myanmar insurance market as soon as it is opens to foreign investment. The companies that have representative offices in Myanmar at present are:

- Sampo Japan Insurance
- Mitsui Sumi Tomo Insurance Co
- Tokio Marine & Nichido Fire Insurance Co
- Taioyo-Life Insurance Co, Poema Insurance
- American International Assurance Co
- The Great Eastern Life Assurance Co
- Prudential Holdings, ACE INA International Holdings
- Pana Harrison (Asia) Pte
- Manulife Financial Life Insurance
- Muang Thai Life Assurance and Willis Co.
- ACE INA International Holdings
- Willis Co

These representative offices are providing training and consultancy services to both domestic insurers and the country's insurance regulator currently. This process will allow these multinationals to gain key strategic insights and contacts in the Myanmar insurance industry, and grant them an early-mover advantage that could be worth hundreds of millions in dollars once the market opens to foreign insurers.

In May 2015, the government permitted three Japanese insurance companies, Sampo Japan Nipponkoa, Mitsui Sumi Tomo Insurance Co and Tokio Marine & Nichido Fire Insurance Co to

³ Insurance in Myanmar – Mr.Moseleh Uddin Ahmed

operate within the Thilawa Special Economic Zone (TSEZ). These three companies, that had representative offices in the country for over two decades, are now allowed to operate inside the TSEZ only and cannot operate in any other region. They are allowed to issue marine cargo, building risk, and cash transfer insurance policies only.

2.3.6 Unregulated Insurance Schemes

⁴Unregulated insurance (insurance not obtained from an insurance company) comprised of adults who borrow from or have savings with MFIs as well as adults who reported belonging to an unregulated risk mitigation group like a funeral aid association or social welfare association. Overall take up of unregulated insurance was reported as higher than take-up of insurance products for both Farmers (2% total regulated Vs. 7 % total unregulated) and Farm Workers (0 % regulated vs. 7 % total unregulated)

In the absence of Micro insurance, some MFIs in Myanmar have introduced beneficiary welfare funds. These funds will be maintained internally by the MFIs by collecting 1 % of the disbursed amount. In case of customer death, the loan will be written off from the fund; some of the MFIs like PACT contributing 1 % of the monthly gross income to the Beneficiary Welfare Program(BWP) fund at the end of each month and covering various risks for the natural calamity including the child birth benefit.

Beneficiary Welfare program of PACT Myanmar

PACT Myanmar is offering a Beneficiary Welfare program covering business risks, loss of assets caused by natural hazards, accident and death.

Eligibility:

- Should be an PGMF (pact global Micro Finance) client
- Take at least one loan per year to continue the coverage under the program
- Agree to follow all the PGMF rules and regulations
- Dormant clients under 6 months are also eligible
- Drop out and dormant client exceeding 6 months period are not covered;
- Suicide is not covered under the program

Contributions:

Every Client has to contribute 1 % of income generating loan (for Business Loan, Extra loan, MSE loan and Agri Loan) and PGMF contributes 1 % of the monthly gross income to the Beneficiary Welfare Program (BWP) fund at the end of each month.

Benefits:

- There are two types of benefits available to the customers;
 - One time cash benefit

⁴ Map – Cenfri – Agri Finance-Summary note (2015)

- Settling the outstanding loans with the fund

Details of the Risk categories and specific Risks covered under the PGMF Beneficiary welfare program:

Risks category	Specific Risks covered	Amount of Coverage (Amount in Kyat)	Outstanding Write off	conditions
Life Risk	Loss of Life	100,000	Yes	Suicide not covered
Risks to property/ Assets	Fire	50000	Based on the severity of the event and upon assessment. In addition to the natural disasters mentioned, crop loss by drought is also been covered	Must inform to PGMF within 24 hours of the event occurrence
	Flood			
	Erosion			
	Localized Storm			
	Land Slide			
	Earth Quake			
Risks to Livestock	Livestock	No cash benefit	All natural disasters and epidemics transmitted diseases are also been covered	
Property	Boats and Nets	Max.50,000	Yes	If lost in storm
Maternity	Child Delivery	Min. 30,000 and Max 100,000	No	Cash benefit only

Program offered by World Vision

World Vision also covers all of its credit clients with compulsory risk cover. The cover was not designed with actuarial inputs, but the premium is charged at Kyat. 1000 flat on all loans (except for borrowers with educational loans). Which amounts to 0.43 % of the average value of loans disbursed. The policy provides liver cover for the borrower (Outstanding debt plus Kyat. 70,000), their spouse (Kyat. 50,000) and child (Kyat. 30,000). This cover is subject to a three-month waiting period from commencement of loan. Catastrophe cover is excluded from the insurance contract, as World Vision's policy is to cancel the outstanding debt (up to a maximum of Kyat. 600,000) in case of catastrophe.

2.4 Insurance Customer Survey – Alliance

Alliance for Micro Finance in Myanmar (Alliance) granted with a deposit taking microfinance license in August 2014 and started operation from October 2014. Initially the loan and saving have been launched. The loans through JLG mechanism have been launched initially along with 4 kinds of savings products both in compulsory saving and voluntary savings.

As outlined earlier in the report, here the practice in the sector was, whenever a client passes away, the outstanding balance will be written off by the MFIs. Even Alliance also absorbed the same practice and we keep doing the write off the Loan outstanding in case of any eventuality of customer death.

It has been widely discussed and the write-off provision in case of customer death has been approved by the board with a mention that later in the time it should be explored to pass on the risk to the formal mechanism. Till date as of March 2016 around 7 customer deaths reported and all together an amount of Kyat. 664,276 (USD 600) has been written off. In all these cases, the loan outstanding has been written off.

As indicated in the earlier section, we believe vulnerable community has to be provided with enough services especially with the risk mitigation measures by the way of providing the Micro Insurance. For this, we aimed to conduct a sample survey to understand the vulnerability and experiences of the target clientele and to identify the risk issues, preferences along with the willingness, and affordability in the customer base.

2.4.1 Methodology and Sample size

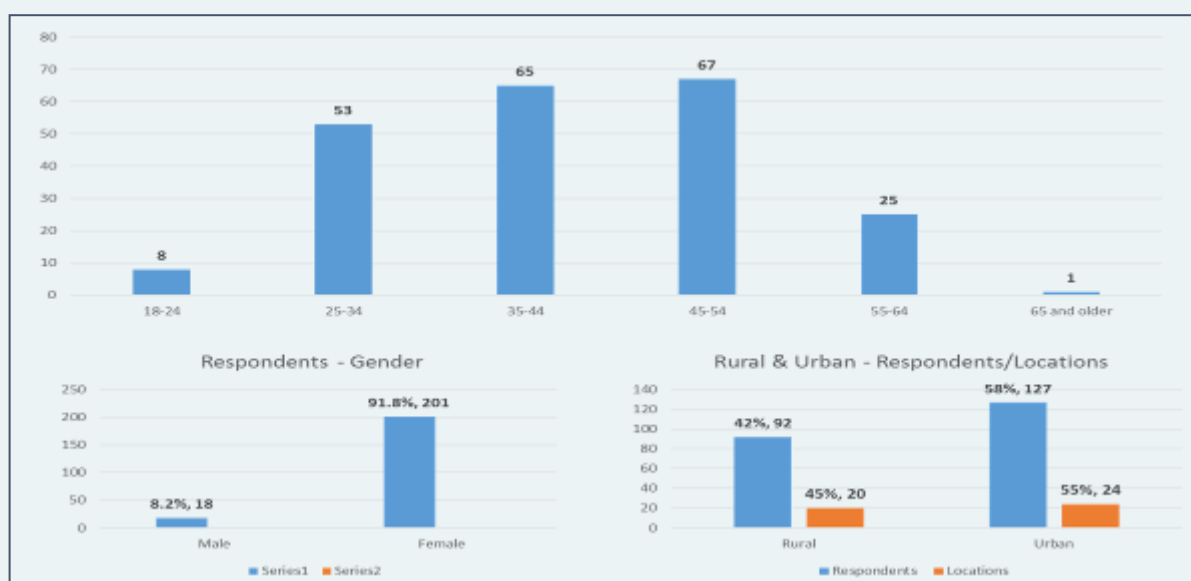
As on Feb 2016, Alliance has three branches catering to 13,000 customers with Loan and saving services. These clients spread across 130 physical locations (both urban and rural).

To have a representative sample, proper care has been taken by choosing the sample across the geographical locations covering both Urban, Rural and various occupations in all the Three Branches;

- A total of 219 clients (92 Rural and 127 Urban) are been interviewed through an individual questionnaire.
- 21 field staff across the 3 branches participated in the survey.
- A total of 44 locations (20 villages and 24 wards) are been the target locations to get the information.
- On top of this the result are been validated by conducting some Focus Groups(FGD) discussions.

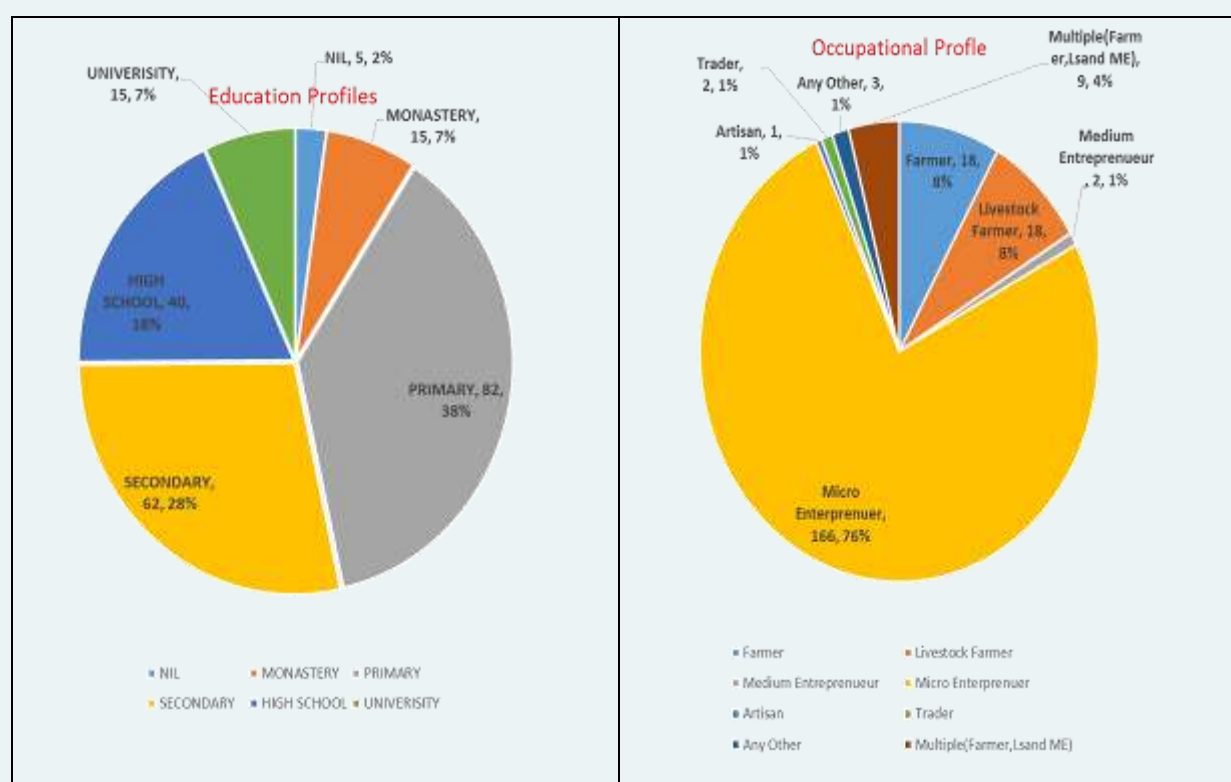
2.4.2 Age, Gender and Location of the Respondents

- Out of the 219 respondents, a major part of the respondents is from the age group of 35 to 54, which is the most productive and working class.
- In the Gender composition, there are 201 respondents (91 %) women and 18 (9%) men which is due to the customer base of alliance mostly inclined towards the women.
- On the Rural and Urban classification – we had 92 respondents (42%) from Rural and 127 respondents (58%) from Urban, which makes the proper representation of the sample.
- In the location selection a proper mix has been followed to have the representation from both Rural and urban.



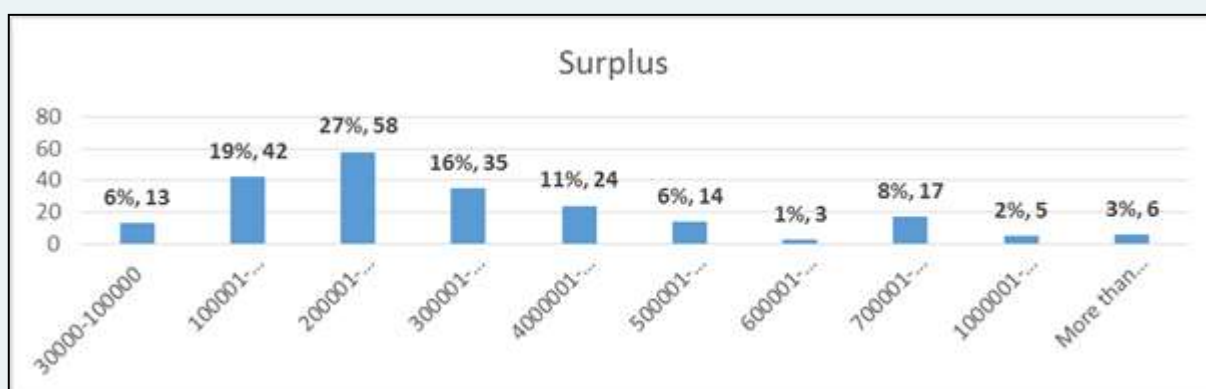
2.4.3 Profile of the Respondents

- The profile has been analyzed based on the occupations and the education background. In Myanmar, the literacy level is very high; around 80 % of the population can read and write as per the secondary research. Our survey also reflected the same.
- In the respondents, 38 % of the respondents had primary education, 28 % had the secondary, and 18 % had the high school education.
- 7 % reported the university level and only 2 % of the respondents are been the illiterates.
- On the Occupational profile – majority around 76 % (166 respondents) are from the Micro Entrepreneurs followed by 8 % (18) who are in to livestock and farming activities and 2 % medium entrepreneurs. It was reported that traders at 2 % and Artisans at 1 % of the respondents. 4 % (9 respondents) are having multiple occupations like Farm and Non-farm.
- Partly it was due to the client base, as we restricted the survey to the Alliance clients who are majorly the Non-Farm Micro Entrepreneurs which resulted this.



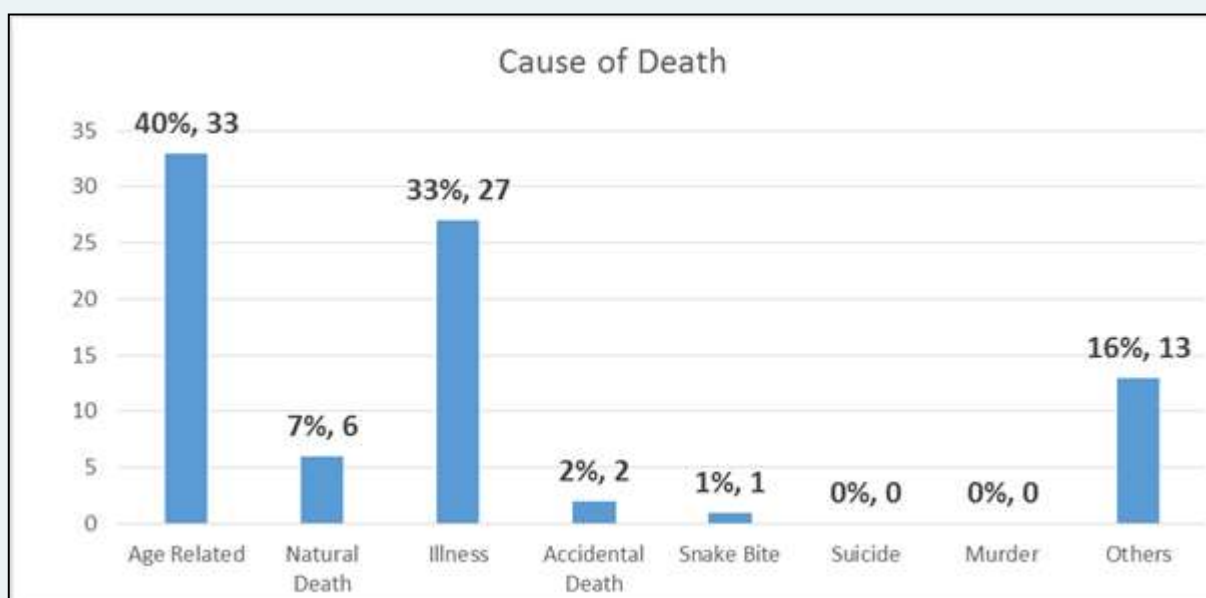
2.4.4 Income and Surplus

- On the Income analysis, majority of the customers (54 respondents – 25 %) reported the income level between Kyat. 400,000 to 600,000 followed by 21 % (46 respondents) in the range of 200,000 to 400,000 which is the target segment of Alliance for the JLG loans.
- On the surplus analysis, majority of respondents (58 respondents – 27 %) reported in the range of Kyat. 200,000 to 300,000 followed by (42 respondents – 19 %) in the range of Kyat. 100,000 to 200,000.
- 35 respondents – 16 % reported the surplus in the range of 300,000 to 400,000.



2.4.5 Life Risks – experience and causes:

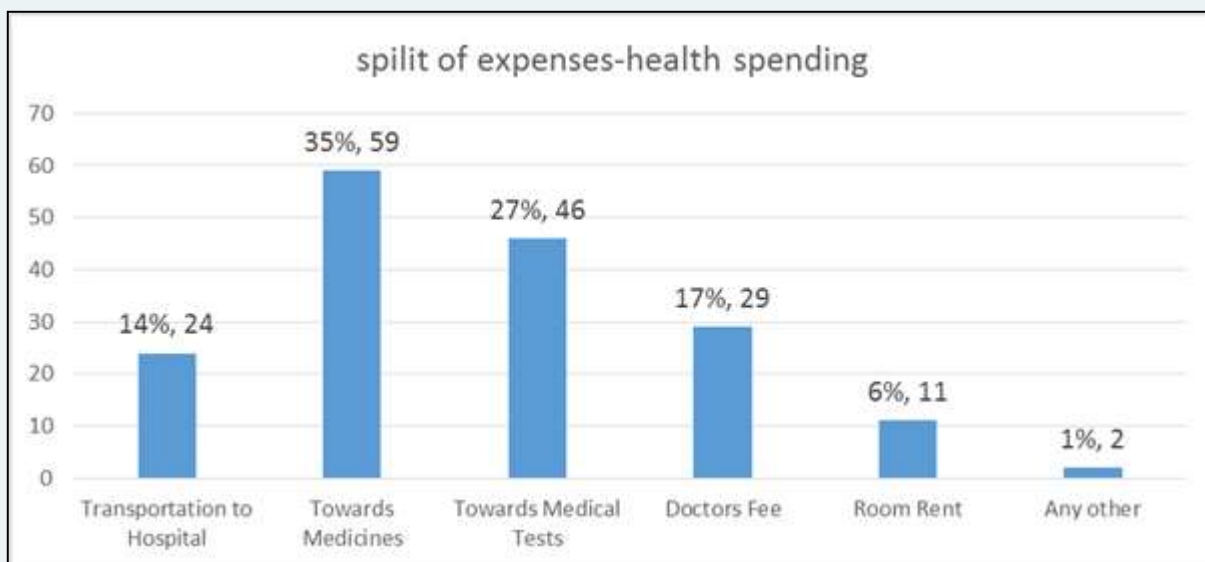
- In this section, the questionnaire aimed to record the incidents happening in the last 10 years in the household along with the cause of death.
- Out of 219 of the sample, 76 households reported a total of 90 death cases in the family
- According to the cause of death, the major cause of death is Age related and natural death accounts for 47 % (39 cases) and in 33 % (27 cases). It was reported “Illness” as cause of death and 2 % due to Accidents and 1 % from snake bite.
- There was no incidence of suicides/ Murders reported in the sample.



2.4.6 Health Risks – experience, spending pattern and sources of funding

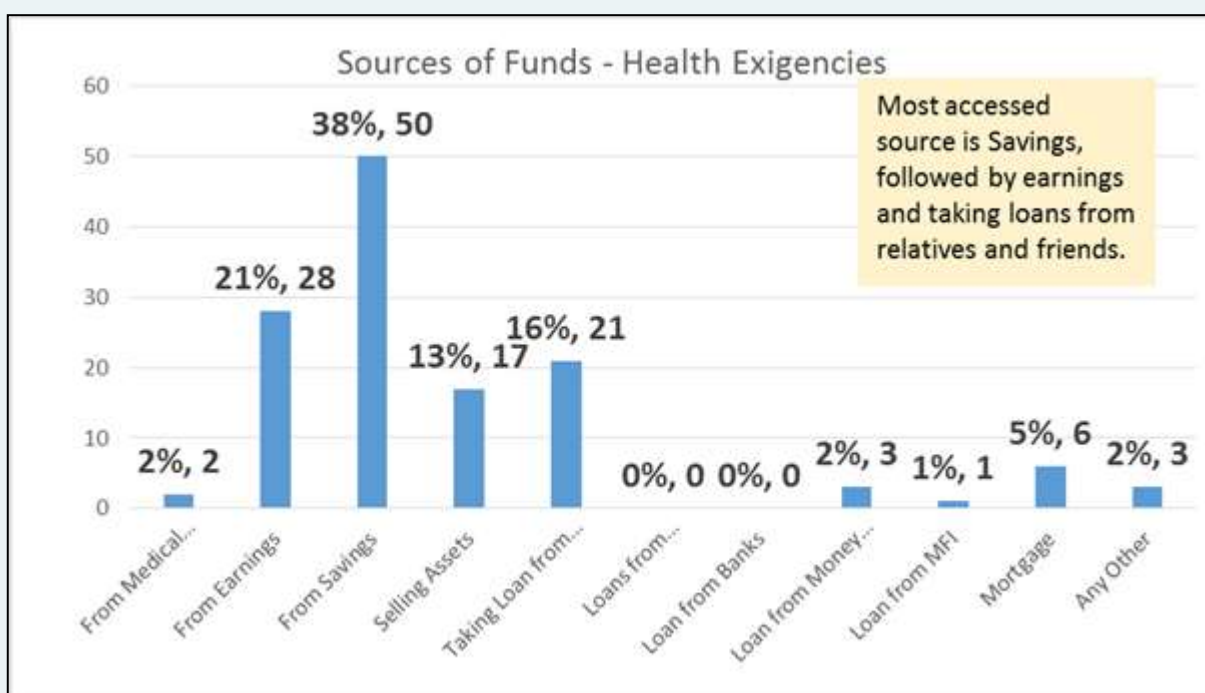
In this section, the questionnaire aimed to examine the incidence of health sufferings and to identify the major expenses as the respondent experienced

- 119 Households (54%) reported a health event in the household in last 3 years. Out of 119 incidents, only 83 people (69%) are been admitted to a hospital.
- It came out that Average days of Hospitalization is in the range of 15.9 days.
- Average days of Absence from work was stood at 37.8 days.
- Average wage loss arrived at Kyat. 242,706 (as per the experience)
- Health Spending:
 - Out of the 83 cases, the experience shows that 35 % of cases (59 incidents) reported that majority of the expenses go to medicines;
 - Followed by this people felt Medical Tests (27%) and Doctor Fee (17%) and Transportation (14%) as the major items of health spending.



Sources of Funds for the Health Exigencies:

- Majority of the respondents around 38 % expressed they managed the health events from the savings and 21 % shared that they managed it with the earnings from the activity;
- 16 % (21 respondents) reported they managed by taking Loan from Relatives and Friends, which has no interest;
- 13 % (17 cases) was reported that they managed the event by selling some of their assets.



Prominent deceases/risks in Health

- Further in the health questionnaire an attempt has been made to identify from the target audients what are the prominent health risks across the seasons;
- It was based on their own experience – from the health issues and also from the observation in the areas. Which has been validated with the FGDs and arrived at the table below;

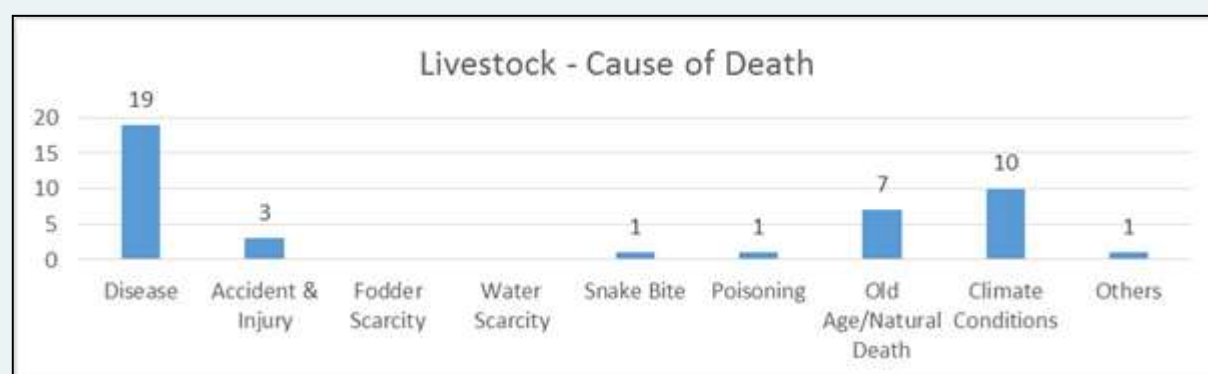
Summer	Rainy	Winter
Chicken Pox	Dengue	Cold, Cough and Fever
Eye Decease	Diarrhea	Dengue
Heat Stroke	Influenza	Pneumonia
Diarrhea		Bronchitis

2.4.7 Risks to Livestock

- The section on Livestock is very limited as majority of the clientele are Non-Farm sector we had very little sample for the Livestock rearing;
- The most prominent livestock includes Pigs, Cows, and Water Buffalo. Some people reported Ducks and Goats as well;
- In 3 cases, it was reported that Aqua Culture (Fish Ponds).

Risks as experienced and Cause of Death:

- The major cause of death is Disease outbreak followed by climatic conditions like Heat/ cold waves, heavy rain, flood and drought.



Seasonality of the Risks to Livestock

- An attempt has been made to find out which season is more risky for the livestock.
- Out of the respondents' majority reported that summer is the most risky season followed by winter.
- More accurately, it was indicted that April is the most disastrous month for the livestock risks.



2.4.8 Risks to Property:

In the Risks to property, it has been a very less experience of loss but unanimously people reported Fire as the biggest risks to their property/ Assets.

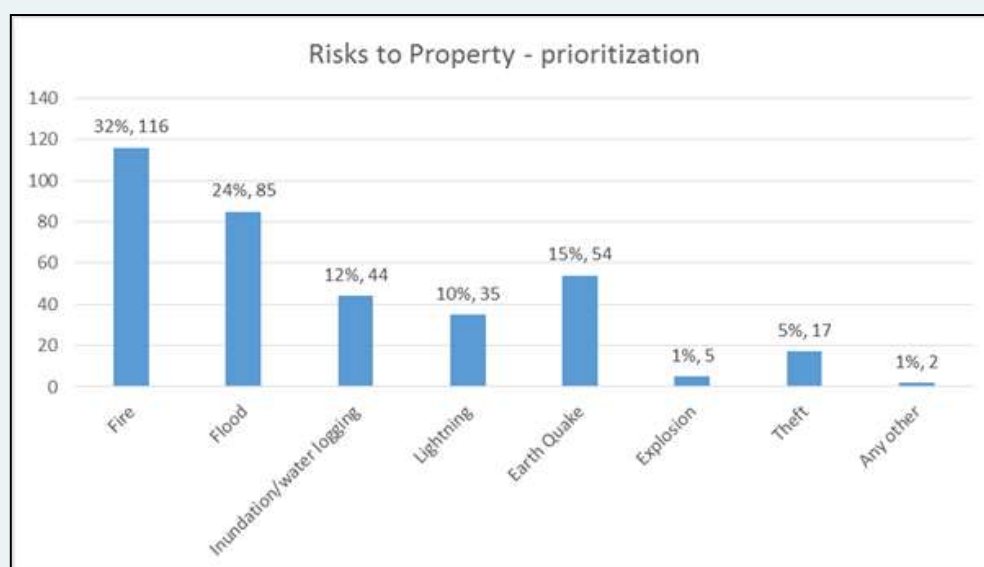
Season wise Risk perception as per the survey result:

- The below table is the consolidation of the responses how the respondents perceived the risks to the property across various seasons;
- One thing in common is the Fire and mostly the Earth Quake Risk.

Summer	Rainy	Winter
Fire	Flood	Fire
Earth Quake	Lightning	Flood
Wind	Fire	Earth Quake
		Inundation, Lightning and Theft

Prioritization of various perils to Property/ Assets

- From the survey, 116 respondents (32 %) opted Fire as the most preferred cover they would like to have, 85 respondents (24 %) felt that flood is the second most priority and 54 respondents (15%) reported the risk of Earth Quake.
- Inundation and water logging and lighting have been chosen by 44 (12%) and 35 (10%) of the respondents as the risks to be covered.

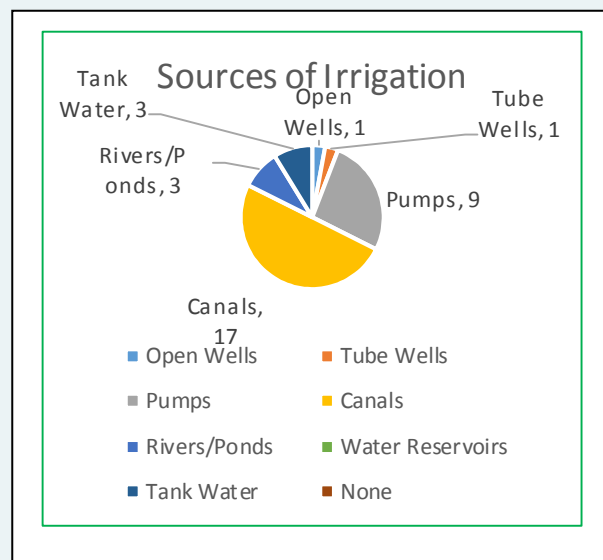


2.4.9 Risks to Agriculture:

Major Crops grown in the Area and sources of irrigation:

As of now being Alliance is not having the products catering to the Agriculture community, we had very little responses in this category;

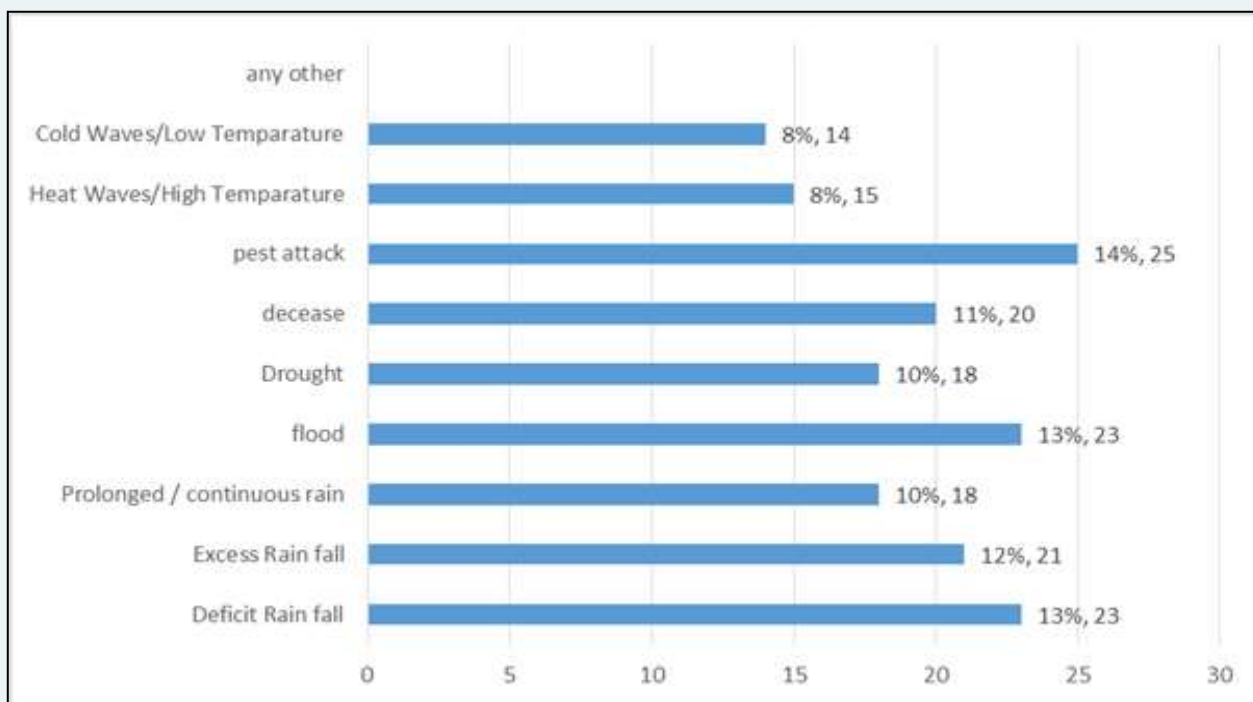
- The major crops grown in the areas are Paddy, Flowers, Spices and Pulses. Some of the respondents reported the Mushroom as well, but being it is being grown in a particular area it may not be worth to mention mushroom as one of the crops
- On the Irrigation sources includes canals, pumps, rivers/ponds and water tanks. Canals being the major source of irrigation



Agriculture – Risk Mapping and Prioritization

Being the sample size and target customers are very less in number, it needs further exploration to decide on the risk mapping. Based on the survey;

- 25 respondents (14%) opted for Pest attack as the foremost risk to crop
- 23 respondents (13%) opted for Flood as the risk
- Deficit Rain Fall has been opted by 23 respondents (13%)
- Excess rain fall has been opted by 21 respondents (12%)
- Followed by this Prolonged/continuous rain and Heat wave/High temperatures, cold waves/Low temperatures are also opted by the respondents. Please see the diagram for more detail;

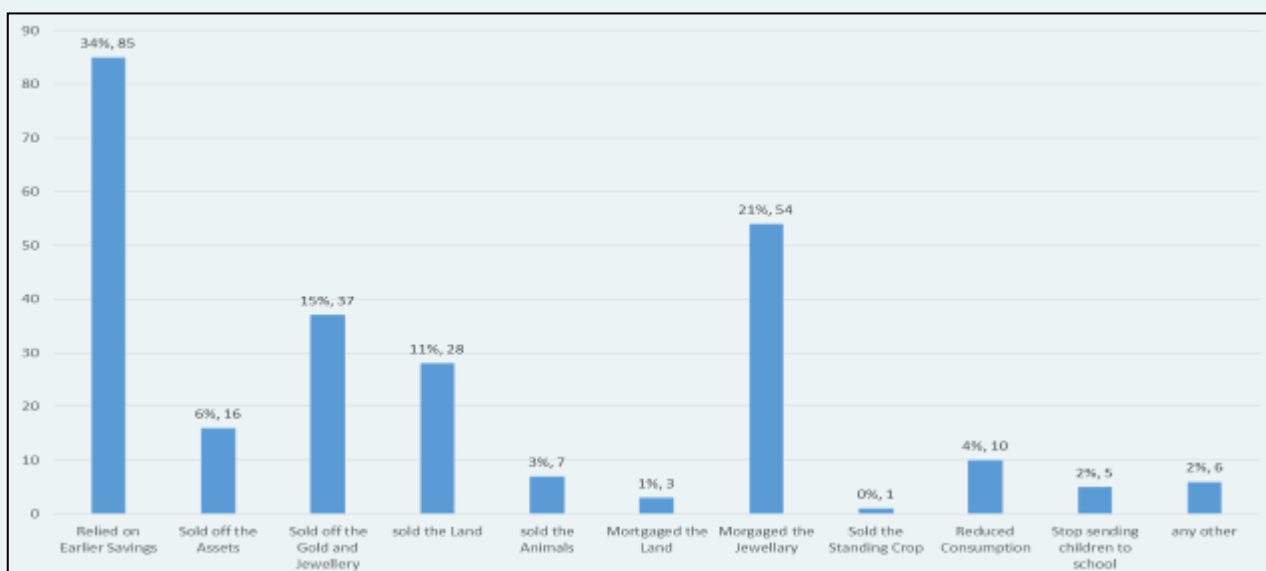


2.4.10 Coping Mechanisms:

Various forms of coping

On the coping mechanisms, we learned that majority of the respondents around 35 (34%) opined that they will rely on Earlier Savings, 54 respondents (21%) expressed they mortgaged the jewelry and 37 respondents (15 %) reported they sold off the gold and jewelry. Further to this, 28 respondents (11%) reported sale of land as a coping mechanism to the shock. Minor population mentioned about Livestock sale and other issues.

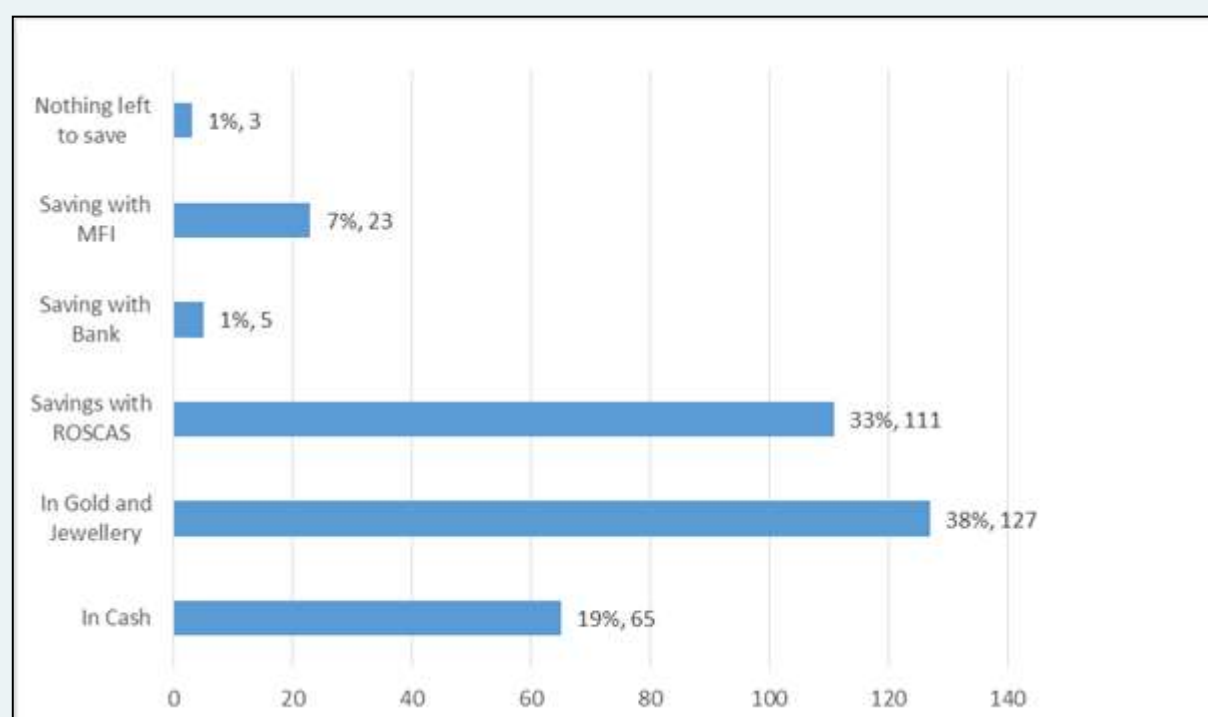
Over all the major coping mechanisms are Savings, Gold and Jewelry Mortgage and Sale



Prominent forms of savings

As it was mentioned by majority of the respondents that in the event of contingency they would be relying back on the savings. Hence, we further investigated on the prominent forms of savings in the community.

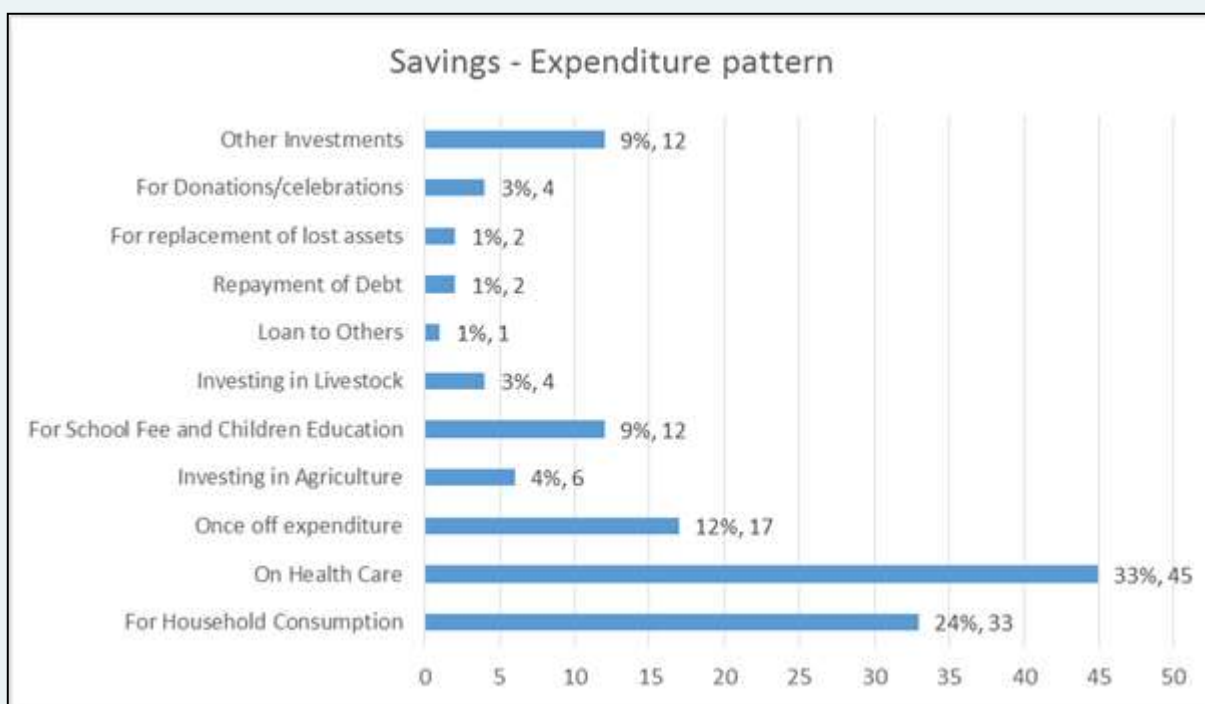
- It was made clear from the survey that majority 127 respondents (38%) confirmed that investment in Gold and Jeweler is the best form of savings. It is on the fact that it is easy to get the liquidity with this form of savings.
- Savings with ROSCAs has been expressed by 111(33 %) of the respondents.
- 65 respondents (19%) felt cash saving as an option.
- Saving with MFI and Bank accounts for 28 (8 %) of the respondents.



Usage of savings for various reasons

On the contingencies/ risks, an attempt has been made to found out what are the major expenditure pattern for the savings;

- It was learned that 45 respondents (33%) spend the savings on Health Care
- 33 respondents (24%) spend on the Household consumption
- 17 respondents (12 %) spend on the once off expenditures (like the donations and other onetime expenditure)



2.4.11 Insurance Awareness and willingness

Insurance Awareness and access makes a significant difference. As the target clientele are Urban and Semi Urban in nature, the awareness level is quite high. On the top of this group, the literacy levels are also high; the awareness/ information on the Insurance is prevailing in the community.

- Out of 219 respondents, 101 respondents (48%) reported that they are heard about insurance

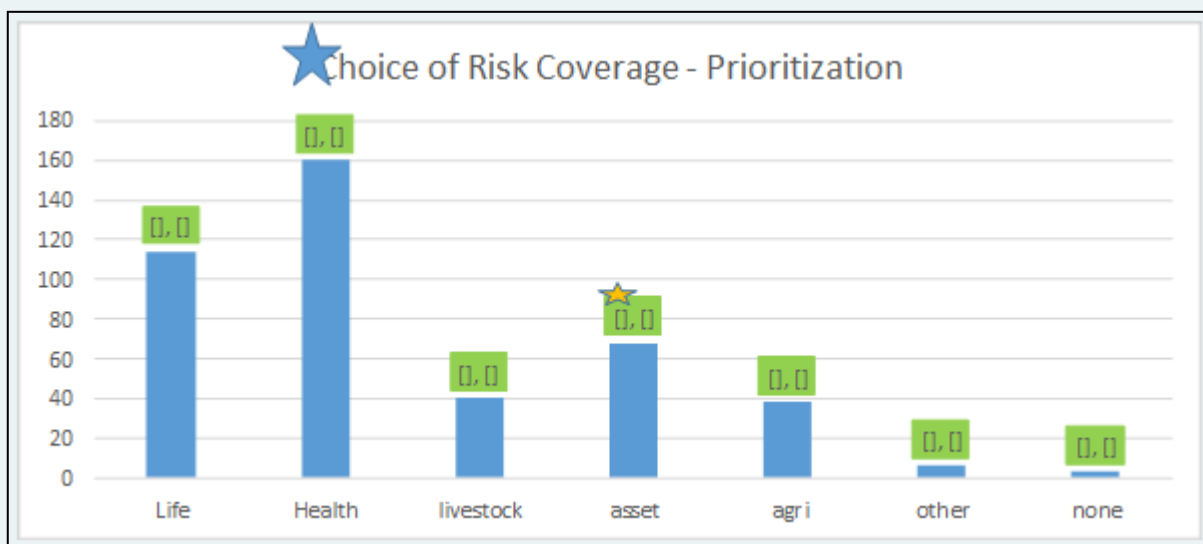
Reasons for non-awareness/ low take up of insurance

For the reasons of not being insured, the prominent reasons come to the access and the approach. several people around 40 % reported that so far no one visited them for Insurance. Hence they don't know how insurance works.

Willingness to wards insurance and Risk prioritization as per the choice

On the willingness towards insurance, majority of the people will be interested to take up the insurance if Alliance considers to offer it.

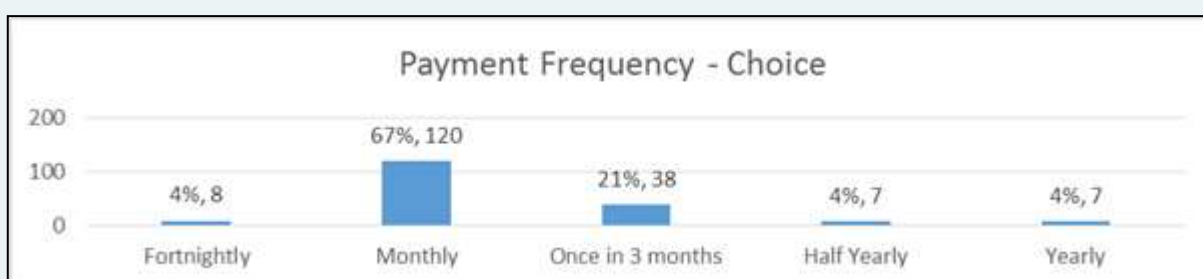
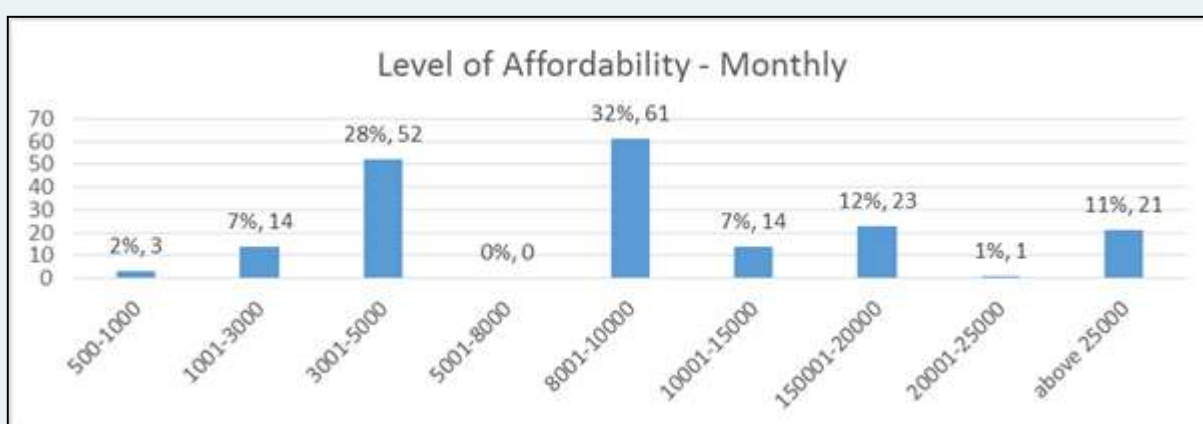
Further to this, we explored the option/ preference between the Life and other classes of insurance and as per the customer preference. Health is the most prominent risk and they are expecting to be covered by Life and Asset Insurance.



Affordability and payment options

In terms of the affordability, majority of the respondents are in the range of Kyat. 5000 to 10,000 per month. Around 32 % of the respondents are in the range of Kyat. 8000 to Kyat. 10,000 per month.

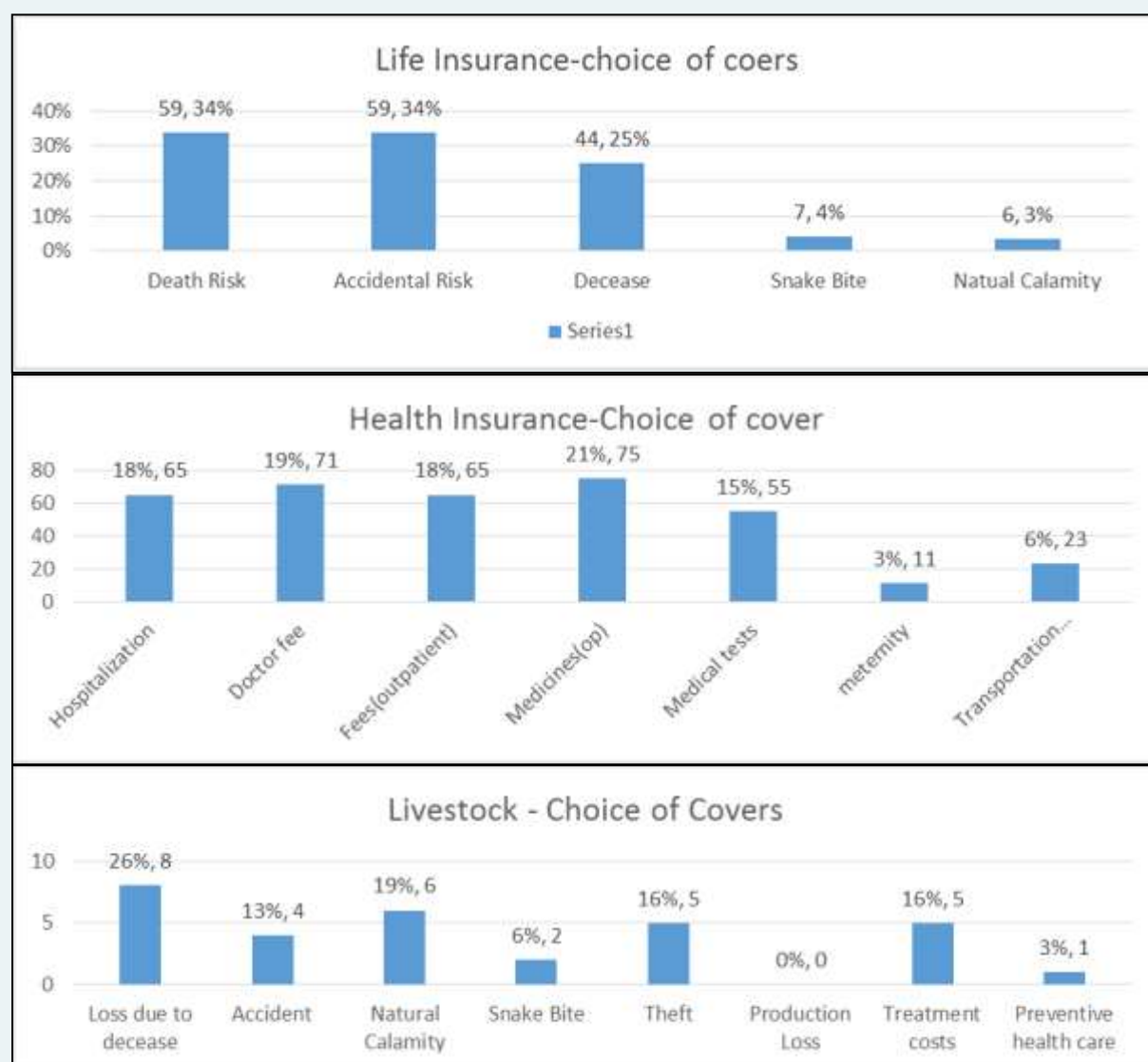
67 % responded that the frequency of payment should be monthly. When we asked for the fortnight payment , some of the people believe it may be little burden for them if we club the payment along with the collection of loan installment. It needs further discussion and dialogue to find out the more appropriate frequency of premium payment.

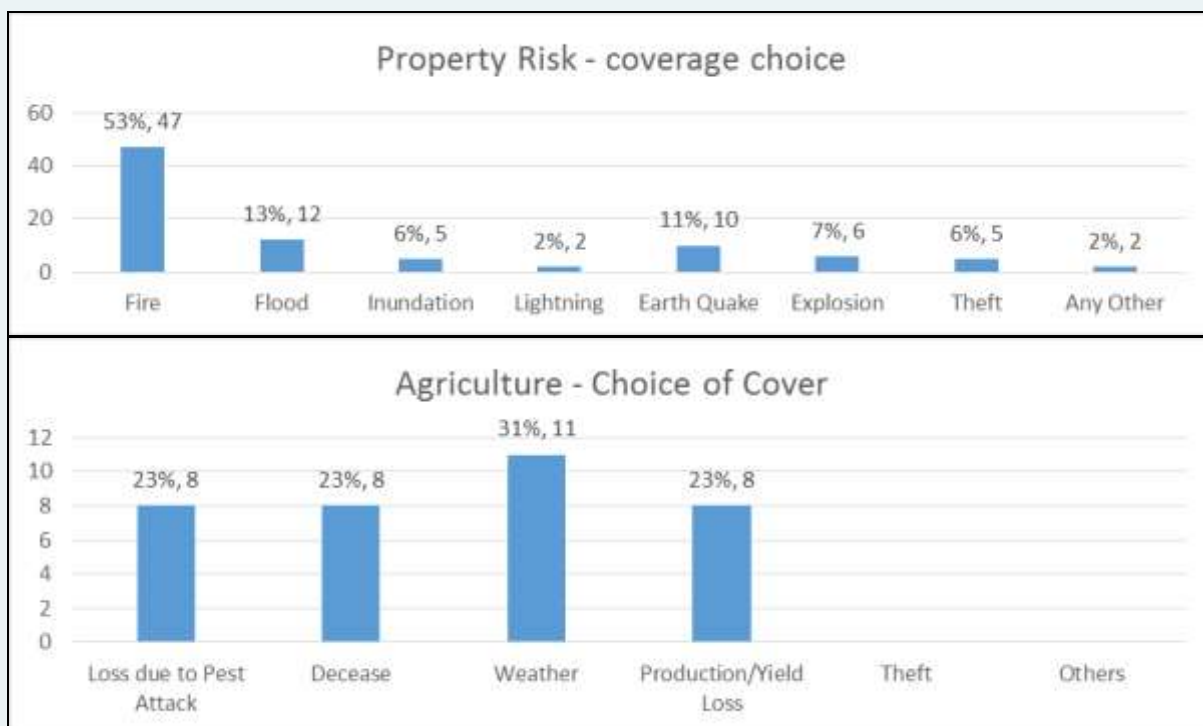


Coverage parameters as per the choice across the Risk Classes

At last, in each risk class we explored the specific parameters/ risks to be covered as per the choice of the customer. It has been done for all the product classes (life and non-life)

- In Life Insurance, the parameters to cover are Death Risk, Accidental Risk and Death due to decease.
- In Health Insurance, it was indicated that Medicine costs (inpatient and outpatient) Doctor Fee, Hospital charges and medical tests occupies the priority.
- In the Livestock Risk – Death due to decease, natural calamity risk, accident and treatment costs are prioritized.
- Property Risk Fire is the most prominent cover everyone mostly would like to be covered, followed by Flood and Earth Quake.
- Under the Agriculture – Weather, Decease, production/ yield loss and pest attack are prioritized.





2.4.12 Summary of Survey Findings:

- Out of 219 Households participated in the survey, 192 households have more than one member earning in the family (mostly the wife and husband). It is evident that both wife and husband are occupied and they both contribute to the household economy. Absence of any one of them will affect the household. Hence, we can explore the possibility of providing insurance cover to the spouse as well along with the customer.
- The literacy level is very high, only 2 % of sample reported as illiterate. This is going to be advantage for rolling out of Insurance. 175 respondents (79%) own their mobile phones of (mostly the smart phones) so customer contact and communication will be easier. Insurers can plan something with the mobile based communication and awareness building programs.
- Around 76 % of the sample is from the Micro entrepreneurs, and majority of them is Alliance clients. This set of customers will need Health, Life and property risk (mostly Fire, Flood and Theft).
- In the Life Risk, the prominent cause of death is illness (27 cases reported – 33 %). Due to the betel/ tobacco many of them are suffering in lung cancers and some of them are affected with the liver and other deceases.
- It was observed that many of the Households are suffering with Health events at least once in two years. In the Health spending, majority of the expenditure is going to Medicines, medical Tests and Doctor Fee.
- The major source of financing for the health events seems to be savings, earnings and in some cases, the loans from relatives and friends without any interest.

- In the property risk, the single most risk worried by many people is Fire Risk followed by Flood and Earth Quake.
- Livestock risk prioritization includes Decease, natural calamities and preventive health care cost.
- Risks to Agriculture is expressed as Pest attack, Flood, Deficit Rain fall and excess rain fall.
- General coping mechanisms identified are savings, mortgage of gold and selling off the gold in majority of the cases.
- Prominent saving forms include investment in Gold and Jewellery and savings with ROSCAS.
- Majority of the savings and earnings are expended on Health Care (33 %), consumption (24%) and Once off expenditures (12 %).
- In the prioritization of covers, health is the most preferred followed by Life, assets and agriculture.
- On the willingness 99 % of the clients are willing to take up insurance and on the affordability, it ranges between Kyat. 5000 to 10,000 per month. Majority is between Kyat. 8,000 to 10,000 per month and the preferred frequency expressed was Monthly mode.

Table showing prioritization of Risks and various Perils: (as per the survey results)

Risk Priority – as per the survey results	Choice of perils in order of their choice/option
Health Insurance - 37 % (160 respondents)	<ul style="list-style-type: none"> • Medicine Costs • Doctor Fee • Room Charges • Medical Tests • Outpatient costs • Wage Loss
Life Insurance – 27 % (114 Respondents)	<ul style="list-style-type: none"> • Natural Death • Accidental Death • Death Due to Decease • Snake Bite • Death due to natural calamities
Asset/property Insurance – 16 % (68 respondents)	<ul style="list-style-type: none"> • Fire • Flood

	<ul style="list-style-type: none"> • Earth Quake • Explosion • Inundation • Theft
Livestock Insurance – 10 % (40 respondents)	<ul style="list-style-type: none"> • Loss of Livestock due to decease • Death due to natural calamities (flood/drought) • Treatment and preventive health care cost • Death due to Accident • Theft
Agriculture insurance – 9 % (38 respondents)	<ul style="list-style-type: none"> • Loss of crop due to weather • Loss due to Pest • Loss of crop due to decease • Production/ yield loss

2.4.13 Interactions with the Insurance Companies

To explore the possibility of working with a formal insurer, an attempt has been made by meeting some of the top insurance companies in the private sector as well as the state owned Myanmar Insurance Corporation.

The interaction is very fruitful in understand their willingness and readiness towards the sector;

The companies interacted were;

- IKBZ Insurance co., Ltd.
- Myanmar Insurance
- Aung Thitsar Oo Insurance Co., Ltd.,
- Grand Guardian Insurance

All these companies are the composite Insurers (dealing with Life and Non-Life product categories)

- All the Insurance companies interacted are very much interested to work with the Micro Finance Sector. Both the state owned and the private insurers are shown interest towards serving the micro finance clientele.

- But the point of concern from the private insurers is, they would like to check/ seek clarification from the Insurance Regulator before starting it up.
- MIC is very much open to the idea of covering the Micro Finance Clients and they asked us to submit a proposal in this direction.
- Even in the private insurers Grand Guardian shown very much interest to explore the idea.
- The idea come up as, MFI working as Agent to the formal insurance company, in this way the MFI can arrange the cover for its customers and in turn it will receive a fixed amount of commission from the premiums.
- But at present Corporate Agency/ Institutional Agency as a channel is not in practice, as alternative, it was suggested to nominate one employee as an agent who can take up the insurance agency on behalf of the company – but it may not be a correct thing to establish the relation, hence we need to explore this further to grant of license on the name of the institution rather than the person (there can be a product head at each side to manage the relation).
- At present, there is a group life insurance product available in the market covering the employee - employer groups, as per the discussion it seems the same product can be explored to offered in the Creditor – Debtor groups by which we can cover our customers.
- In the discussion, it has also been explored on the expenses and costs required to implement the Micro Insurance by the way of capacity building for staff and the awareness building in the customers. Some of the insurance companies are of the opinion that even they can work with the channel partner to take up some initiatives and costs.

2.4.14 Consultation with the Financial Regulatory Department (FRD)

Post the interaction with the Insurers, to explore it further an attempt has been made to consult with the Financial Regulatory Department.

As defined in the Microfinance Business Law, 2011 – ***Microfinance business means issuing micro-credit to the basic class people, receiving deposits from them, carrying out remittance, doing insurance business, borrowing money from local, abroad, and carrying out other financial services***

- As per the Microfinance Business Law, the MFIs are intended to be allowed to transact the insurance business as well. We attempted to seek clarification from the FRD on this. FRD declares that the capacities of the MFIs are limited and the capital requirement of the MFI sector is very low compared to the Insurance sector, hence it may not be a right decision to allow the MFIs to operate as risk takers.
- Adding to this, FRD clarifies that in near future it is going to come out with some directive towards the Insurance Business within MFI Sector.
- FRD is open to the idea of MFIs participating in the distribution of Insurance by the way of acting as agents to the formal insurance company. In this case, MFIs will not take any risk carrier role and they will act as agents in the distribution chain and transfers the risk to the Insurer.

- FRD suggested to submit a proposal with the proposed modalities and with the product suit on which FRD can give the approval to go ahead.

2.4.15 Recommendations:

Business Relationship:

From the interactions and consultations with the Insurers and Financial Regulatory Department, it is very clear that as of now, launching the Insurance program in Alliance is possible as an intermediary but not as a risk carrier; hence, the following possibilities can be explored:

	Master Policy – without Agency arrangement	Master policy with Insurance Agency
Arrangement	Under Master policy “Alliance” will purchase a policy covering all its customers with defined features (like death cover, disability cover and any other which may be appropriate)	Under this arrangement the Master policy will be booked and Alliance will act as an agent to the Insurer
Policy Holder	Alliance will be the policy holder	Alliance is the policy holder and the agency as well. The business will be booked to agent code where the commission will be paid back to Alliance
Commission payment	Under master policy being alliance is the policy holder there will not be any commission received	Under this arrangement, Alliance will have a commission payout based on the product class. It ranges from 10 % to 20 % of the premiums
Policy Tenure	Can be decided mutually	Can be decided mutually
Policy servicing	Under this, the Insurer has to appoint his own personnel to service the claims – but <u>Alliance can negotiate for a joint resource/ cost sharing for facilitating the service at the field level</u> <u>In this arrangement Alliance can explore the possibility of charging the customer on a transaction based – which needs to be checked with the regulator</u>	Under this being Alliance is acting as an agent, it has the responsibility of service as well
Financials/ Income for Alliance	Every household will be charged with Insurance Administration charge (a fixed amount) on a transaction based mostly monthly (needs to be checked for the regulatory approval)	Will receive only the commission varies between 10 % to 20 % one time (on the premium)

- Either of the way is possible as of now, but it needs proper proposal and approval from the FRD.
- If Alliance thought of opting for the Agency, Alliance would have to identify employee/ group of employees who can be trained by the Insurer, and which is mandatory for grant of license.
- Upon receiving the license all the business coming from Alliance will be booked under the respective agency code and a proportionate commission (based on the product class) will be paid back to the agency – at present the commission vary between 10 % to 20 % of the premium amount.
- As of now there is no possibility of having the corporate/ institutional agency (corporate agency) – we need to explore the option of having a corporate agency instead of individual agency.
- Launch of Insurance program needs a lot of capacity building and awareness campaigns at the field level. All these efforts need lot of time and money. Hence, by negotiating the relationship modalities, Alliance should strive for a room for covering these expenses as a joint program with the insurance company.

On the selection of Insurer:

Myanmar Insurance market is having both Life and Composite (Life + Non-Life) Insurers. Based on our experience, the target clients' needs are wider so both life and non-life products are required to be distributed together in near future. Health, Asset/property and other risk categories are covered in General insurance. For the flexibility and convenience, it is recommended to explore working with a composite insurer at the beginning.

By working with a composite insurer, all the required products, both life and general, can be taken from a single insurer. This methodology will be beneficial and efficient to work out on the cross subsidization by seeing the entire portfolio as a single pool, rather than splitting it to different insurers.

On the Product Suit:

- On the product suit, as per the survey majority of the people opined that Health Insurance is more needed, but given the complexity of the product it is advisable to start with a simple Life Insurance product in addition to the Credit and Savings.
- Life Insurance can be easily administered and easily tagged along with both credit and saving products. For Loans, its definite amount (a formula based cover has to be agreed) and for savings, a fixed amount or X times of deposit can be given as insurance cover.

- The need of fulfilment and the ease of design Credit life are correlative; as the complexity of the need increase, it is more difficult to design the product (see the diagram).
- Even though there is clear demand exhibited by the clientele towards health insurance, considering the market conditions on the product availability and the infrastructure, offering health insurance is not possible so it still should be explored to go forward.
- It is suggested to rollout the Micro Insurance in a phased manner that starts with simple credit life/ savings life and slowly to introduce the remaining products (follow the higher needs and lower ease of design referred in the diagram).



Sample Product:

	Option I	Option II
Coverage for	Customer Alone	Customer + Spouse(can be considered)
Risk to be Covered	Life Risk and Disability	Life Risk and Disability
Sum Assured	X times of Loan (it is advised to have at least 1.5 time)	3 times of the Loan (1.5 times to each member)
Premium option	Along with the Loan/ Saving collections	Along with the Loan/ Saving Collection
Policy Tenure	Matching with the Loan/ Saving tenure	

- The reason behind proposing for 1.5 times of the loan amount is to bring in the angle of social responsibility to the program, refer the table for more clarity

Insurance cover	Advantage	Remark
Limiting to the Loan Outstanding	<ul style="list-style-type: none"> • It will cover only the portfolio and often it is criticized that it will safeguard the lender alone 	Family will have very little concern to support for the claim papers, as there is nothing they will get back
Limiting to the Loan Amount	<ul style="list-style-type: none"> • In this way, a little amount based on the loan outstanding can be given back to the family, but it may not be sufficient for them as a sizable amount 	
1.5 times of Loan amount	* in this option at any given point in time the family will receive at least 50 % of the loan amount as a claim, hence the amount will help them in managing the contingency and will be appreciated on a social angle	Family/ nominee will proactively support as there is a sizable amount of money they will receive – which will ease out the claim handling process
<ul style="list-style-type: none"> • An appropriate cover has to be chosen by looking at the premium options. 		

On the policy administration:

- Alliance has to enter in to an agreement with the Insurance company – to affect a master policy covering its customers.
- The policy has to be negotiated as a Master policy (either of the options of with Agency or without Agency).
- The customer data will be shared with the insurer on a fortnightly/monthly basis to effect/endorse the policy – with the change in customer, (this should include the new joiners in both loan and savings, and the account closures). It is with the notion that all the outstanding customer will be covered.
- Bank Soft (the MIS system of Alliance) is capable of generating the report for the insurer. If the agreed premium can be embedded to the system just like the interest accrual, the system can generate the Insurance premium accruals as well.
- On a specific time log the data has to be shared with the insurer along with the required premium.
- The MIS will clearly mention all the new customers and all the customer who finished their loans on a periodic basis; this should be the standardized reporting requirement of Insurance.

Premium Payment:

- The premium payment modality has to be agreed on with the Insurer in line with the regulation. Alliance has to collect the premiums along with the other transactions either with Loan collection or saving collection. The same information will be passed to the insurer and they needs to be checked with the regulator on the modality of passing on the premium when it is collected or when it maintains in the advance premium account (as per the applicable regulation).

Steps – going forward:

- Alliance needs to decide the launch of Micro Insurance internally, more specifically, what kind of product suits would like to launch and which insurer is plant to go with.
- Once the sign off is obtained from the Management, the discussion has to be initiated with the selected insurer to work on the modalities of relationship and the product features. Then, Alliance can work on conceiving the joint proposal which is ready to be submitted to the Regulator (FRD).
- After getting the regulatory approval, the subsequent steps of staff training and customer awareness building has to be taken up to launch the Micro Insurance program.

3. Annexures

Annexure I: Questionnaire Format:

Household Survey Questionnaire										
1. Personal Details	Name of the Respondent									
	Mobile No.									
	Location Name									
	Gender (M/ F)	Age			No. of Family Members		Monthly Household expenses			
	Education Qualification	NIL	Monastery	Primary		Secondary	High School	University		
	Marital status (please tick)		Married			Single		Divorced		Widow
2. Family Details	Earning Adults (>18 years)		Non-Earning Adults				Children			
Male										
Female										
3. Occupation (please tick)	Farmer	Livestock Farmer	Medium Entrepreneur		Micro Entrepreneur	Artisan	Trader	Any other		
4. Income Details	Income/ Month			Expenses		Surplus				
Farmer (per season)										
Livestock										

Farmer			
Entrepreneur			
Trader			
Others:			
Others:			

5. Existing Sources of Credit	Source	Amount Borrowed	Balance Amount	Purpose of borrowing

SECTION 1 : LIFE :

Any disturbances/ Risks faced in the past (record the experiences)

1.1 Deaths reported in the family in the last 10 years (no)	
--	--

1.2 What was the main cause of the death(s)?	Reason	Code	Age at death	Gender (M/ F)
	Age related	A		
	Natural Death	B		
	Illness	C		
	Accident death	D		
	Snake Bite	E		
	Suicide	F		
	Murder	G		
	Others (specify)	H		

1.3 Were any of these deaths caused by natural calamities like floods or	Yes, drought	A		
	Yes, flood	B		
	Yes, drought and	C		

droughts?	Other (specify)	D		
SECTION 2 : HEALTH :				
2.1 Has anyone in your family had any health problems (including accident) in the last 3 years			(Yes/ No)	
2.2 Is the person has been hospitalized			(Yes/ No)	
2.3 If hospitalized, for how long in hospital (no of days)		2.4 how far is the hospital from your place:	(miles/ kms)	
2.5 Total cost toward the expenses for treatment : (record for both inpatient and outpatient as well)			Kyat.	
Type of Expense (2.6)	Amount Spent (kyat)	Source of funding/ how the money was arranged-w rite the code	Codes (MULTIPLE RESPONSE POSSIBLE)	
Transportation to hospital			From medical	A
Towards Medicines			From earnings	B
Towards Medical Tests			From savings	C
Doctors Fee			Selling assets	D
Room Rent			Taking loans from relatives/friends	E
Any other (specify) _____			Taking loans from	F
			Taking loans from	G
			Taking loans from	H
			Loan from Micro	I
			Mortgage	J
			Any other specify	K
2.7 Days of Absence from work (no of days)		2.8 Estimated loss of wage/earnings/ income (Amount)	Kyat.	
2.9 As per your experience, what are the three most prevalent diseases in this community in different seasons	Summer	Rainy	Winter	

of the year, particularly summer, winter and rainy season? (Multiple responses possible.)					
2.10 Is there any one became bed ridden/ permanent total disable			(Yes/ No)		
SECTION 3 : LIVE STOCK:					
3.1 What type of Livestock do you own and risk events in the past (Give Details)					
Type of Animals	CODE	No of Animals (no)	Cost of the Livestock (kyat)	No of Animals Lost if any	Amount of Loss (Kyat)
Water Buffalo	A				
Pigs	B				
Cow	C				
Goat	D				
Chicken	E				
Ducks	F				
Fighting Cock	G				
Any Other	H				
Any other	I				
3.2 What was the main cause of death of the livestock? (please Tick)	Disease	1			
	Accident & injury	2			
	Fodder scarcity	3			
	Water scarcity	4			
	Snake bite	5			
	Poisoning	6			
	Old age/Natural Death	7			

		Climate conditions (like high temperature, low rainfall)?	8
		Others (specify)	9
3.3	Is there any climatic conditions were Responsible for this livestock death? (please Tick) (INS: Multiple responses possible.)	Heat waves/high temperature	A
		Cold waves/low temperature	B
		Prolonged/continuous rain	C
		Increased precipitation	D
		Low precipitation	E
		Flood	F
		Drought	G
		Others (specify)	Z
3.4	In which season of the year did that livestock die?	Summer	1
		Winter	2
		Rainy	3
		Others (specify)	9
3.5	In which month of the season did the livestock get affected by the event which resulted in death? (please Tick)	January	A
		February	B
		March	C
		April	D
		May	E
		June	F
		July	G
		August	H
		September	I
		October	J
		November	K
		December	L
SECTION 4 : RISKS TO PROPERTY/ ASSETS:			
4.1 Have you ever faced with a loss of property due to Accident:		(Yes/ No)	
4.2 According to you, what are the	Summer	Rainy	Winter

three most prevalent Risks in different seasons of the year, particularly summer, winter and rainy season? (INS: Multiple responses possible.)			

Type of Risk 4.3	CODE	Select top 5 risks (1 to 5)	Previous Loss suffered (in Kyat) if any
Fire	A		
Flood	B		
Inundation/water logging	C		
Lightning	D		
Earth Quake	E		
Explosion	F		
Theft	G		
Any other	H		
Any other	I		

SECTION 5 : RISKS TO AGRICULTURE/ CROPS :				
Total Acres of Land the household cultivating (Acres) 5.1	Irrigated (Acres) 5.2	Rain fed (Acres) 5.3	Own Land (Acres) 5.4	Lease Land (Acres) and Lease Amount if any

5.6 Crops Grown										
CODES:	Rice	Corn	Pulses	Peas	Onions	Ground Nut	Crop	Crop	Crop	Crop
	1	2	3	4	5	6	A	B	C	D

Niger seeds 7	Sesame 8	Spices 9	Sugarcane 10	Cotton 11	Potato 12	Flowers 13																												
5.7	<p>What are the five most important crops which contribute towards your overall income?</p> <p>(INS: Please refer to the code and write codes of the crop accordingly.)</p>																																	
5.8	<p>What are the sources of irrigation used by members of this household for cultivating land?</p> <p>(INS: Multiple responses possible.)</p>		<table border="1"> <tr> <td colspan="2">Underground water</td> </tr> <tr> <td>Open wells</td> <td>A</td> </tr> <tr> <td>Tube wells</td> <td>B</td> </tr> <tr> <td>Pumps</td> <td>C</td> </tr> <tr> <td colspan="2">Stream/River/Surface Water</td> </tr> <tr> <td>Canals</td> <td>D</td> </tr> <tr> <td>Rivers/Ponds</td> <td>E</td> </tr> <tr> <td colspan="2">Rain water harvesting</td> </tr> <tr> <td>Water reservoirs</td> <td>F</td> </tr> <tr> <td>Tank water</td> <td>G</td> </tr> <tr> <td>None</td> <td>H</td> </tr> <tr> <td>Other (specify)</td> <td>I</td> </tr> </table>								Underground water		Open wells	A	Tube wells	B	Pumps	C	Stream/River/Surface Water		Canals	D	Rivers/Ponds	E	Rain water harvesting		Water reservoirs	F	Tank water	G	None	H	Other (specify)	I
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None	H																																	
Other (specify)	I																																	
5.9	<p>What are the varieties of crops which members of this household plant in a year usually?</p> <p>(INS: Please refer to the codes of crops provided above and write codes of the crop accordingly.)</p>				<p>Monsoon Season (June-October)</p>		<p>Summer season (November-March)</p>																											
			Crop-1																															
			Crop-2																															
			Crop-3																															
			Crop-4																															
5.10	<p>What are the cropping patterns you follow in</p>					<p>Monsoon Season</p>		<p>Summer season (November-March)</p>																										

	Monsoon and Summer? (INS: Ask separately for each season)	Mono-cropping (one crop per year)	1	1
		Double cropping (two crops per year)	2	2
		Multiple cropping (more than two crops)	3	3
		Others (specify)	9	9
5.11	What are the risks for the Agriculture? (INS: Multiple responses possible.)	Risk	coding	Ranking based on the most occurrence (1 to 9)
		Deficit Rain Fall	A	
		Excess Rain Fall	B	
		Prolonged/continuous	C	
		Flood	D	
		Drought	E	
		Decease	F	
		Pest Attack	G	
		Heat waves/High	H	
		Cold waves/Low	X	
		Any other specify	Z	
SECTION 6 : Coping Mechanisms:				
6.1	What are the alternative you relied/ accessed when there is a difficulty/ risk event in your life (INS: Multiple responses possible.)	Relied on the earlier	A	
		Sold off the Assets	B	
		Sold off the Gold and	C	
		Sold the Land	D	
		Sod the Animals	E	
		Mortgaged the land	F	
		Mortgaged the jewellery	G	
		Sold the standing crop	H	
		Reduced the consumption	I	
		Stop sending children to school	J	
		Any other _____	K	
		Any other _____	L	
6.2	What are the forms of savings in the household? (INS: Multiple responses possible.)	In Cash	A	
		In Gold and Jewellery	B	
		Savings with ROSCAS	C	
		Saving with Bank	D	
		Saving with MFI	E	
		Gold/ jewellery	F	
		Nothing left to save	G	
		Others (specify)	H	

6.3	Did this household face any situation in the last 12 months when it had to use the savings	Yes	No		
6.4	Why did you have to use the savings? (INS: Multiple responses possible.)	For household consumption	A		
		On healthcare	B		
		Once-off expenditure (wedding, moving house, etc.)	C		
		Investing in agricultural activities	D		
		For school fee and child education	E		
		Investing in livestock rearing activities	F		
		Loan to others	G		
		Repayment of debt	H		
		For replacement of lost asset	I		
		For Donations/celebrations	J		
		Others (specify)	K		
6.5	Has this household encountered a situation in which any of the assets (jewellery, land etc.) were sold in last 24 months?	Yes	No		
6.6	How many times did those situations when assets were sold occur in the last 2 Years? (in numbers)	No of events: _____			
Please ask for each situation one-by-one starting from the latest		Event-1	Event-2	Event-3	
6.7	Which of your assets was sold?	Jewellery	1	1	1
		Land	2	2	2
		Livestock	3	3	3
		Crop	4	4	4
		Other (specify)	9	9	9
6.8	Have you ever heard about insurance which compensates for financial losses due to certain events against payment of money upfront?	Yes	No		
6.9	Reasons for being uninsured till now	Not Interested till now	A		
		Have not been able to afford until now	B		

		No one has ever explained the need and benefits	C			
		Do not know how Insurance works	D			
		Other Investments are more attractive	E			
		Other specify:	F			
6.10	Willingness to take up insurance. If a reliable company comes to you and offers you insurance on certain loss events. Which of the risks would you like to be covered? (INS: Multiple responses possible.)	Type Of Coverage Life Risk Health Risks Livestock Asset/Property Agriculture Other (specify) None	code A B C D E F G	Preference (1 to 6) Reason:	Expected coverage Amount(MMK) 	Approximate Amount Afford to pay (MMK)-Month

6.11 Detail Choice of Risk Coverage based on the risk selected in the above table (please tick)

LIFE RISK	HEALTH RISK	LIVESTOCK	PROPERTY/ASSETS	AGRICULTURE
Death (Natural)	A	Loss of livestock due to disease	Fire	A
Accidental Death	B		Flood	B
Death Due to Disease	C	Loss of livestock due to Accident	Inundation	C
Snake Bite	D		Lightning	D
Death due to natural calamities	E	Death due to natural calamities(flood/drought)	Earth Quake	E
	F		Explosion	F
	G	Snake bite	Theft	G
Any other(specify)	H	Theft	Any other	H
		Production loss		
		Treatment cost		
		Preventive health care cost		

6.12	What is the payment frequency would you prefer for Insurance payment	Fortnightly	A	Monthly	B	Once in 3 Months	C
		Half Yearly	D	Yearly	E	Along with Loan/Saving	F

Name and Signature of the person collected the data		Date and Time of data collection	
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List of people contacted in the Insurance companies:

S.No	Name of the Person	Designation	Contact Number
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