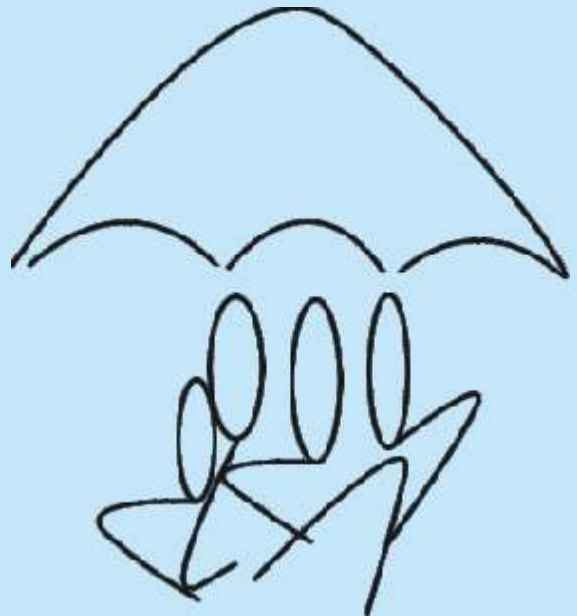


*Second International Programme on*  
**Micro Insurance**

December 6 - 11, 2006



**Asian Knowledge Centre for  
Mutual Insurance (ASKMI)  
Tata-Dhan Academy  
DHAN Foundation  
Madurai, India**

## About the Programme

The Asian Knowledge centre for Mutual Insurance (ASKMI) based at Tata-Dhan Academy, a development educational institution promoted by DHAN Foundation (a pioneering not-for-profit development organisation), Madurai, India is offering the second International programme on Micro Insurance, during December 6-11, 2006 at Madurai. The programme is unique and first of its kind aiming at imparting knowledge and skill-enhancing training on the larger issues pertaining to social security for the poor, with a specific focus on micro insurance. The Programme is designed for mid-career and senior decision makers and / or implementers of microfinance programmes of both MFIs and NGOs, and to those involved in micro enterprise development, commercial insurance providers from the public and private sectors, commercial and development banks, donors and international agencies. The Programme offers an excellent opportunity for direction interaction with both the clients and the prospective clients of micro insurance, who form part of one of the largest community banking programmes in the world.

Mr. Toon Bullens, Secretary of the 'Micro Insurance Association of Netherlands (MIAN)', a not-for-profit organisation involved in the promotion of micro insurance across the globe, is the principal architect of this programme. The Programme is coordinated by ASKMI whose mission is to promote and advance mutual insurance for the poor in Asia. The Programme draws faculty members from leading micro insurance providers in India and countries abroad. Besides the relevant field experience, the faculty members are also involved in training and consulting at the international level, particularly in creating and managing successful micro insurance programmes.

## Objectives

The Programme includes modules designed to enable the participants to learn from the successful experiences in micro insurance from across the world. The specific objectives of the Programme includes,

- The Programme aims at providing enlarged perspectives, intensive conceptual and practical (both analytical and policy) skills in designing and evaluating strategies, policies and project / programme interventions to address the issues of reducing risks and vulnerabilities through providing social security cover for the poor, particularly, micro insurance as an instrument.
- The Programme strives to enhance the institutional capacity of all the stakeholders involved in the promotion and provision of micro insurance, including those in research and action orientation.
- The Programme offers ample opportunities to learn from some of the 'best practices' already existing through exposure field visits and direct interaction with the clients and potential clients. It also seeks to

promote cross learning among the participants and institutions.

At the end of the Programme, the carefully selected participants will be encouraged to exchange their respective experiences, learning, policy issues and operational challenges and to discuss and evolve practical solutions to address them. In addition to offering opportunities for reflecting on the concepts and principles of micro insurance for its relevance and significance in the context of microfinance, the Programme will enable the participants question the existing paradigms and challenges in promotion and provision of micro insurance to the poor.

## For Whom?

The programme targets international clients from the areas of practitioners, research and academia involved in the field of micro insurance. The Programme encourages senior level decision makers and practitioners from the microfinance institutions, NGOs, national and international donors, public and private insurance providers, commercial and development banks, governments, bilateral and international agencies who appreciate and recognise the need for promotion of micro insurance and its potential in addressing the challenges of poverty. The Programme will be appropriate both for those who are already into provision of micro insurance services and those contemplating to do so in course of time. Important, of course is its prime relevance for those in the policy making arena.

## Programme structure and curriculum

The weeklong programme scheduled from December 6 - 11, 2006 will be held at the historic temple city of Madurai, India. The core of the Programme will be conducted primarily on a 'hands-on approach, in which diverse pedagogies such as lectures, case studies, video documents, field visits will be employed. The faculty includes leading practitioners and academics in the field of micro insurance from different parts of the world. The Programme is structured around four interdependent modules that include,

- Social security for the poor
- Operational tools and systems
- Mutual Insurance
- Product Development

### **Module 1: Social Security for poor**

This module will explore the concepts social security in a larger perspective and the role of micro insurance as an instrument to mitigate risks and vulnerabilities of the poor. Social Security is increasingly seen as an integral part of the development process. Social Security is both a concept as well as a system. It represents basically a system of protection of individuals who are in need of such protection by the State as an agent of the society. Such protection is relevant in contingencies such as retirement, resignation, retrenchment, death,

disablement which are beyond the control of the individual members of the Society. State as an agent of the society has an important mandate to harmonize such differences through a protective cover to the poor, the weak, the deprived and the disadvantaged.

The poor face many risks or shocks, which make them vulnerable, despite access to savings and credit services through microfinance. Poverty is not only a state of deprivation and is equally a state of vulnerability. Poverty and vulnerability are closely related. The coping mechanisms against such crisis lead the poor into a situation of further debt and impoverishment. Insurance services extend the coping capacity of the poor to a next level of leverage complementing the role of savings and credit in addressing their poverty and vulnerabilities.

Structured field visits to understand the risks and vulnerabilities of the poor in different contexts would set the tone for discussions on the relevance of micro insurance and the broader concepts of social security.

### **Module 2: Operational tools and systems**

Micro insurance is gaining popularity as an additional financial tool to help the poor in coping with their risks and vulnerabilities. Some of the pioneering experiments in India and other developing countries have established now that insuring the poor is feasible and even provides a business proposition for the insurers.

Insurance services provide a synergistic effect to the role played by savings and credit in addressing poverty. It provides greater economical and psychological security to the poor. Besides, it offers a potential for sustainability or profitability of microfinance operations by reducing loan losses and replacing the need for withdrawal of savings for emergencies. The NGOs / MFIs could offer insurance independently and enjoy the benefit of additional source of capital for lending; when offered in partnership with traditional insurers, it could become a source of income.

However, it is also pertinent to understand that micro insurance is a different ball game altogether. The associated risk levels are higher and more over it is difficult to assess them. The NGOs / MFIs need to understand the basic tools and techniques in designing and developing insurance products that are appropriate to meet the diverse needs of the poor and are close to the field realities. This module will help the participants to map the vulnerabilities, evolve principles, calculate premiums, collect and administer premiums, settle claims, arrange for reinsurance and establish an institutional system to offer this service along with the savings and credit products. During this module, an insurance administrative software application developed by Dhan Foundation will be demonstrated.

### **Module 3: Mutual Insurance**

In the context of India, the existing micro insurance schemes by the mainstream service providers do not

address the needs of the client system; so is the case with the experiences of many other countries. The concept of mutuality is well expressed and established in many of the community based microfinance operations. The 'Kalanjiam Community Banking Programme' is one of the largest community based self-help initiative of DHAN Foundation, which has an outreach of well over 300,000 poor women as members.

Many experiments in the field have proven the feasibility of applying the concept of mutuality in delivering micro insurance services to the poor. In such cases they become purely member owned, controlled and managed and hence provide a greater flexibility to the members in terms products and services. The accrued profits of such services could also be ploughed back to add more such products and services and also to cater to their other needy services. Mutual insurance has existed in the west for centuries, and lessons could well be drawn to contextualize to the needs of the developing world. This module will enable the participants to understand the underlying concepts and principles of mutual insurance and strategies required to design and implement them.

### **Module 4: Product Development**

Insurance industry in India and many other developing countries is experiencing rapid and sweeping changes with decentralisation and privatisation. The opening up of the industry has provided the opportunity for better products and services, diversity and choice to the salaried middle class and privileged upper echelons of the society. However, with respect to the poor, the existing micro insurance schemes do not address the needs of their clientele, often offered only to meet the legally obligatory requirements. Similar to other segments, the needs of the poor are varied and diverse exhibiting a potential demand for a range of services.

The product range and coverage is limited to only life cover products with natural, accidental death, disability and health cover for hospitalisation. There is no or low flexibility in products design due to both regulation and hesitation on the part of insurers emanating from their lack of exposure to micro insurance sector. The sector needs incentives and investments in large scale to promote design and development of innovative products that would cater to the diverse needs of the poor. This module would focus on the concepts, principles of new products development and the issues and challenges confronted, and ways forward. Real life cases would be used for discussion and learning.

### **How to Apply**

#### **Fee**

The Programme fee payable in advance is US\$ 1000 per participant. It covers tuition, training materials, costs of board and lodging and field visits including local site seeing. The fee need to be sent by way of demand draft in favour of "DHAN Foundation, Madurai" payable at Madurai or by wire transfer to

Account Name : DHAN Foundation  
Bank Name : Canara Bank  
Branch Name : Town Hall Road, Madurai 625 001  
Savings Bank A/c No.28757  
Swift Code : CNR BIN BB AUFM

International travel costs from participant's place to India are not included in the fee.

Please note that the Programme is designed to be operationally sustainable and depends on tuition fees. Hence, the participants are to cover the full costs of their participation from their own sources or through appropriate sponsors.

#### **Visa**

It may take several weeks to obtain visas for India, and hence we encourage applicants to return the application and apply for visas as soon as possible. The Academy

will provide official letters of invitation to selected applicants to facilitate the issuance of visas, but participants must apply for and obtain visas from the appropriate embassies, high commissions or consular offices in their own countries.

#### **Venue**

The venue has been arranged at hotel 'Taj Garden Retreat', the best luxury hotel in Madurai city. The hotel is blessed with the pious backdrop of exemplary temples. Also it offers a peek into the prolific architecture of the city and the memorable sight of the holy Meenakshi Temple. The hotel is situated at an exquisite location, on top of a hill, with serene natural settings. It offers world-class banqueting, recreational, conference and communication facilities. It is at 6 km from the city railway station and at 15 km from the local airport.

#### **Application**

To apply, please complete the enclosed application form. The last date for receiving the applications along with the course fee is November 15, 2006. Early application is strongly encouraged as enrolment is limited.

### **About ASKMI**

ASKMI, the specialised centre at Tata-Dhan Academy, fosters mutual insurance development through appropriate knowledge management systems and processes such as research, documentation, publication, training, education, policy advocacy, etc.

The core activities of ASKMI include research & development, capacity building through training and education, policy advocacy and networking among practitioners. ZLM, a mutual insurance company in Netherlands, provides financial support in the establishment of ASKMI. MIAN provides guidance and support to nurture the Centre. Oxfam Novib, Rabobank Foundation and Interpolis also add their support. ASKMI uses the strengths of 'People Mutuals', a community initiative that implements mutual insurance programmes across varied context. ASKMI would also collaborate with other MIAN partners in Asia and other interested stakeholders towards realising its purpose.

### **About Tata-Dhan Academy**

Tata-Dhan Academy is promoted by DHAN Foundation, a pioneering grassroot organisation and Sir Ratan Tata Trust (SRTT), Mumbai to identify, nurture and groom young graduates, into development professionals through its flagship 23-month long academic programme in development management, the PDM. The programme is a careful blend of classroom and field segments. Till date five batches of PDM students have graduated from the Academy and are working with disadvantaged communities on various issues. The Academy aims at and is working towards becoming a Centre of Excellence in Development Management.

In addition to long duration education programme and research, the Academy has identified short duration Development Management Programmes as its core purpose to enable the world of practice. The thematic programmes include Development Management Appreciation Programme (DMAP), the Art of Upscaling Microfinance (ART Programme), Social Development Research Capacity building (SDRC) and Leadership Education in Advancing Development (LEAD). The purpose of the programmes is to professionalise the development sector in general and NGOs in particular to augment their efficiency and effectiveness.

*For further details, please contact*

**ASKMI,**

**Tata-Dhan Academy**

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