

**Tata-Dhan Academy
Madurai, India**

**Information Booklet
On
Virtual Education on
Micro Insurance (VEMI)**

**Advanced Centre for Skill and Knowledge on Mutual Insurance (ASKMI),
India**

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Virtual Education on Micro Insurance (VEMI)

Micro insurance for poor

In developing countries, social and financial securities are the major issues on which the Government, NGOs and other development stakeholders are working with. Though insurance companies are designing various insurance schemes, most of these schemes are having limited reach. Insurance agents are also neglecting this section of people because the commission that they get is negligible and the time investment does not yield comparatively good results.

In order to safeguard the uncovered people and to overcome the insurance agent problem, a few NGOs and other service oriented organizations have started designing and implementing insurance schemes to them with the mechanism of partner agent model.

Since the available schemes do not cover all the needs of the poor, NGOs are trying to comprehend the exact needs of the people by building on the needs. Thereby a few NGOs are trying to design pro poor products.

NGOs and other service-oriented institutions need to understand the insurance sector, mainstream insurance companies, different micro insurance (propoor insurance schemes) schemes/products, terms and regulations and the administration process. It is essential to assess a product before delivering it to the people. NGOs have a strong base at the villages because of the need-based approach and the way they involve community in the activities that they perform. A few of the major activities that NGOs are doing are microfinance (savings and credit), income- generating activities, awareness programs and capacity building activities.

Microfinance is one of the activities where in people have expertise themselves in saving and credit access. If NGOs take initiatives pertaining to micro insurance, microfinance activities would definitely help the people in accessing it.

Now that the micro insurance sector is gaining momentum, all the NGOs, service oriented organizations and concerned government officials need to gain and improve their knowledge related to micro insurance though formal workshops and seminars are the one which helps the experts in nurturing the concerned professionals, it is having a limitation in terms of covering numbers and people from distant places.

Virtual Education on Micro Insurance (VEMI) is an initiative in this direction for building the knowledge of many at wider geographics.

VEMI

VEMI is an online course, designed mainly to build the capacity of micro insurance practitioners with respect to approaches/models, various products and schemes, micro insurance regulations, product development for life, health, crop, livestock, insurance literacy and community insurance.

By considering the limitations of a formal workshop, VEMI has been designed with the following objectives:

- To build the perspectives of micro insurance for poverty reduction

- To build the competency on insurance product development and administration
- To broadbase the knowledge as community insurance

For whom

VEMI appreciates, encourages and invites all the NGOs, service-oriented institutions, government functionaries and other related institutions who are working at the grassroots level with good trust and confidence among the people. Institutions which are doing microfinance activity will be preferred.

VEMI also welcomes institutions which want to get expertise further in micro insurance. From each quarterly program, 15 to 20 participants will be groomed and motivated to work for social security.

Design

VEMI will cover the following chapters in specific modules pertaining to micro insurance:

S.No	Module	Chapters
1	Landscaping of Insurance	<ul style="list-style-type: none"> ▪ Landscaping of Insurance ▪ History of Insurance
2	Perspectives of Insurance	<ul style="list-style-type: none"> ▪ Mutuality ▪ Social security ▪ Risks of low income group households ▪ Risks and the law of big numbers
3	Product Development	<ul style="list-style-type: none"> ▪ Premium calculation ▪ Fixed amount insurance and indemnity insurance ▪ Underwriting
4	Insurance Products	<ul style="list-style-type: none"> ▪ Life Insurance and Micro pension ▪ Health Insurance ▪ Livestock Insurance ▪ Agriculture insurance ▪ The insurance products/schemes for the poor in India
5	Insurance Models	<ul style="list-style-type: none"> ▪ Insurance Models
6	Insurance Administration	<ul style="list-style-type: none"> ▪ Mutual Insurance Systems ▪ Performance Indicators
7	Reinsurance & Regulations	<ul style="list-style-type: none"> ▪ Reinsurance ▪ Micro Insurance Regulations

VEMI is a quarterly (twelve-week) program. Apart from the above topics, students will be taught topics related to current micro insurance products, history of micro/mutual insurance in their own region, analysis of case studies related to micro insurance and calculating premium for life, health, crop and livestock products.

There will be group assignments to get a better knowledge on some of the aspects like micro insurance regulations, reinsurance, mutual insurance and mapping micro insurance in other developing countries.

VEMI is designed in such ways that participants can learn by involving in their routine activities. Each day (Tuesday to Sunday is considered as a week to facilitate the routine works of participants on Sunday) the participant should spend around 90 minutes (any time in a day and for four days (6 hours) in a week). Total reading time in the course will be 72 hours. After the completion of each chapter, participants will be asked to answer a set of questions pertaining to the chapter. Participants who fail in completing the chapters will not be allowed to access the further chapters. Individual discussion on a case or on articles would help the participants to have a critical look at the concepts and procedures and the products of micro insurance companies.

At the end of the course, participants will be asked to develop a product/scheme based on the needs of the local people along with insurance administration norms. This will help the participants in comprehending the needs of the people and selecting the micro insurance products accordingly.

As a formality and to honor the participation, course completion certificate will be distributed to all those who completes the course and they will be made alumni of VEMI and thereby all the recent information on micro insurance will be updated and continuously inspired to work for the sector/social security.

VEMI has been designed by using the Moodle software. Moodle is a free web-based application which includes several features. Moodle helped us to make VEMI a more interactive course.

Interactive learning

The level of understanding and knowledge of the participants will be analysed through regular interactive activities like individual discussion, group discussion and assignments. On a few occasions, participants will be asked to debate on the issues or case on micro insurance.

For individual assignments, VEMI is designed in such a way that, until the last date for submission, participants will not have access to know how other participants are designing/preparing their assignments. But for the group assignments, particular group members will have access to each other and not for the other group status. Once the said date gets over, everybody can access each others' work.

There will be no examinations to judge the understanding level of the participants. But, interactive learning will make them assess themselves. Participants who perform below the mark will be asked to improve themselves by involving in VEMI for a few more weeks.

Learning in VEMI happens through active individual and group interactions.

Grading system

VEMI will evaluate the performance of the participants based on the interactions and assignments what one would do during the three months course.

There will be no examinations to judge the performance. 40 percent of the marks are allotted for individual and group assignments separately and 20 percent of the marks are allotted for debate or discussion. Four individual and four group assignments are planned; each assignment will carry a weightage of 10 percent. Similarly there are two debates planned; each debate will carry 10 percent of weightage.

The minimum marks one should obtain is 60, failing which such participants will be asked to continue in the course for a few more weeks.

Expected outcomes

VEMI would try to build the capacity of practitioners/participants in such ways that, after the completion of the program, participants from different institutions will:

1. Commence/strengthen the micro insurance program in their respective area of operation.
2. Secure the people with need based approaches/products
3. Administer insurance effectively.
4. Carry out insurance literacy/awareness program by using effective tools/strategies.
5. Practice mutual insurance wherever required/needed.
6. Build the capacity of their staff of the institute to achieve social security.

VEM I- Batches

One of the core purposes of VEMI is to build the capacity of as many practitioners as possible. VEMI will be offered two times in a year. Each time, 20-25 participants will be groomed on the aspects micro/mutual insurance.

Operational Mechanism

VEMI program will be anchored and facilitated by ASKMI. People Mutuals will help VEMI by refining the syllabus, by sharing resource materials and by providing guest faculty. People Mutuals will also financially support the course. DHAN Foundation and Tata-Dhan Academy, as parent organizations to ASKMI, will provide the technical guidance required to run the program successfully.

ASKMI

Advanced Centre for Skill and Knowledge on Mutual Insurance (ASKMI), a specialized centre at Tata-Dhan Academy, foster the mutual insurance development through appropriate knowledge management systems and processes such as research, documentation, publication, training, education, and policy advocacy.

The core activities of ASKMI include research and development, capacity-building through training and education, policy advocacy and networking among practitioners. ZLM, a mutual insurance company in the Netherlands, provided financial support in the establishment of ASKMI. Rabobank Foundation and Eureko Achmea Foundation add their support. ASKMI uses the strengths of 'People Mutuals', a community initiative that implements mutual insurance programmes across varied contexts in India. ASKMI also collaborates with different micro insurance stakeholders towards realizing its purpose.

Capacity Building of the centre would focus on building knowledge and perspectives on technical aspects of micro insurance, and skills in designing, developing and administering micro insurance programmes. The Centre would also design and develop courses primarily for educating the students, faculty and practitioners enabling them to obtain specialization in micro insurance in order that these resources are available for the sector in future.

Tata-Dhan Academy

Tata-Dhan Academy, a development management education institute, offers a two-year development management programme (PDM) for young graduates to groom them as development professionals for the NGO sector. The Academy undertakes independent and collaborative research and conducts short-duration development management courses as its core purpose is to enable the world of practice to advance development action. The thematic courses include Development Management Appreciation Programme (DMAP), the Advanced Reflective education and Training on Development Finance, Micro Insurance and Microfinance for Business Development, Social Development Research Capacity building (SDRC), Leadership Education in Advancing Development (LEAD), Team Building, and Human Resources Development for NGOs; customized courses are offered as per the demand of the organisations. The purpose of the courses is to professionalize the development sector in general and NGOs in particular to augment their efficiency and effectiveness. The Academy has three specialized centres working on the themes of mutual insurance, disaster risk reduction, and water for development.

DHAN Foundation

DHAN Foundation is a development organisation working towards bringing significant changes in the lives of the poor through innovative themes. The organization runs several community-based field programs and activities to help the poor. DHAN's Community Banking Programme (microfinance) is building on the self-help and collective action of the poor. It emphasizes creating access to microfinance services that include savings, credit, and insurance to poor women through their own self-managed institutions, the self-help groups. These institutions have established enabling processes to address many development needs through microfinance.

The second largest tank-fed agriculture development programme aims at rebuilding the small-scale reservoirs spread across the countryside for benefiting small holder agriculture and providing access to drinking water. DHAN's experimentation projects and activities are on making rainfed agriculture more remunerative; making information technology to serve the poor; and democratizing the Panchayats (local governance) through local action. The salience of the programs of DHAN are placing high-quality human resources to work with the poor, organizing them into self-managed organisations to avail their entitlements and run their services on a cooperative and self-help basis.

DHAN always works in collaboration with individuals and organisations including the government and businesses. DHAN Foundation has promoted India's largest and most innovative community banking programme, serving the financial needs of about 950,000 poor people in 13 states with a cumulative portfolio of more than \$250 million in India through its network of more than 220 offices and 750 full-time staff, most of whom have professional qualifications.