



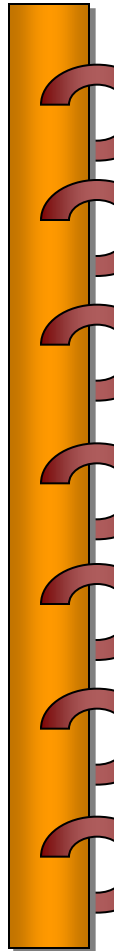
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Micro Insurance: Good to Great Opportunity

May 4th
Berlin



India's Diverse Demography

- 
- Population of over 1.16 billion (17.5% of world's population), growing at the rate of 1.54%
 - 72.2 % live in 638,000 villages and the rest in 5100 towns
 - Median Age of 25.1 Years, Literacy rate of 61%
 - Because of inadequacy of social security people view children as old age support- Difficult to contain population growth
 - Consumer spend moving to discretionary buys
 - 500 million mobile connections, expected to grow to 60% by 2012, Over 100 Million automobile owners
 - Yet Insurance penetration 0.6% of GDP attributed to low consumer preference, untapped rural market, constrained distribution channels

CIA World Fact book demographic statistics

Performance and Penetration of Micro Insurance

- Significant strides taken in Health and Weather Insurance
- Government subsidy fueling growth and penetration of insurance
- RSBY- a micro health scheme supported with central and state government subsidy has made path breaking contribution to health access
- Other Government agencies reaching welfare measures through health insurance (products include Out patient services also)- Weavers, Handicraft, Sericulture
- Government propagating Weather Insurance-has made insurance mandatory for loanee farmer supported with subsidy up to 75%
- RFID chips used for Livestock Insurance
- Distribution challenge being addressed by technology solutions using holistic platforms for delivery in a secure manner

Micro Insurance: The ICICI Lombard Experience



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Developing Micro Insurance Culture...



Going Down Market: Product Strategy in line with Consumer Demand and Administrative Capabilities

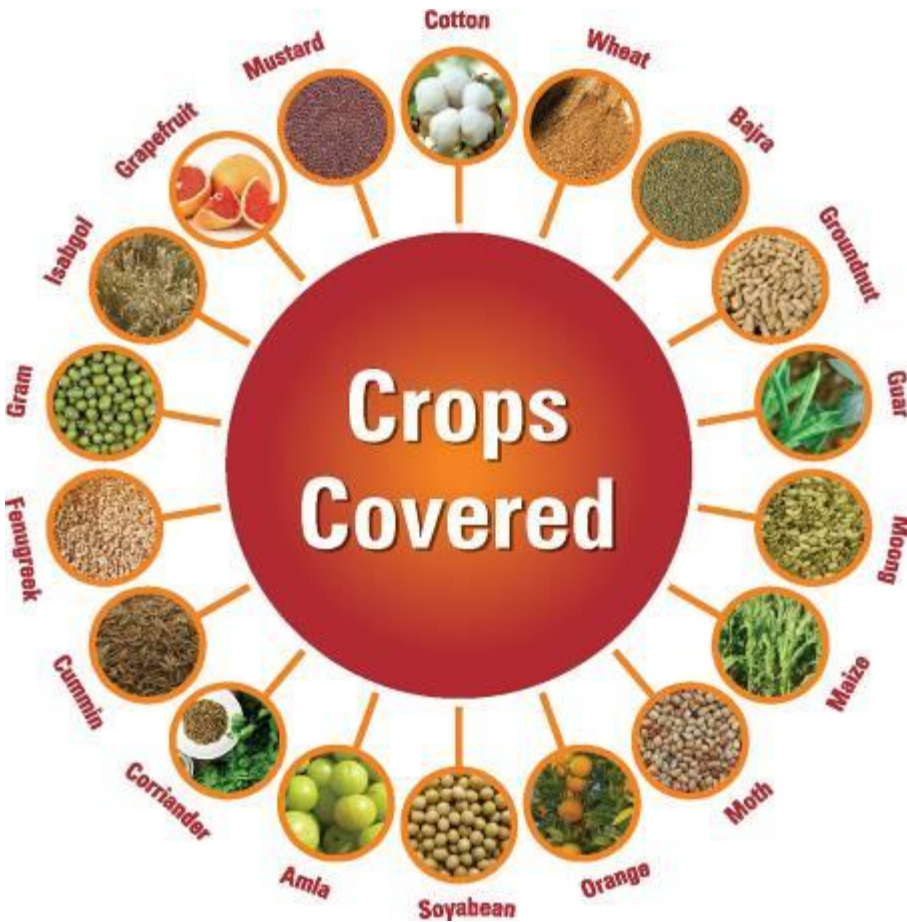


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Going Down Market: Riding on Action in the Rural Space

- NREGA-National Employment Guarantee scheme
- UID- Unique Identification for every resident
- MFIs and SHGs
- RRBs- Regional rural banks
- Provider Led- Yeshashvini, Manipal
- Government Health Schemes
- Support from Government for weather insurance

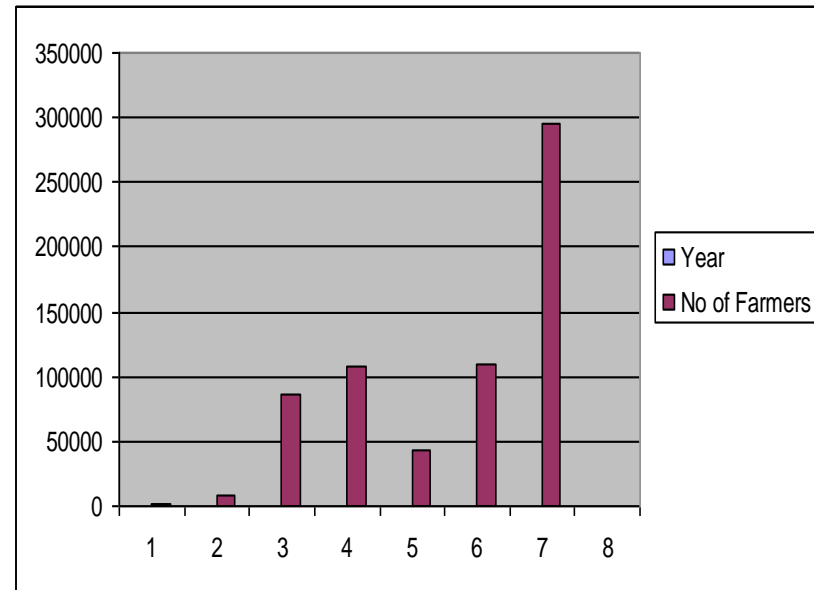
Weather Insurance: Establishing Outreach...



Insuring more than 20 crops across 12 States in FY 10



Started in FY 04 with 2 crops

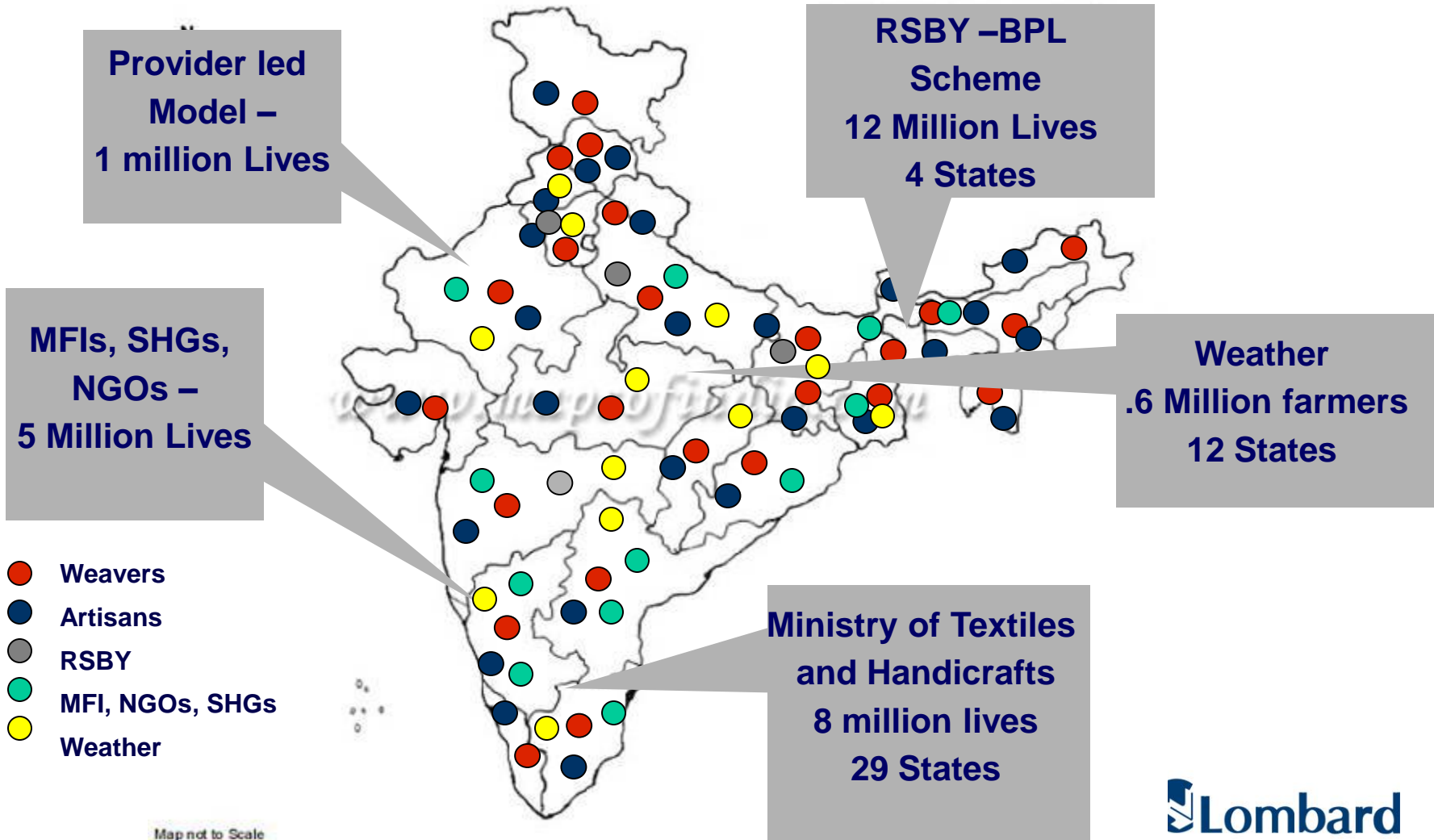


Establishing Footprint over the years



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Micro Insurance has Scaled to



Map not to Scale

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Regulation Catalyzed Growth...



Micro Insurance Products



Policy and Regulation can support to...

- Expand definition of micro insurance products to allow
 - Higher limits in line with growing need
 - Comprehensive products
 - Composite offerings for possible synergies
 - Saving's linked products
- Facilitate packaging of products
- Promote regulation eg. Hospitals, Quality standards etc.
- Promote uniform definitions and processes
- Portability will allow healthy competition
- Agency commission should be so defined to attract agents



Thank you

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— GENERAL INSURANCE —

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