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IAIS Application Paper on Regulation and Supervision of Inclusive Insurance Markets 2012

Synthesis Note 1: Evolving Microinsurance Business Models and their Regulatory Implications



1. Introduction and overview (Michael J. McCord)

- Business models in microinsurance



2. Aterna, Mexico (Mariana Torres)

- Aterna's model
- Model evolution
- Supervisory considerations



3. Star Micro, Ghana (Afua Donkor)

- Star Micro's models
- Model evolution
- Supervisory considerations



1. Introduction



Mariana Torres
Executive Director
Aterna
Mexico



Michael J McCord
President
MicroInsurance Centre
USA



Afua Donkor
Executive Director
Star Microinsurance
Ghana

- **Insurer**
 - Agency force – Delta Life (Bangladesh)
 - Group sales - Star Micro (Ghana)
- **Service provider**
 - MFI – Compartamos (Mexico)
 - Cooperatives / Credit unions – La Enmaculada (Belize)
- **Aggregator**
 - Retailers – Pep (South Africa)
 - Utilities – Codensa (Colombia)
 - MNOs – Prudential / BIMA (Ghana)
- **Consumers / Mutuals**
 - CARD MBA (Philippines)
 - Mutuelle de Sante (West Africa)



2. Aterna's Model



GENERERA
25 years of microfinance experience



GRUPO CP
EXPERTOS SEGUROS
35 years of insurance experience



- We are an insurance intermediary with the purpose of cultivating a prevention culture on the BoP
- We specialized on developing products that respond to the clients needs
- Our team has 11 years of experience on the microinsurance industry.



PRINCIPAL PARTNERS



INTERNATIONAL



PRINCIPAL SUPPLIERS



INTERNATIONAL




VALOR SOCIAL




4 million active policies
22% of the microinsurance market in Mexico
+ 8md benefit amount paid annually to + 6,000 beneficiaries in - 24 hours

VALOR ECONÓMICO



+ \$30 MUSD on premiums
93% on client satisfaction

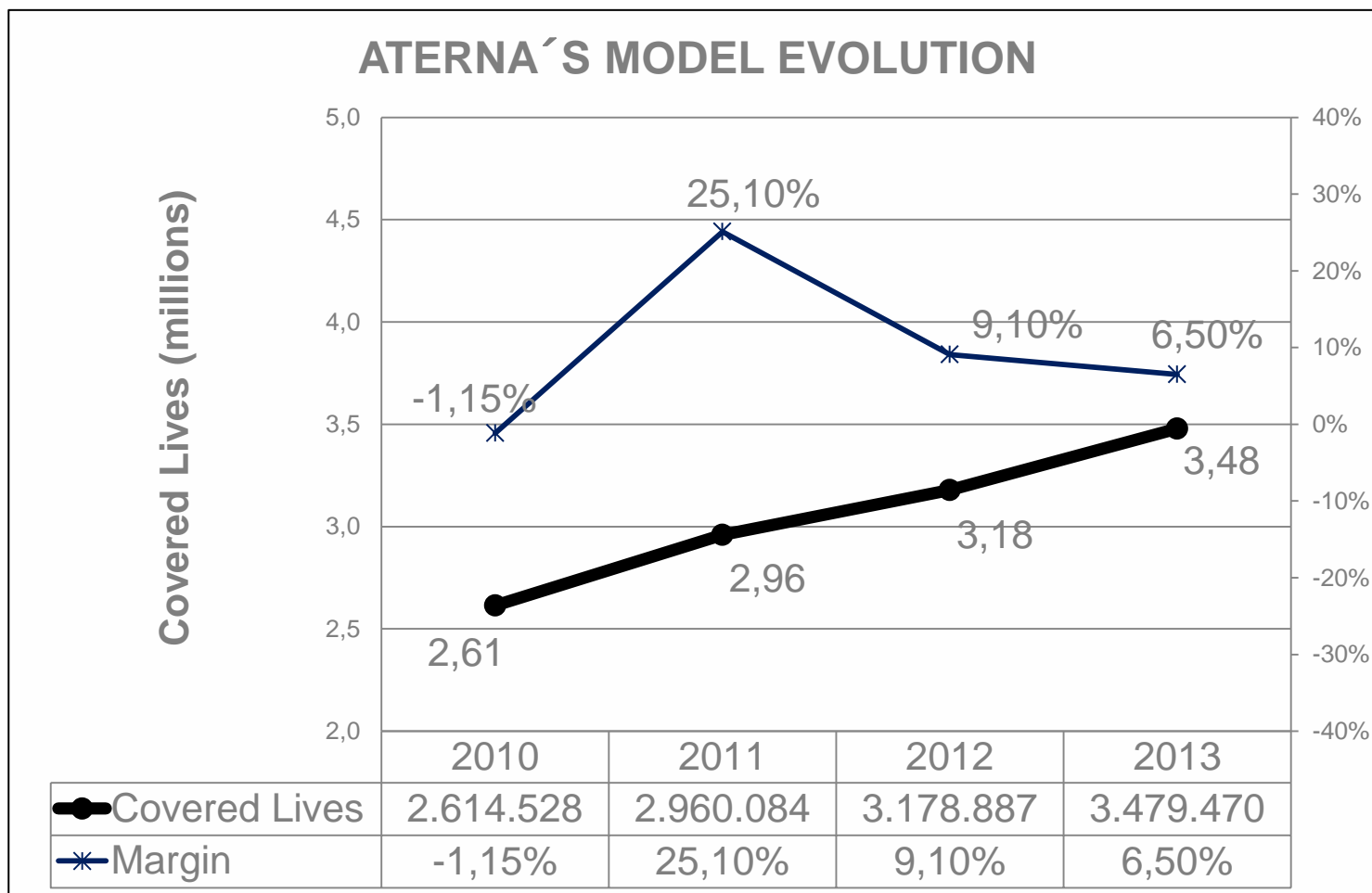
VALOR HUMANO



3 education campaigns focused on the awareness to the clients
100% of the sale force of our partners trained



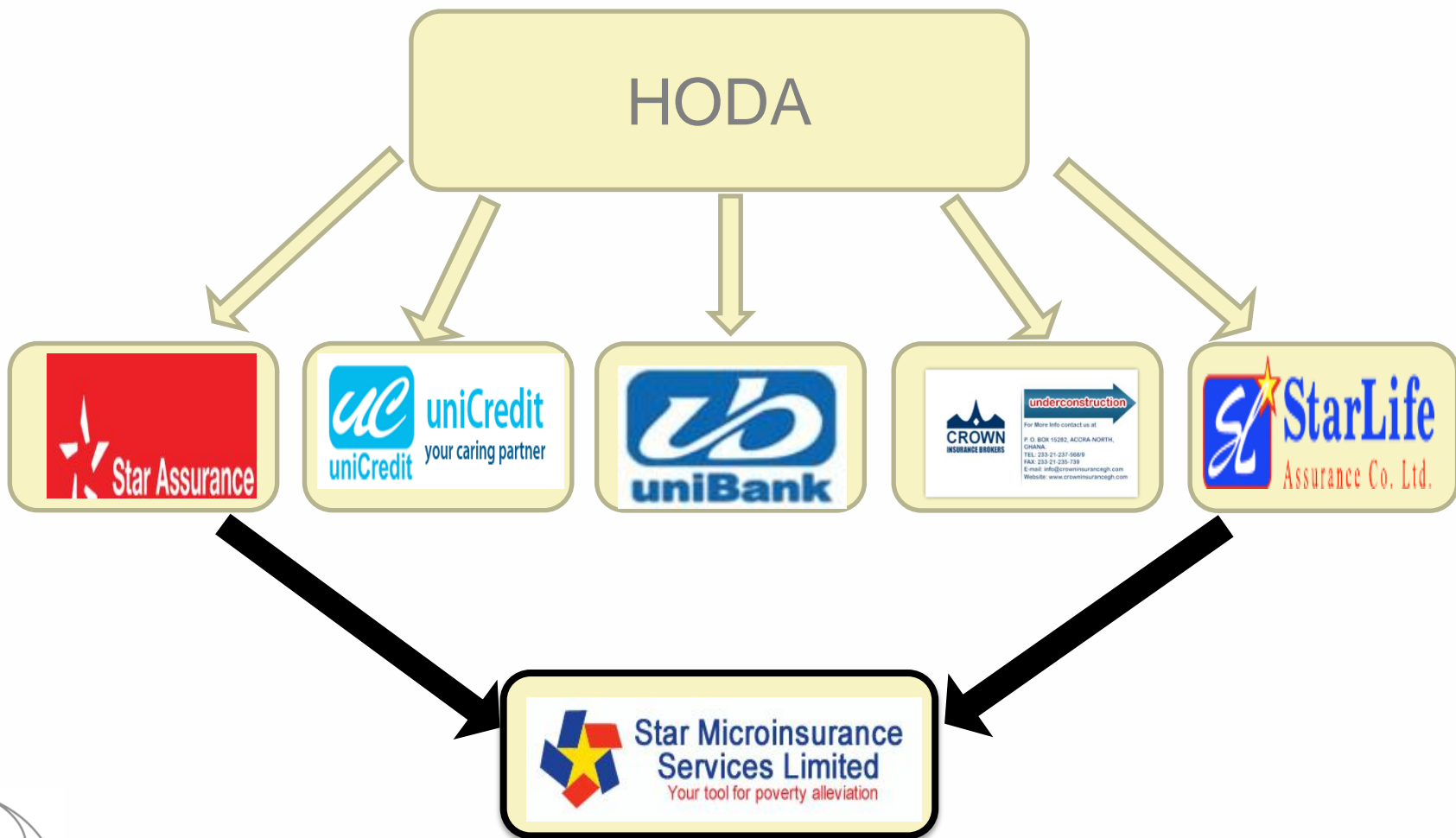
Aterna's Model evolution



- **As broker**
 - There is no legal figure for an MI broker
- **Oversight**
 - Interactions with supervisor through the insurance companies
 - Developing products issues
 - Process to get a product register
 - Documentation for claim processes
 - Pricing
- **Multinational issues**
 - The high cost to operate multinational
 - Local policies to adapt (In majority traditional insurance regulation at the lack of MI initiatives)
 - Different data request

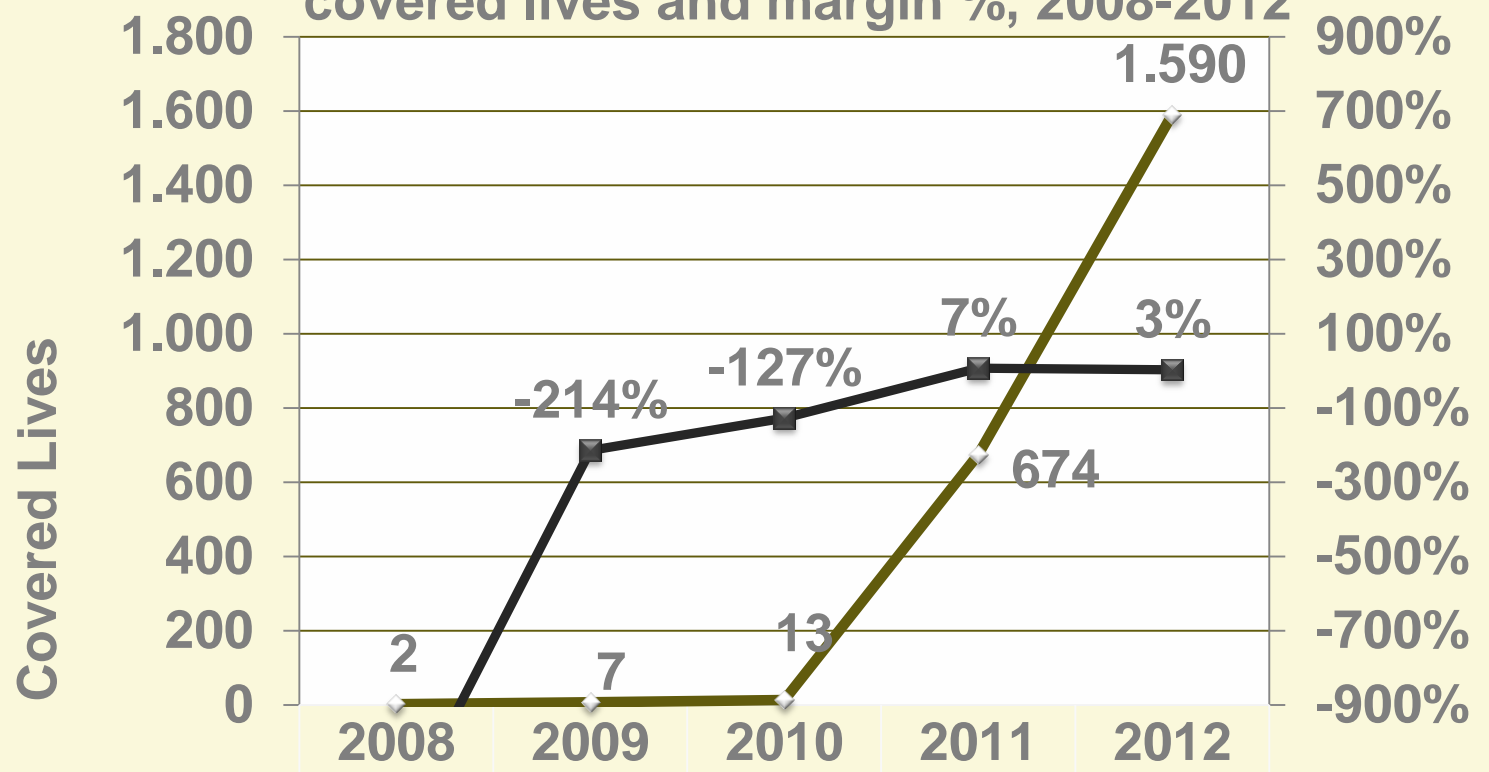


3. Star Micro, Ghana Model



Star Micro: Model evolution

Figure 5: Star Micro covered lives and margin %, 2008-2012



◆ Covered Lives	1.689	6.933	13.074	674.340	1.590.0
■ Margin	-1234%	-214%	-127%	7%	3%

- **Separate regulation for Microinsurance**
 - Market Development
 - Consumer Protection
 - Stability
 - Soundness



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