

Standard Terms of Reference for A2ii Country Diagnostics

V1 2012 01 27

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1. Introduction

This document describes the objectives, scope and approach to be followed undertaking an individual country diagnostic using the methodology developed by the Access to Insurance Initiative (the Initiative). This document can be used as a basis for developing the Terms of Reference to request proposals by consultants to carry out the diagnostic.

Further documents and tools supporting the country diagnostic are available on the homepage of the Access to Insurance Initiative (www.access-to-insurance.org). The Initiative is continuously working on updating and expanding its toolkit.

2. Background and rationale

The Access to Insurance Initiative is a partnership between the International Association of Insurance Supervisors (IAIS), the German Federal Ministry for Cooperation and Economic Development (BMZ), CGAP, the International Labour Office (ILO), the South Africa-based FinMark Trust and the United Nations Capital Development Fund (UNCDF). The activities of the Initiative are directed and coordinated by a Secretariat hosted by the German International Cooperation (GIZ).

The Initiative's vision is to increase financial inclusion in insurance markets for the low-income population. Its goal is to strengthen the capacity of policymakers, regulators, and supervisors seeking to advance insurance market access, particularly for low-income clients, by promoting sound, effective and proportionate regulation and supervision of insurance markets.¹

3. Objectives of an A2ii country diagnostic

The diagnostic approach is aimed at assisting the development of local stakeholder strategies to develop the microinsurance market. To achieve this, the diagnostic covers four main areas: the country context, demand-side, supply-side and regulatory² issues. A holistic understanding across these four areas enables the diagnostic to identify the key opportunities, drivers and constraints for microinsurance development. In particular, the diagnostic aims at exploring the impact that the current policy and regulatory framework (insurance and other relevant regulation) has on microinsurance market development and to identify any particular regulatory barriers to development. The diagnostic methodology is laid down in A2ii Toolkit 1 [[download PDF](#)].

The diagnostic study should identify strategic opportunities and make recommendations of concrete actions that may be usefully in the four areas pursued by a stakeholder process.

The diagnostic is not only targeted at the domestic audience. Learnings from the country diagnostic process will also be captured as part of the growing body of knowledge of the Initiative for sharing with other countries interested in supporting the development of microinsurance.

4. Involved parties and roles

Access to Insurance Initiative

¹ Please see "Inside the Initiative" for more information (<http://www.access-to-insurance.org/inside-the-initiative.html>).

² Regulation is used broadly here to refer to policy, regulation and supervision.

The Initiative as main stakeholder supports diagnostics of the insurance market and its policy, regulatory and supervisory environment in selected countries. The diagnostics are used to both develop country-specific recommendations and to generate cross-country learning on the most suitable approaches to facilitate the growth of microinsurance. Stakeholder dialogues throughout the process are an integral part of the Initiative's approach.

The Regulators/Supervisor

The XXX as national body in charge of insurance supervision is the main driver of this process. The exact role and contribution of the insurance supervisor will be defined in a letter of agreement.

The funders/sponsors

The country diagnostic is funded jointly by sponsors. The Initiative provides the developed and tested methodology as an in-kind contribution to any diagnostic implemented by an Initiative partner or directly by the Initiative Secretariat.

Steering Committee

A Steering Committee comprising 1-2 representatives of each party involved, such as the regulatory agency, the sponsors, and other members closely involved in the country diagnostic may be set up. The Steering Committee will support implementation of the country diagnostic, follow up on its progress and clarify outstanding questions. Specific Terms of Reference for the tasks of the Steering Committee can be developed at the beginning of the project.

Project Management

The Steering Committee or sponsors will appoint an individual to undertake the day-to-day project management of the country diagnostic. The Access to Insurance Initiative Secretariat will provide orientation to the Project Manager on the methodology.

Consultant team

A team of consultants will be put together, the composition of which depends on the specific qualifications of the consultants/consultant team selected for the project. Typically, a country team consists of Team Leader who is the international lead consultant, another international consultant as team member both of which will cover Regulatory issues, and market issues respectively. In addition, an Insurance Core Principle Specialist and local consultant will complete the team. For the supply side analysis and focus group discussions, the lead consultant may partner with a local market research firm.

The lead consultant shall regularly update the Project Manager on the status of project implementation. Updates will take place orally including a short written update once a month.

For more details on the specific requirements and tasks for each of the members of the consultant team, please refer to Annexes 1 to 3.

5. Scope of work

The following considerations will have an impact on the scope of work proposed. These considerations are not exclusive and will be informed and fine-tuned by the particular country situation during the country visit.

(1) *Country context*: The analysis will cover key aspects of the social, political, economic and demographic environment that may impact on microinsurance development and include:

- An overview of the relevant information relating to the general economic and demographic profile: income levels, urbanization, level and nature of employment and sources of income.
- An overview of latest political development and potential impacts on the development of the microinsurance market, as well as the main cultural distinctions that may impact on insurance.

(2) *Supply-side analysis*: The purpose of this component is to build an understanding of the players and products in the insurance market as well as the context in which they operate. The analysis will, therefore, extend beyond just the existence of particular low-income offerings to consider the other context factors that will drive insurance behavior and interest in the low-income market.

- *Investigate all insurance forms*. The review will investigate all forms of insurance that are relevant and available for the low-income sector including credit life, life, accidental death and disability, and agricultural insurance (as far as relevant or desired for the low-income market). If relevant, the analysis will also include a review of Islamic insurance (Takaful insurance). Health insurance is part of a more complex health financing environment that is also highly dependent on the health services network and capacity. The diagnostic is not required to provide a detailed review of the public health services or broader health financing environment. It will cover the private health financing and insurance sector as part of the scoping exercise to understand the current environment and how this may link with the insurance sector. This will allow the identification of areas of further research and consider potential opportunities for supporting the development of this component of the financial sector as part of the strategies. The diagnostic will not be required to make recommendations on health policy but will only be able to note the impact of current health policy on the insurance environment.
- *Include insurance-based savings*. Insurance-based savings products are important in the domestic environment and thus the team needs to gather adequate market data to see how this could possibly fit into the proposed strategies. The current project excludes detailed investigation of the bank-based savings environment as it deserves separate attention which is beyond the scope of the current project. This is not a value judgment on the importance of this market in the domestic context but simply to manage the scope of work.
- *Cover both formal and informal insurance mechanisms*. Both formal and informal insurance mechanisms may be important and will be covered in the analysis (including relative market size and position).³ For the informal component, it is expected that there will be limited information available but the consultant(s) will explore the available information. This may include considering the role of entities such as microfinance institutions in providing informal credit life insurance.
- *Cover full value chain*. This project will cover all aspects of the insurance value chain covering risk carriers (including identification of re-insurers and insurers and their role in the low-end

³ The issue of informal insurance is discussed further in the Scoping Note for Country Diagnostics.

market), administrators, transaction platforms, aggregators, and clients.⁴ In addition to an analysis of current risk carriers and available products, special attention will be paid to potential delivery channels, considering the insurance knowledge of potential aggregators of microinsurance consumers and their readiness to provide insurance and by identifying and analyzing which delivery channels have the most potential to be successful insurance intermediaries, the role of technology in facilitating distribution, etc.

Specific aspects to consider in the supply-side review include:

- Analysis of the broader financial sector on which the insurance sector relies. Relevant issues here include the penetration of bank accounts and the cost of utilizing this for premium collection, the nature and development of the credit market, the state of the payment system, the environment around e-money and the availability of non-bank payment system partners (e.g. mobile phone networks).
- Identification of market factors and trends affecting the expansion of insurance (to include barriers to entry).
- Evaluation of the various distribution models employed for micro-insurance and the impact of regulation on these.
- Identification of key options and media for collection of premiums, summarizing key advantages and disadvantages.
- Identification and evaluation of the nature and potential role of non-financial sector players such as mobile phone networks or retail stores as potential partners in distribution.
- Analysis of the role and impact of government involvement in the market (e.g. government institutions, including apex organizations and schemes, taxation etc).
- Explanation of sufficient context on the broader insurance industry structure, trends and performance to understand the position of players in the low-income market. This will include the key trends/developments that have led to the market structure as it exists currently.
- List of features of all products available which target the low-end and provision of estimates of market share. If the number of providers and products are too numerous, the consultant will propose products and institutions relevant to focus on. In general, these would be institutions or products that are (or could be) relevant to the low-income market.
- Identification of regulatory constraints to the design of products and further roll out of products.
- Identification of innovative products, approaches and institutions as well as regulatory barriers that may inhibit further development of these.
- Impact (if any) of foreign-owned insurers who have entered the market.
A review of the various social and economic organizations that access low income households in the urban and rural areas, and their capacity to serve as distribution channels.

(3) *Demand-side analysis:* The diagnostic includes data collection and analysis at the level of the consumer. Through qualitative and quantitative research of the low-income market, the key risks of concern will be identified and the market's familiarity and receptiveness to and awareness of insurance will be explored. This will be done through the analysis of available survey data, as well as through qualitative research such as focus group discussions or targeted one-to-one interviews of low-income consumers. Delegation to a local firm is encouraged. The consultant will include proposals on how to approach the use of focus groups, in particular which market segments to target for focus group discussions.

Specific aspects to consider in the demand-side review include:

⁴More details on these components are provided in the Scoping Note for Country Diagnostics.

- Analyze and summarize all available primary and secondary information on the current and future market size, and trends in overall insurance product usage over time.
- Analyze and summarize all available data on low-end consumers which indicate needs for types of insurance and attitudes towards it. This will include some consideration of the main risks faced by low-income households.
- Evaluate the extent to which existing insurance products meet the needs of the low-income consumer.
- Where possible, identify who are insured and their reasons for taking out insurance.
- Estimate the current take-up of formal insurance and specifically any microinsurance products that can be identified.
- Estimate the current awareness and take-up of informal means of risk mitigation.
- Consider the penetration of social welfare and other government support networks as alternative risk mitigation mechanism.
- Consider perceptions, knowledge and awareness by the poor of formal financial institutions and specifically insurance.

(4) *Constraints due to data unavailability.* With the exception of focus groups, collecting primary data through surveys falls beyond the scope of this project. The analysis will, therefore, be confined to existing data and literature and information from interviews with actors along the value chain.

(5) *Geographic scope.* The study will seek to consider the opportunities and challenges for microinsurance at a national level. This will include at a minimum both urban and rural low-income population segments as well as a regional mix [to adapt]. However, given the scale of [country], the team may discuss to restrict the focus for specific components of the analysis to certain regions.

(6) *Regulation, supervision and policy framework (regulatory scheme):* Drawing on the regulatory scheme and checklist (link provided with this RFP) this component will consider the full body of legislation and policy that impact on the development of the insurance market. This will include consideration of:

- Policy in support of market development and/or financial inclusion. Consideration will be given to the policy priority given to financial sector development and insurance more specifically as this will be an important driver for development.
- Specific insurance regulation that exists covering legislation, regulations and other subordinate regulation (circulars, etc.) that set out the general regulatory framework for insurance. Consideration will be given to aspects of prudential, market conduct and product regulation and the regulatory risks and challenges faced in the country (including the capacity of the regulator).
- Consumer protection and recourse regulation.
- The regulation of the broader financial sector, which may include the relevant bank regulation, regulation of MFIs and NGOs providing financial services, general market conduct regulation, regulation specific to credit providers (as this may be of relevance to credit life insurance and bancassurance) and AML/CFT controls.
- Non-financial regulation as far as it impacts on the development of the insurance sector, for example tax legislation.
- The institutional environment in which the financial sector and insurance market operates, e.g. the regulatory framework for mutuals and cooperatives, institutional requirements on companies, and corporate governance regulation, etc.

(7) *ICP assessment.* A consultant experienced in assessing compliance of national jurisdictions with the IAIS Insurance Core Principles (ICPs) will assess the level of compliance of the country's insurance regulatory framework and supervisory practices with the revised ICPs approved by the IAIS in October 2011. Although the ICP assessment is an integral part of and input to the country diagnostic, it is also intended to provide confidential feedback to the country's insurance regulator on the general level of compliance with the ICPs. At the same time the report will provide valuable input to the consultant team on the general insurance regulatory environment which of course impacts directly on the ability of the authority to regulate and supervise the microinsurance market.

The ICP assessment will provide the overall policy and regulatory context as it impacts on the regulatory capacity to advance access in the country's insurance market. The ICP report will focus on the identification of key areas for improvement in insurance regulation and supervisory approach, benchmarked against the international standards on insurance supervision. The recommendations of the ICP assessment will apply to the insurance sector more broadly, whereas the diagnostic report will address particular regulatory barriers that hinder access by the low-income segment.

(8) *Identify knowledge gaps.* Based on all of the above, the consultant will identify knowledge gaps that may impact on the development of microinsurance in the country and make recommendations on specific follow-up actions to address these.

The project team will be drawing heavily on available research material and studies and will avoid duplication of efforts.

6. Analytical framework

Below we set out the broad analytical framework which will form the basis of the diagnostic as well as the intended scope of work.

(1) *Scope of microinsurance defined.* Microinsurance is defined by the IAIS as “insurance that is accessed by [or accessible to⁵] the low-income population, provided by a variety of different entities, but run in accordance with generally accepted insurance practices (which includes the Insurance Core Principles). Importantly, this means that the risk insured under a microinsurance policy is managed based on insurance principles and funded by premiums”⁶. It therefore excludes social welfare as well as emergency assistance by governments, “as this is not funded by premiums relating to the risk, and benefits are not paid out of a pool of funds that is managed based on insurance and risk principles”. It is not only limited to insurance for individuals, but also includes insurance products developed for and used to manage the risks of small enterprises or groups of such. Micro-insurance also extends beyond the provision of insurance by microfinance organizations and could include all categories of providers – government, commercial entities (shareholder based or mutual) and non-profit organizations (to include NGOs, cooperatives and mutuals). Accordingly, micro-insurance is not a stand-alone concept, but is integrated into and influenced by the overall insurance environment. This includes regulation governing the insurance sector, as well as the regulation governing the banking sector and payment system as, traditionally; insurance relies heavily on the banking sectors. The diagnostic will give particular consideration to the appropriate definition for microinsurance in the country.

⁵Own insertion in recognition of the fact that people may choose not to use a financial service even if it is accessible to them.

⁶IAIS, 2007. Issues in regulation and supervision of microinsurance. Available at: www.iaisweb.org

- (2) *Regulation impacts within market context.* Regulation by itself is not the only factor determining access to financial services. In order to assess the impact of regulation, it is, therefore, necessary to develop a sufficiently detailed understanding of the market context. This includes both the demand and supply side. In the case of insurance, demand side considerations should include a basic understanding of the risks faced by lower-income households and other risk mitigation mechanisms (non-insurance) at their disposal. On the supply side, relevant considerations include the nature of players in the market, the level of competition, government ownership, etc.
- (3) *The challenge of microinsurance extends beyond risk management and the insurer.* Country experience to date has shown that some of the most challenging aspects of microinsurance are found in distribution. Distribution is not only limited to sales activities and encompasses a variety of administrative and intermediation activities necessary to deliver the product to the customer. These functions include marketing, sales, premium collection, policy and client management, policy administration and claims payment. In addition, these distribution activities may be conducted by various entities and the roles of specific entities may vary from case to case. Understanding microinsurance in a particular market therefore requires focusing on more than just insurers and products. Particular attention will be paid to the intermediation of insurance in the markets reviewed in order to understand the regulatory ramifications on each part of the value chain.

This is especially true for emerging technologies and innovations (e.g. mobile phone payments, distribution through retailers, etc.). How the regulatory environment impacts on these can determine the future of micro-insurance in a particular market.

- (4) *Regulatory support to facilitate market development and innovation.* Having noted that regulation is not the only factor impacting on the provision of insurance, we have to acknowledge that the structure of insurance industries is often to a large extent determined by regulation. The impact of regulation may be due to the presence or absence of specific regulations and the financial sector may also be impacted directly and indirectly by non-financial rules (i.e. laws and regulations, basic institutional regulation, regulation of technology, etc.). It is, therefore, necessary to consider a holistic picture of the market and regulatory context. Regulation could raise barriers to entry and increase costs at various points in the value chain. At the same time, regulation provides the necessary legal infrastructure for the market to operate in. It is, therefore, essential to understand the nature of regulation and also how it impacts on the microinsurance market. For example: regulation could impact on product design, dictate the institutional form for insurers (and exclude legal forms able to reach the low-income market at lower cost), impact on distribution through regulating disclosure and commissions, may limit the use of new (and often technology-based) distribution platforms, etc. Different aspects of regulation may also unintentionally contradict each other.
- (5) *Policy- and regulatory capacity to cope with change and integrate new services and providers.* Regulation is often shaped by precedent and past experience. However, given the current rates of change, governments/regulators are struggling to keep up. Examples of rapid change include the emerging use of mobile phone technology in financial services and the emergence of new payment system concepts such as e-money. These innovations have had profound impacts on the markets in which they have been implemented. At the same time they pose huge challenges for the governments and regulators who have to provide the appropriate regulatory and contractual framework (including, amongst others, financial stability, consumer protection, regulatory certainty and infrastructure to facilitate market development) within which these technologies can be applied. For example, it is interesting to consider what happens in the absence of regulation. In a related field such as microfinance, countries like the Philippines have

allowed an unregulated microfinance market to develop and only started regulating it once it has been developed. Although this may be risky from a consumer protection point of view, it has facilitated the development of a dynamic market. If countries choose to regulate first, this may not be the case. However; there may also be reasons why - in the case of insurance – regulators cannot wait until the (informal) services develop outside of the insurance laws. It is therefore necessary to consider when and what type of regulation is necessary at different stages of a market’s development.

- (6) *Formal vs. informal.* Although government, commercial entities (which can include mutual and cooperatives) and non-profit organizations insure large numbers of people for a variety of risks, significant gaps often remain. These gaps are often in some of the most prominent areas of risk faced by poor households. Under these circumstances, the informal provision of insurance fulfils a critical function in the provision of risk mitigation services to low-income households. For many households, informal (which are primarily mutual) insurance is readily accessible and well understood and seems to be the only viable insurance option. Informal societies may provide some form of risk mitigation themselves or simply act as intermediary for formal insurance products.

However, even though we note the potential importance of the informal provision and intermediation of insurance, information on these markets is often very limited unless specific demand side surveys are undertaken⁷.

- (7) *Institutional bias.* It is also recognized that insurance regulation has often been seen to be biased towards shareholder-based (stock) companies and against member owned/mutual insurers. Insurance regulation also does not deal well with the extended number of entities involved in the insurance value chain, many of which were not regulated for insurance purposes in the past. The diagnostic will provide an objective view of the various institutions involved and the role they fulfill.

7. Timeline

The timeline below is approximate and final deadlines will be defined at the end of the tendering process and agreed with consultants.

[date to be added]	Tendering process
[date to be added]	Short-listing and finalizing of contracts
[date to be added]	Team building and training, including project planning; kick-off workshop
[date to be added]	Information, data collection and desk review
[date to be added]	In-country visit
[date to be added]	Draft report and final stakeholder workshop
[date to be added]	Final country diagnostic report

Team Building and Training Workshop: The consultants will be required to participate in a training session on the Initiative’s country diagnostic methodology and the experiences and learning from different countries to date.

⁷ Such as the FinScope Africa surveys (www.finscope.co.za)

Kick-off Workshop for stakeholders: Kick-off workshop including the consultant team, project management, and [country] stakeholders will be held.

In-Country Visit: The country visit is expected to require two to three weeks, the exact length being discussed between the consultants and the project management after desk review of available information. Representatives from the sponsor(s) may participate in the meetings.

The funders and the Initiative reserve the right to appoint mentor(s) or senior expert(s) to work with the consultant team at critical points during the project to ensure consistent application of the methodology, quality control and timely synthesis of key findings. The consultant team will be required to accommodate these interventions in their work schedule.

8. Deliverables

The following deliverables are required:

- (1) *Briefing report following country visit.* This 3-5 page document will provide a brief update to [sponsors] on the impressions gained and issues arising out of the country visit. It will flag particular challenges or risks to the successful completion of the project. It can take the format of an informal briefing note.
- (2) *ICP Assessment.* The ICP consultant and the consultant team undertaking the country diagnostic will jointly participate in the training. However, the ICP consultant will utilize an assessment methodology acceptable to the IAIS and will report in a format sanctioned by the IAIS. The participation of the ICP consultant in the country visit of the rest of the diagnostic team will depend on the relevance of the respective meetings and the practicality of having combined meetings. It will be important to coordinate their work as pertinent. A confidential ICP report will be prepared by the ICP consultant and provided to [regulator] who will decide whether the ICP report will be published or not.
- (3) *Draft report: Market and regulatory review and potential strategies for developing microinsurance in the country.* Following the country visit the consultants will prepare the draft outputs (see below) and complete information gaps. The report should not exceed 40-50 pages (including executive summary and excluding annexes) and should cover at least the following sections:
 - Introduction and market context (key aspects of [country] social, political, economic and demographic environment that may impact on microinsurance development),
 - Analytical approach and methodology (in brief – possibly included in an appendix),
 - Regulatory overview (including inputs of the external ICP specialist), capacity of the regulator to cope with microinsurance development, regulatory gaps to provide a functional distribution and underwriting capacity for microinsurance,
 - Insurance supply-side overview including an assessment of selected microinsurance pilots in the country,
 - Performance of selected existing microinsurance schemes,
 - Institutional categories and competences accessing low income households and their ability and preparedness to partner as MI distribution channels;

- Demand-side overview including estimates of current insurance and microinsurance take-up and awareness,
- Conclusions and identified drivers of microinsurance development, and
- Proposed recommendations (market and regulatory level) to develop microinsurance in the country.

(4) *Presentation of results at final stakeholder workshop.* The consultants prepare and present a PowerPoint presentation summarizing the findings from the review and outlining the strategy proposed with the motivations for various components. It should follow the same structure as the document (see above).

(5) *Final report: Market and regulatory review and potential strategies for developing microinsurance.* The final report shall include all relevant comments received from the stakeholder workshop and reviewers.

(6) *Confidential note.* This short note to the Steering Committee and Project Management may cover any sensitive issues that the consultant team in consultation with project management decides not to include in the final report.

(7) *Contribution to project preparation and management.* Consultants will participate in the training workshop at project inception. They will report regularly to the project manager. They will also contribute to the concluding assessment of the country diagnostic methodology and country process so as to include the process learning into the Initiative's methodology. They will contribute to Steering Committee meetings in written or via telephone as requested by the project manager.

The distribution of tasks and deliverables of each team member is described in more detail in Annexes 1 – 3.

9. Recommended reading

Examples:

- Access to Insurance Initiative - Toolkit No.1, Microinsurance Country Diagnostic Studies: Analytical Framework and Methodology (2010)
- International Association of Insurance Supervisors and CGAP Working Group on Microinsurance (2007): Issues Paper in Regulation and Supervision of Microinsurance
- Making Insurance Markets Work for the Poor: Policy, Regulation and Supervision (2009)
- A2ii Publications, e.g. Case Studies from South Africa, Colombia, Philippines, India, Uganda, Brazil, Zambia, Ethiopia etc.
- Emerging guidelines for microinsurance policy, regulation and supervision: Evidence from Five Country Case Studies
- Insurance regulation from countries that have implemented and/or finalized their microinsurance strategy and policy framework.

All documents are available on the webpage of the Access to Insurance Initiative (www.access-to-insurance.org). Additional reading material will be provided during the course of the project.

Available material on [country]

The project team will be drawing heavily on available research material and studies and will avoid duplication of efforts. The following material is available and will serve as a basis to start off the diagnostic and determine the information gaps:

- [...]

Annex 1: Requirements for and tasks of the international consultants

1. Areas of expertise

Profound technical knowledge in at least two out of the three main areas mentioned. Profound insurance know-how in the team is a must.

a) Regulation, supervision and policy

- Regulation, policy and supervision of the financial sector. Know-how of other supervisory ambits is of advantage.
- Knowledge of the International Association of Insurance Supervisors (IAIS).
- If possible, knowledge of government instruments and administrative processes.

b) Insurance

- Risk and risk management concepts.
- Insurance and other financial services.
- Insurance product areas, life and non-life including agriculture, and health insurance products.
- Insurance process, from education and marketing, sales (agency and brokerage), underwriting, technical aspects (pricing, reserving, role of the actuary and other professionals, financial management), claims processes, customer service.
- Insurance and social security – roles of public and private sector.
- Microinsurance and areas of differentiation from traditional insurance.

c) Financial Systems Development

- Financial systems development, at macro (regulatory), meso (infrastructure and supply chain) and micro (institutions and customers) levels.
- Understanding of microfinance, health, social protection and policy and related areas.
- Understanding of emerging markets and developing economies, particularly constraints related to infrastructure, education and training, culture and the role of the state and private sector.
- International development concepts and approaches.

2. Skill set required

The international consultant(s) should have substantial capacity in the areas listed below:

- Proven ability to lead a multi-disciplinary team of local and international consultants.
- Team player.
- Analytical skills (both qualitative and quantitative) and the ability to work in environments where incompleteness of data is an issue.
- Consulting skills and the ability to form reasoned arguments.
- Cultural sensitivity and empathy with the needs of low income population.
- Communication skills
 - ability to communicate complex arguments or messages succinctly
 - ability to deal with a wide range of people, from supervisors and other government officials, industry, insurance customers, particularly low-income customers and community groups.
- Writing skills, including preparation of well structured, well documented and well reasoned reports.
- Working experience in developing countries, preferably in [country/continent].

3. Tasks and Deliverables

The international consultant(s) will be employed to carry out analytical and research work for the country diagnostic. His/her main tasks will be to

- Support the preparation of the team building and training workshop.
- Study and evaluate the usefulness of resources and data available on [country] (mentioned above). Determine existing gaps and develop a plan on how to fill these.
- Carry out research, gather, analyze and interpret data (Desk research and country visit).
- Contribute to and/or write chapters self-dependently (to be defined at the beginning of the assignment) to be included in the following outputs:
 - Confidential briefing report following the in-country visit.
 - Report on market and regulatory review and potential strategies for developing microinsurance in [country].
 - Preparation of presentation and presentation of results at stakeholder workshop.
 - Final report on market and regulatory review and potential strategies for developing microinsurance in [country].
 - Confidential note.
- Integrate comments of reviewers and Steering Committee into final report.
- Report weekly (orally) to the project management and provide input into a monthly update report for project management.
- Participate on demand in Steering Committee meetings.

4. Level of effort

Depending on the composition of the team and the areas of expertise of the individual consultants, the contract will be for a period of up to xxx working days of each consultant's time. The consultants will be expected to invoice against timesheets, it being understood that a working day consists of 8 hours.

Annex 2: Requirements for and tasks of the local consultant

1. Areas of expertise

The local consultant should fulfill the following requirements:

- Extensive knowledge of the [country] insurance and micro insurance market.
- Know the relevant players in the market.
- Familiarity with financial sector development issues.
- Proficient in MS Office programs.

2. Skill set required

- Team player and strong organizational talent. Be able to handle multiple tasks at a time.
- Good networking skills.
- Consulting skills and the ability to form reasoned arguments.
- Cultural sensitivity and empathy with the needs of low income population.
- Communication skills
 - ability to communicate complex arguments or messages succinctly
 - ability to deal with a wide range of people, from supervisors and other government officials, industry, insurance customers, particularly low-income customers and community groups.
- Writing skills, including preparation of well structured, well documented and well reasoned reports.

3. Tasks and deliverables

The local consultant will be required to assist the consulting team with the [country] country diagnostic, such as supporting the information collection and the logistics of the country visit, facilitating access to key entities and individuals in [country] and providing local context for the analysis.

In particular, the consultant will assist with the following:

- Preparations for the training and kick-off workshops. The consultant will be expected to assist in preparations (administratively and in terms of logistics) for the training and kick-off workshops to be held.
- Data and information collection. The consultant will assist in data collection and research efforts ad-hoc and take over defined research packages when needed.
- Management of the meeting schedule for country visit. This includes arranging and confirming meetings and regularly updating the consulting team on the meeting schedule by circulating a draft schedule.
- Providing local context to the project. This will probably take the form of a series of telephone discussions prior to the country visit, as well as briefing meetings with the consulting team upon arrival.
- Providing guidance in respect of the relevant source materials for the desk work that must be undertaken prior to the country visit. This includes assisting, as requested, to obtain relevant legal and regulatory texts for forwarding to the consulting team, as well as potentially assisting with the collection of annual reports and financial data from insurance companies.
- Participating in consulting team discussions and contributing to the outcomes of and recommendations flowing from the field work in [country].
- Following the country visit, and within the remaining time budgeted under this RFP, the local consultant will remain available by telephone and email as requested by any member of the

consulting team to assist with follow-up tasks requiring or best undertaken by in-country personnel.

- Following the completion of the country visit, the consultant will provide the consulting team with a final meeting schedule indicating all the meetings which occurred, as well as a list of people met including their complete contact details.
- The consultant will not be required to prepare a report, but to provide written inputs thereby contributing to specific question and parts of deliverables (review documents, clarify questions). The consultant also revises and provides comments to the final report.
- Assist in preparations and participate in final workshop to share results results with relevant stakeholders.
- Report weekly (orally) to the project management and provide input into a monthly update report for project management.
- Participate on demand in Steering Committee meetings.

4. Level of effort

The contract will be for a period of up to xxx days of the consultant's time. The consultant will be expected to invoice [sponsor] against timesheets, it being understood that a full day consists of 8 hours billed time.

Annex 3: Requirements for and tasks of the ICP Consultant

The following project process and deliverables are required:

1. Area of expertise

The ICP consultant has experience in carrying out ICP (Insurance Core Principle) assessments and should preferably have experience in insurance supervision.

2. Skill set required

- Team player.
- Consulting skills and the ability to form reasoned arguments.
- Cultural sensitivity and empathy with the needs of low income population.
- Communication skills and ability to communicate complex arguments or messages succinctly.
- Writing skills, including preparation of well structured, well documented and well reasoned reports.
- Working experience in developing countries, preferably in [country/continent].

3. Tasks and deliverables

- Carry out the ICP assessment as part of the country diagnostic (policy, regulatory and supervisory analysis) and prepare a report containing the findings of the assessment.
- Carry out interviews and collect information and data.
- Analyze data and information.
- Participate in discussions with the rest of the consulting team and in the development of recommendations for fostering microinsurance in [country].
- Potentially write well-defined parts of the briefing report following the country visit and the main country diagnostic report, such as the regulatory parts including the findings of the ICP assessment and RSP recommendations. The contributions by the ICP consultant to the main report will be defined in detail once the team composition is clear.
- Review entire country diagnostic report.
- Contribute to the presentation of the findings and recommendations going forward (in person or remote) and to be presented in the final stakeholder workshop.
- Report weekly (orally) to the project management and provide input into a monthly update report for project management.
- Participate on demand in Steering Committee meetings.
- The ICP consultant and the country diagnostic consultant(s) will jointly participate in the training, field visits and dialogue workshops and coordinate their work as pertinent.

4. Level of effort

The assignment is expected to be for a total of approximately xxx days depending on the detailed definition of the tasks and deliverables upon contracting. The consultant will be expected to invoice [sponsor] against timesheets, it being understood that a full day consists of 8 hours billed time.