



# IAA Microinsurance Working Group



# Purpose

**To serve as the IAA body that coordinates the micro-insurance efforts of the various IAA Committees and Sections and provides a focal point for IAA efforts to help facilitate the development of micro-insurance and actuarial involvement in this rapidly growing, and socially meaningful area.**



# Terms of Reference

- **Establish a formal IAA role with the ILO Micro-Insurance Innovation Facility in Geneva and other key organizations that might be identified.**
- **Participate in, along with qualified actuaries with expertise in micro-insurance, key conferences and meetings of the international micro-insurance community.**
- **Take a leading role in defining and developing specialized training needed for actuaries to become qualified to practice in the micro-insurance area, in conjunction with the IAA Education Committee.**
- **Identify micro-insurance experts (both actuaries and non-actuaries). Encourage and facilitate their involvement in appropriate IAA and member association meetings, committees, and IAA Sections.**
- **With active participation of IAA Sections, create a forum for practicing micro-insurance actuaries to share their experiences and expertise with other actuaries and, as appropriate, with the micro-insurance community.**



# **IAA Microinsurance Working Group**

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- Established by IAA Executive Committee in April 2010**
- Recruiting members from April 2010 to present**
- Planning process begun May 2010**
- Short-term and intermediate-term plan to be presented at IAA Council & Committee meetings in October 2010**
- Organize and begin initial activities in October 2010**



# Membership

- **Membership of the Working Group is open to all individuals with the relevant expertise and interest.**
  - **Howard Bolnick (USA), chair**
  - **Vice-chair – open**
  - **Currently 33 Members (more to be recruited)**
    - **Most with microinsurance experience and many working in the field for microinsurance projects**
    - **Members working in microinsurance organizations: ILO Microinsurance Facility, World Bank**
  - **Liaison with key national actuarial associations: India, UK, Australia, South Africa, Canada, Mexico (others in process)**
  - **Liaison with IAA Committees and Sections: Insurance Regulation, Health Section, AWB (others in process)**



# Planning – Areas to Consider

- **External focus**
  - **Identify actuarial needs of microinsurance organizations**
  - **Participate in activities of key international microinsurance organizations**
  - **See and be seen**
- **Internal focus**
  - **Develop/Assist qualified actuaries**
  - **Expand knowledge**



# Identify Actuarial Needs of Microinsurance Organizations

- **Take stock of what actuarial work is needed in MI (Wrede)**
  - **Many ‘standard’ actuarial topics are not of value in MI situations**
  - **Need for standardized, easy to use, well documented methodologies**
  - **Recognize important cultural and social differences to insurance in developed countries**
- **MI managers often need to better understand insurance and how actuaries can help them manage their enterprises (Rajbhandari, Yan)**
- **Promote actuarial volunteerism in MI programs (Clarke)**
  - **Training & mentoring needed**
  - **Coordination with AWB**



# Key International Microinsurance Organizations

- **ILO Microinsurance Innovation Facility (Yang and Churchill)**
- **CGAP Microinsurance Network (Churchill and Thorburn)**
  - **Embed WG as MI Network actuarial committee (Yang)**
- **Access to Insurance Initiatives (Thorburn)**
- **IAIS (Thorburn and Gomez)**
- **World Bank (Thorburn)**





# See and Be Seen

## External Meetings

- **Annual Microinsurance Forum**
  - **Participate as presenters, not simply attendees**
- **Participate in other key international meetings**

## Actuarial Meetings

- **Meetings of national actuaries organizations (Rendek)**
- **IAA leadership meetings and Section colloquia**



# **Develop/Assist Qualified Actuaries**

- **Develop technical assistance and training (Kelly)**
  - **Hands-on experience in MI projects (Zhang)**
  - **Textbook chapters (Blacker)**
  - **Online training and exams (Blacker)**
  - **Systematically gather knowledge from current/future volunteers (Zhang)**
  - **Cover problem of nation-specific social/cultural aspects (Zhang)**
- **Develop MI actuarial credential (Zhang)**
  - **IAA qualified actuaries**
  - **‘Barefoot’ actuaries for limited resource MI plans**



# Develop/Assist Qualified Actuaries

- **Promote MI as a carrier path for practicing actuaries (Zhang)**
  - **Is this possible, given financial realities of the MI industry?**
  - **Newsletter aimed at actuaries (emphasize social aspects of work)**
  - **Partner with commercial insurers to support actuarial volunteerism in short-term MI projects**
- **Develop MI internet forum connecting practitioners and students to learn and share experiences (Rendek)**



# Expand Knowledge

- **Develop actuarial & risk management practices**
  - **Adaptive pricing methods for pricing with limited or no directly relevant data (Kelly, Thorburn, et.al.)**
- **Administrative efficiency and control of fraud/moral hazard– new modes of communication (Vivier)**
- **Create easily accessible database of MI resources (Grenham)**