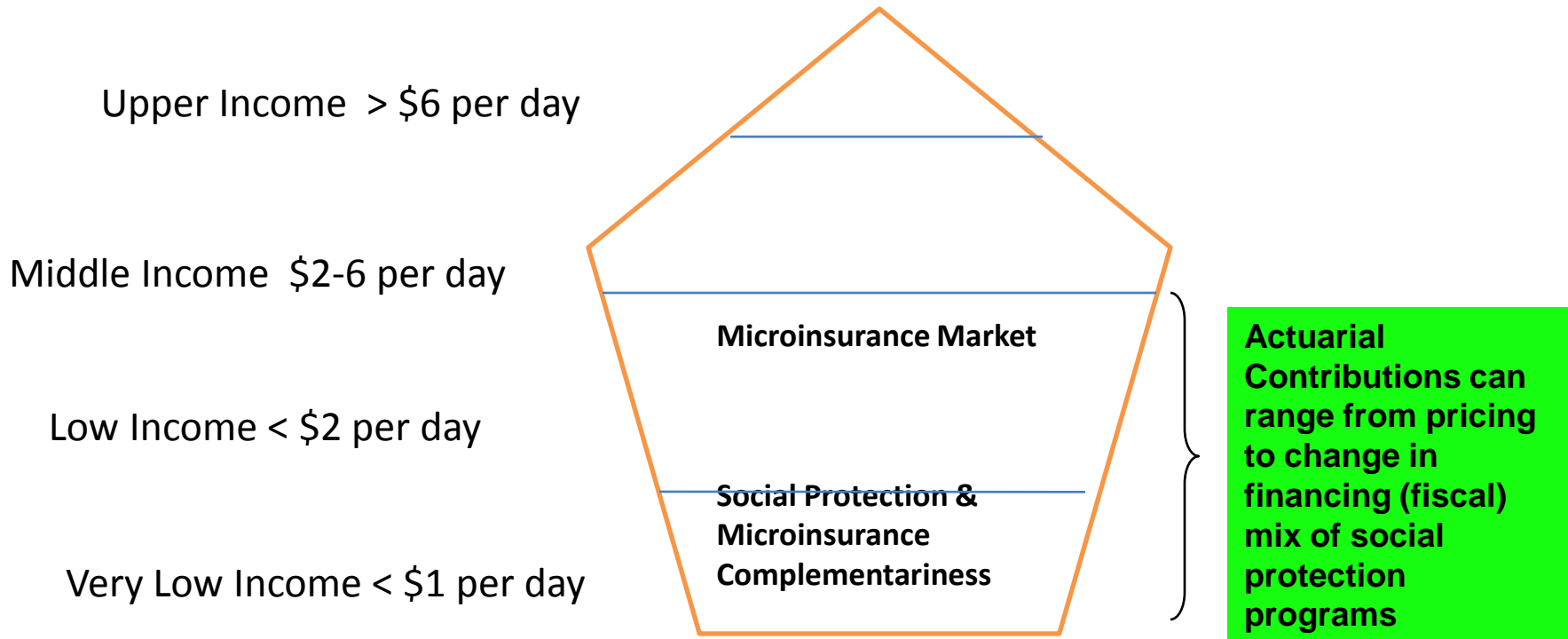


Advisory Group on  
Microinsurance and Microfinance

Strategy Meeting  
Institute of Actuaries of India  
Mumbai, 25 June 2011

# Microinsurance Market in India



India is arguably the largest microinsurance market in the world. Evidence points to increasing activity in formal and informal sectors.

**Source:** Adapted from Athreya, V, 2007. Tata AIG Life Insurance Company presentation at the Munich Re International Conference on Microinsurance, Mumbai, November 2007.

# FUNCTIONS OF THE ADVISORY GROUP ON MICROINSURANCE AND MICROFINANCE

Functions specified in terms of reference	Whether well-defined	Expected Deliverables	Success Indicators
<p>1. To be responsible for addressing issues in respect of MIMF that are referred to it or the Group considers appropriate to address and advise the Council for appropriate action.</p>	<p>Yes</p>	<p>Advice to be provided within timescales that are agreed on a case-to-case basis.</p> <p>Definition of microinsurance and a demarcation to avoid classification conflicts with life or non-life industry</p>	<p>Advice is acted upon by the Institute</p>
<p>2.To be responsible for putting in place and reviewing Actuarial Practice standards (Guidance Notes) that are required for members of the institute who work in MIMF</p>	<p>Yes</p>	<p>As MIMF is not yet an accepted and exclusive practice area (unlike life &amp; non-life insurance or pensions), the Group doesn't expect to put in place Guidance Notes. However, an actuarial toolkit under an international initiative of the IAA and IFA is a deliverable that can be used by fledgling insurers and risk carriers</p>	<p>Tangible contribution to the development of the actuarial toolkit, which is accepted by IAA and IFA.</p>

# FUNCTIONS OF ADVISORY GROUP ON MICROINSURANCE AND MICROFINANCE

Functions specified in terms of reference	Whether well-defined	Expected Deliverables	Success Indicators
<p>3. To design and carry out Continuing Professional Development Programmes including seminars and workshops for enhancement of skills of members of the profession in MIMF.</p>	<p>Yes</p>	<p>Short term: Microinsurance Training Seminar for qualified and student actuaries.</p> <p>Medium term: Actuaries are equipped to appreciate microinsurance based on sound actuarial principles and can apply them to their work in both domestic and international sector.</p>	<p>Attendance at and feedback from such events.</p> <p>The ability eventually to export actuaries to other markets would constitute evidence that their standard is comparable internationally.</p> <p>Actuarial advice rendered by IAI members in MIMF meets the standards set by the Institute.</p> <p>IAI members are called upon to conduct programmes in other countries</p>

# FUNCTIONS OF THE ADVISORY GROUP ON MICROINSURANCE AND MICROFINANCE

Functions specified in terms of reference	Whether well-defined	Expected Deliverables	Success Indicators
<p>4. To be in know of and advise the Institute on emerging professional issues affecting MIMF industry within and outside India.</p>	<p>Yes, though arguably this may be part of the Terms of Reference of the Strategic Advisory Group on Professionalism, Ethics and Conduct. Hence, this TOR may be deleted and another TOR may replace it, as shown later in the document</p>	<p>Advice to the Institute.</p> <p>Ongoing engagement with the IAA on professional matters, and advice to the Institute on emerging issues</p>	<p>Advice is acted upon by the Institute</p>

# FUNCTIONS OF THE ADVISORY GROUP ON MICROINSURANCE AND MICROFINANCE

Functions specified in terms of reference	Whether well-defined	Expected Deliverables	Success Indicators
<p>5 .To be in know of and advise the Institute on emerging business and industry issues affecting MIMF industry within and outside India.</p>	<p>Yes</p>	<p>Advice to the Institute.</p> <p>The purpose of this advice should be that the Institute comes to be regarded by the International and Multilateral Bodies (including the IAA) as a trusted source of advice on the MIMF industry</p>	<p>Advice is acted upon by the Institute.</p> <p>Involvement of the Institute by the IAA, Regulator and other public bodies in the discussions leading to calibration of actuarial standards in MIMF.</p> <p>IAI members play an important role with bodies like Microinsurance Network and Access to Insurance Initiative</p>

# FUNCTIONS OF THE ADVISORY GROUP ON MICROINSURANCE AND MICROFINANCE

Functions specified in terms of reference	Whether well-defined	Expected Deliverables	Success Indicators
<p>6 . To advise the Institute on any regulatory or market issues that potentially may affect the status of the profession</p>	<p>Yes</p>	<p>Short term: A position paper on the market for actuaries in the MIMF industry and developing regulatory standards for implementation of actuarial inputs to the MIMF industry.</p>	<p>Advice is accepted by the Institute</p>

# Additional Function

We suggest that the following should be an additional function of the Group:

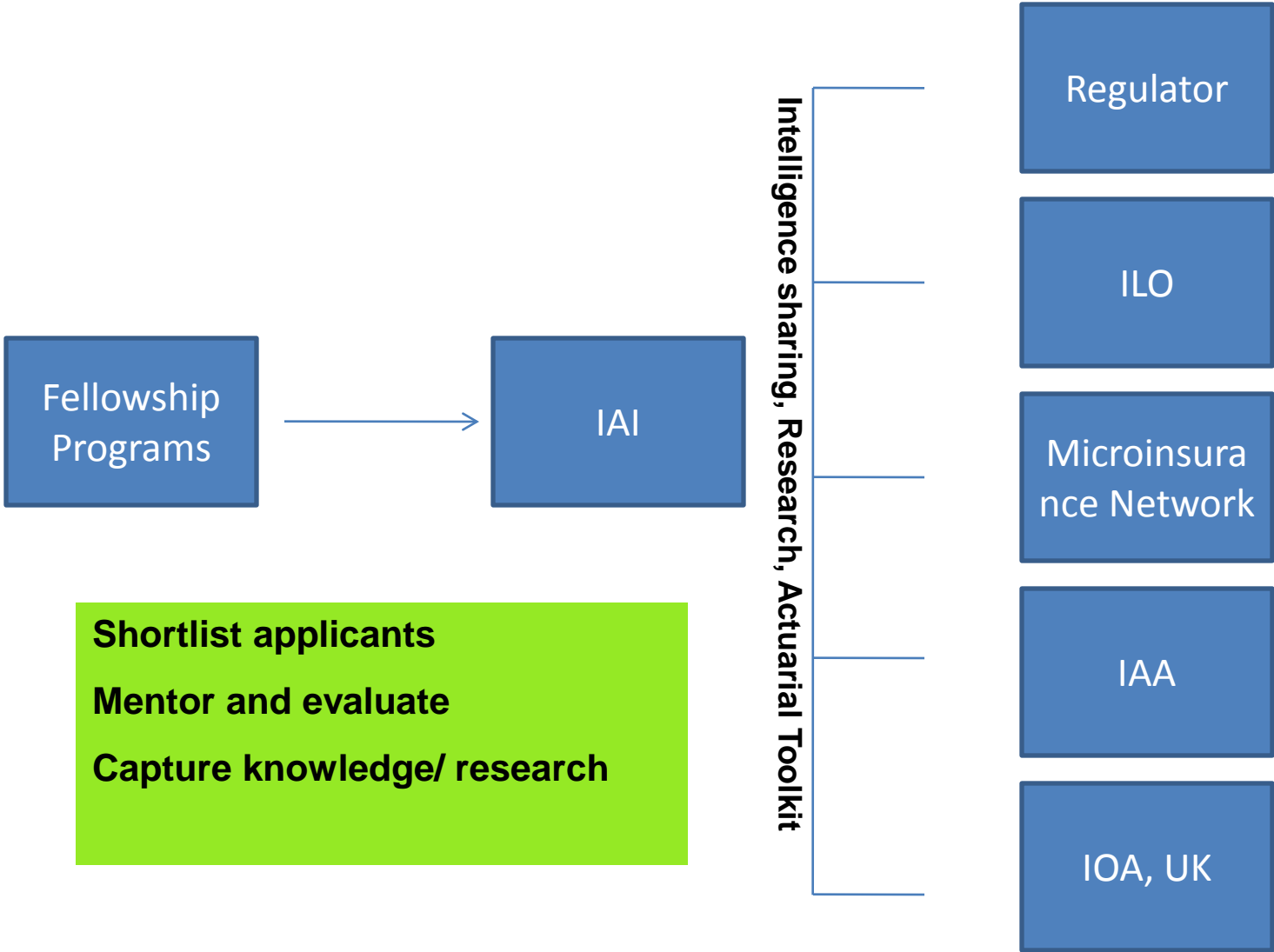
‘To be in the know of and advise the Institute on useful technical and academic developments relating to the MIMF industry in actuarial or other relevant fields, at local or international level.’

The success indicator would be whether the advice is acted upon.

In the long term, the purpose of all the activities of the MIAG should be that the Institute be recognised as a trusted body that acts, within the terms of the Actuaries Act, 2006, in the interests of the industry and of the general public. The success indicator for this would be that the Institute’s members participate effectively in financial inclusion and development sector.



# Proposal for Microinsurance Fellowship Program



Thank You