



Micro-insurance Measures for Small-Scale Fishers: Experiences and Lessons Learned

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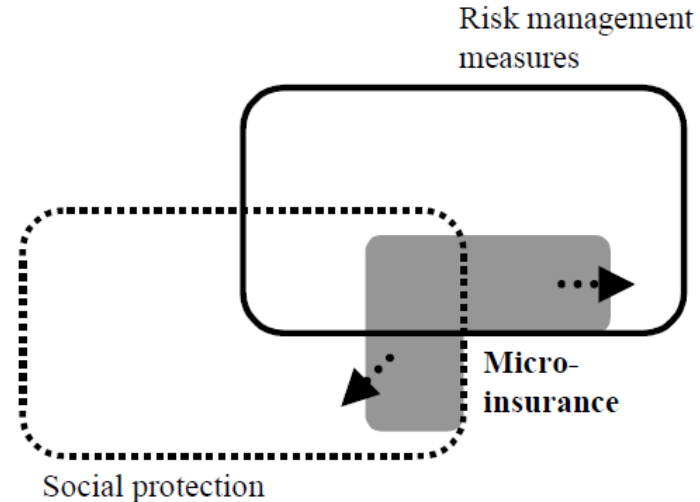
Agenda

- Context of Microinsurance
- Microinsurance and FSPs
- Lessons learned
- Action points



Context of Microinsurance

- ❑ Microinsurance plays a role on both sides: it is certainly a risk management instrument; but it can also be used as a tool to extend social protection. This instrument may cover various risks or contingencies: health, life, assets, agricultural crops, etc.
- ❑ The common denomination of this instrument is that it uses the mechanism of insurance (among others) for beneficiaries who are excluded from formal social protection schemes in particular informal economy workers and their families (e.g. small scale fishers);

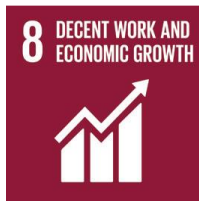




Microinsurance and FSPs

Common Understanding

- ❑ Financial services such as credit, savings, investments and insurance are important for small-scale fisheries within the global/regional context of climate change and variability.
- ❑ Financial services including insurance services can help to reduce vulnerability to shocks and mitigate in case of natural disasters.
- ❑ Providing insurance facilities to small-scale fisheries can further play an important role in enhancing social protection for the small-scale fisheries sector.
- ❑ Provisioning of microinsurance for SSFs will support and contribute to achieve 4 of the SDGs



Survey of APRACA

- ❑ APRACA organized sub-regional policy forum on extending financial services to small-scale fishers.
- ❑ The forum was attended by 17 financial institutions from 8 countries in SE and East Asia.
- ❑ APRACA used a survey tool for understanding the issues related to the roles of microinsurance in mitigating the risks faced by the SSFs in the sub-region.
- ❑ Responses were extremely interesting and worthy to share.



Lessons learned: APRACA Regional Policy Forum

Products

- ❑ Bundling of products under the category of Microinsurance (health, life and assets) with credit and savings may help in enhancing the coverage within the SSFs;
- ❑ Accessibility, availability and affordability of microinsurance products across the geographical areas is key to popularize the same among the SSFs.

Supply and Delivery

- ❑ Increased participation of the private sector in provisioning/investing in microinsurance services to support SSFs;
- ❑ Mainstreaming of informal insurance, insurance-like, and other similar activities or schemes (e.g. mutual benefit associations, cooperatives etc.);
- ❑ Collaborating with the existing infrastructures in digital space for enhancing outreach.

Policies

- ❑ Establishment of an appropriate policy and regulatory environment for the microinsurance services to SSFs by the private sector;
- ❑ Consolidation of database of registered SSFs for various social and economic (e.g. cash transfer benefit);
- ❑ Allow low capital requirement for insurance providers wholly engaged in microinsurance for SSFs.

Institutionalization of financial literacy to highlight the importance of microinsurance to SSFs, the applicable rules and regulations, the duties and responsibilities of the providers, and the rights of the insured.

Insurance is sold and not bought



Walk the Talk : Action points emerged

- **Shorter period for claims settlement.:** Unlike traditional insurance products, the microinsurance for SSFs to be settled within short period (maximum 2 weeks) after submission of complete requirements;
- **Simple and easy-to-understand policy contracts:** Considering that most of the SSFs belong to the low-income sector seldom comprehend and understand complicated and legalistic documents, the Insurance regulators/ Commission take steps to provide prototype of simple microinsurance contracts;
- **Simple documentary requirements:** Most of the SSFs do not have documents normally required by insurance providers. Hence, the Insurance regulators/commission need to allow the use of alternative documents/certificates from the local administration.
- **Increased options for distribution:** As the low-income SSFs are generally located and residing in areas where insurance providers do not have any establishments, the fishermen cooperatives, CSOs, MFIs, input shops should be allowed to be eligible as microinsurance agents.
- **Formalization of Informal Insurance Schemes:** The informal insurance schemes are prevalent in the coastal areas of many countries which need to be recognized and formalized.



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