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BRAZIL HOSTS 7TH INTERNATIONAL MICROINSURANCE CONFERENCE

Event will gather over 400 experts and worldwide delegates to push issues forward

Approximately 135 million people in developing countries already use microinsurance as a means of managing risk for the poorer social classes, according to a Lloyd's of London report, and this number is only going to grow. In Brazil, the situation is no different and this line of insurance will play a key role in reducing the vulnerability of the low-income households. This issue will be one of many debated topics during the **7th International Microinsurance Conference**, which will place from November 8th to 10th in the Sheraton Leblon Hotel, in Rio de Janeiro, Brazil.

The already confirmed participants are as follows: the Mayor of the State of Rio de Janeiro, Sérgio Cabral; the Chairman of Munich Re Foundation, Thomas Loster; the Chair of Microinsurance Network and ILO's Microinsurance Innovation Facility, Craig Churchill; the Superintendent of Susep (Superintendence of Private Insurance), Luciano Portal Santanna; and the President of CNseg (National Confederation of General Insurance Companies, Social Security and Life, Complementary Health and Capitalization), Jorge Hilário Gouvêa Vieira.

The event will bring together more than 400 delegates and experts from over 50 countries to discuss challenges and opportunities in microinsurance, while also focusing on lessons learnt and emerging issues. Organised by Munich Re Foundation and Microinsurance Network, the 7th International Microinsurance Conference will be supported by the Brazilian Confederation of Insurers (CNseg), the Superintendence of Private Insurance (Susep), GIZ/BMZ and Georgia State University.

With 22 sessions and over 70 speakers addressing key questions in the field, the conference represents the largest gathering of microinsurance experts in the world. The issues to be discussed during the conference include an economic analysis of market opportunities and barriers, national and regional strategies for microinsurance development in relation to various parts of the globe, and innovative approaches that improve microinsurance distribution.

"As a host country Brazil is a perfect fit for the 7th International Microinsurance Conference," said Dirk Reinhard, Vice Chairman of Munich Re Foundation and Chairman of the Conference Steering Committee. "The country is striving to improve access to insurance for the poor through a variety of avenues. With around one fifth of the population in Brazil living around or below the poverty line, Brazil's impressive economic growth over the past decade, as well as a dedicated insurance industry, have put the country in a strong position to provide the poor with more effective risk management tools to break the cycle of poverty."

The conference also marks the occasion when the Brazilian National Congress will vote on a law that will incorporate specific regulation on microinsurance activities to enhance the access to insurance for the low-income population of Brazil.

“The rising income over the last years in Brazil and the availability of credit has made the ascension of lower income groups (classes C and D) possible. Nevertheless, it is fundamental to create conditions that protect the equity of such families. Microinsurance is a lawful instrument to ascertain such accomplishments as well as to create the saving habit designed to finance education, thus indispensable to create saving habits among Brazilians” said Jorge Hilário Gouvêa Vieira, President of CNseg.

Microinsurance in Brazil and worldwide

The Microinsurance Committee of CNseg projects that the current premium percentage of the Gross Domestic Product (GDP) will increase from 3.5% to 7.5% in 2017 with the implementation of microinsurance regulation. The current estimation of microinsurance clients in Brazil is between 23 to 33 million clients according to a study by the Centre for Financial Regulation and Inclusion (Cenfri). The expectation is that over the next 20 years microinsurance in Brazil will touch close to a 100 million clients.

Data from the MicroInsurance Centre, a product development, research and advocacy institution, estimates that over the next ten years, the global microinsurance market will reach around one billion new consumers, equivalent to a third of the market potential. Climate change, population growth, urbanisation and a leveraging technological of innovations are determining factors for the expansion of this market.

According to Craig Churchill, the Chair of the Microinsurance Network, the expansion of microinsurance to protect the poor is coming from a diverse range of institutional arrangements. In the Philippines, for example, where the conference was held in 2010, the commercial insurance company, Malayan, expanded its outreach from 4.1 million to over 5 million low-income people from 2007 to 2009 by distributing cover through pawn shops, while Country Bankers Life covered 800,000 persons through rural banks. During that same period, other models also achieved significant outreach. For example, MicroEnsure, a specialised broker, facilitates the cover for 1.2 million lives, and PhilHealth’s scheme to extend social protection to workers in the informal economy covers at least 28,000 persons. However, the mutual benefit association of the NGO CARD eclipses them all, covering seven million low-income persons. “Now that we are seeing models that are successful in reaching huge numbers,” said Churchill, “we need to focus more on ensuring that the poor are actually benefiting from the cover.”



Highlights in event schedule:

Roundtable on microinsurance in Brazil – The plenary will focus on the opportunities and challenges within the microinsurance sector in Brazil, as well as innovative strategies in distribution, the regulatory perspective and lessons learnt.

National strategies to increase access: A joint country process – This session will examine the lessons from a variety of national insurance strategies including cases from the Philippines, Zambia and Colombia.

High level academic research sessions – There will be four academic track sessions which will include amongst others, Stefan Dercon, the renowned Development Economist, Professor of Development Economics at Oxford University and former leader of the “insurance against poverty programme” at World Institute for Development Economics Research.

About the International Microinsurance Conference (www.microinsuranceconference.org)

Initiated and organised by the Munich Re Foundation in collaboration with the Microinsurance Network, the aim of the conference is to be the international platform where experts share information, knowledge and experience in microinsurance in order to overcome existing challenges.

About Munich Re Foundation (www.munichre-foundation.org)

The Munich Re Foundation seeks to provide answers to overarching questions from a variety of perspectives in order to find sustainable solutions in the area of risk prevention. Questions concerning development are linked to risk management and poverty reduction.

About the Microinsurance Network (www.microinsurancenetwork.org)

The Microinsurance Network, housed at ADA asbl in Luxembourg, is the global network of major institutions and leading experts in the field of microinsurance. The Network promotes good-value insurance for low-income people by bringing together stakeholders from all sectors, producing bespoke research through its Working Groups, and disseminating key findings.

About CNseg (www.viverseguro.org.br)

The National Confederation of General Insurance, Social Security and Life, Supplementary Health and Capitalization (CNseg) is the main legal entity representative of the Brazilian insurance market before the society and the Government Authority, gathering a total of 151 related companies.

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