

# Eastern Region Insurance Summit 2017

“Exploring operational and customer service excellence”

On **4th of August** 2017 at **Lalit-Great Eastern, Kolkata**

Organized by **AMFI-WB**

Knowledge Partner **PWC**



## Eastern Region Insurance Summit 2016 & 2017

### Group of Advisors

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## About Eastern Region Insurance Summit 2017

### Role of Microfinance Institutions in Insurance Industry and especially in Micro Insurance segment

The microfinance industry, especially in India, has been a strong enabler in including the financially underserved and unserved in the formal financial ecosystem. Now the sector has started looking beyond micro credit areas, engaging themselves in promoting and distributing micro insurance products which can be leveraged with their core activity with a view to provide more and more service and products to prospective customers. Designed with the objective of protecting poor people keeping in mind their environment, needs, and possibilities, micro insurance is different from traditional insurance products.



## Insurance as a Microfinance Product – Rural and urban Finance and investment

Financial inclusion has always been at the forefront in India but the last decade saw a strategic shift from credit focus to a more holistic approach such as opening bank accounts or getting access to add-on products like insurance. This new approach has initiated a change in the core financial architecture of India's economy.

Today, India has a diversified banking sector that addresses the needs of various sectors. However, traditionally, banks have not focused much on the economically backward class.

The term micro-Insurance signifies a low value insurance product designed for low income earners. This is meant to provide the poor with some protection, peace of mind and dignity. Building on the recommendations of the consultative group, IRDA notified Micro-Insurance Regulations on 10th November 2005 to promote and regulate micro-insurance product. The regulation focuses on distribution channels like Partnership model, Agency model, and Micro-agent model.

This is where the MFIs play a crucial role. They can provide insurance coverage to the clients through their own products or following the partner agent model, thereby distributing products of insurance companies. To remain competitive insurance companies are joining hands with MFI's to increase their penetration. MFIs get involved in insurance for a variety of reasons, like offering insurance to protect the poor, to ensure that workers and their family members have access to an affordable social protection, risk prevention and coping mechanisms. Other MFIs primarily want to protect themselves. They want to offer insurance to reduce credit risks stemming from the death or illness of borrowers.

### Objective of the Summit

- ➔ The AMFI-WB 1st Eastern Region Insurance Summit 2017 seeks to provide a central platform to all the relevant stakeholders, namely the regulator, shareholders, management of insurance companies, investment analysis, distributors, brokers and consumers an opportunity to explore through Micro finance and banking industry, debate and discuss the appropriate path to delivering the rightful protection to the insurance consumer and fair value to the shareholders. Any possibilities of General Insurance in MF Industry particularly for agriculture, livestock and so on.
- ➔ The summit aims at having robust and key focused area discussions and knowledge sharing on the key challenges and opportunities by bringing the entire ecosystem of the Insurance Industry operating in MF Industry in India in one global platform to discuss, share knowledge, network and enhance business development.
- ➔ The importance of general insurance beside life insurance in MF sector and searching for opportunities.
- ➔ A special session by Insurance Regulatory Development Authority of India
- ➔ To facilitate dedicated panel discussion on inventive product development & product innovation for benefit of both MFI and Borrowers.



## About the Summit

The AMFI-WB 1st Eastern Region Insurance Summit 2017 aims to become a forum for various stakeholders such as the regulator, shareholders, management of insurance companies, investment analysis, distributors, brokers and, consumers giving them an opportunity to liaison about various issues pertaining to the sector. The summit seeks to explore the Micro finance and banking industry at large, debate and discuss the appropriate path to delivering the rightful protection to the insurance consumer and fair value to the shareholders.

## Discussions Will Focus on the Following Themes

### The Ecosystem of Micro Insurance sector in India

In India, it is often assumed that a micro insurance policy is simply a low -premium insurance policy. There are a number of other important factors, which is characteristic of low income clients:

- ➔ They live in remote rural areas, requiring a different distribution channel to urban insurance products
- ➔ They are often illiterate and unfamiliar with the concept of insurance, requiring new approaches to both marketing and contracting
- ➔ They tend to face more risks than wealthier people do because they cannot afford the same defense mechanisms. So, for example, on average they are more prone to illness because they do not eat as well, work under hazardous conditions and do not have regular medical check -ups
- ➔ They have little experience of dealing with formal financial institutions, with the exception of the National Bank of Agriculture and Rural Development (NABARD) Linkage Banking programme
- ➔ Lower-income group often have higher policyholder transaction costs. Thus a middle -class, urban, policyholder can send a completed claims form to an insurance company with relative ease: a quick call to the insurance company, receipt of the claims form by post, and then return of the form by post. For a low-income policy holder, submitting a claims form may require an expensive trip lasting a day to the nearest insurance office (thereby losing a day of work), obtaining a form and paying a typist to type up the claim, sending in the claim, followed by a long trip back home. Aside from the real costs of doing this, the low -income policyholder may be uncomfortable with the process; clerks and the other officials are often haughty with such low-income clients and can make clients feel ill at ease.
- ➔ Designing micro insurance policies requires intensive work and is not simply a question of reducing the price of existing insurance policies.





## Exploring Operational and Customer Service Excellence

The main premise of micro insurance products in India would be to protect the needs of its consumers who more than often come from the lower income strata of the society. So the micro insurance products and services should factor in the socio-economic condition of the policy holder and benefits should be designed accordingly

There are a number of techniques that Indian insurers have used to gain the trust of potential clients. These include:

- ➔ Public reimbursement of claims, for example at village meetings. This can be used as a marketing opportunity to demonstrate with a real example the advantages of having insurance
- ➔ Exposure tours, where village leaders from villages with policyholders are sent to other villages to show the advantages of having insurance
- ➔ Regular public interaction of insurance providers and (potential) policyholders to clarify the insurance concepts and explain policies. Some examples that might help in different areas include meetings held after claims submissions, and at annual general meetings
- ➔ Careful, well-managed rejection of claims, where the reasons are made clear to all the villagers
- ➔ Monitoring of customer satisfaction, especially with respect to lapses and non -renewals, with a mechanism to act on the information that emerges from this monitoring

## Enhanced Use of Technology

Technology is the biggest enabler when it comes to making micro insurance available in the remotest part of the country. With improving technological infrastructure (the Internet, cell phone networks), customers are making transactions without any physical contact with an MF credit officer. As a result, transaction costs have fallen and distance from a physical outlet is no longer a reason for exclusion.

In fact if micro insurance is to reach the remotest corner of the country, technology will be key. Falling prices of mobile broadband and the increasing availability of 3G, the new generation of wireless technologies, are expected to improve internet access considerably in coming years.

Advancements, such as satellite data, Global Positioning Systems (GPS) and point of sale terminals, have the power to improve micro insurance in a variety of ways. Technology is supposed to drive the development of financial services in two ways: by cutting costs, and bridging physical distance. These two issues – high operating costs and clients that are spread out and difficult to access – represent two of the biggest barriers to micro insurance development.

Health micro insurance also presents unique opportunities for technological innovation to increase client value. The tele-medicine aspect is another valuable offering, since many poor clients live in areas where physicians are scarce. Technology also plays a key role in health insurance schemes that offer “cashless” benefits and in detecting fraud.



## How RRBs, Consultants Can be Leveraged

For distribution of micro-insurance products, IRDA has said that regional rural banks, micro-finance institutions, district cooperative banks, non-governmental organizations, self-help groups, urban cooperative banks, banking correspondents and individual owners of kirana stores, public call offices, petrol bunks and fair-price shops in rural areas will be allowed to sell these products. The regulator has proposed that all micro-variable life insurance products shall have a lock-in period of five years from the date of inception of the policy, during which period surrenders are not allowed, but partial withdrawals may be permitted. Micro insurance agents may work with one life insurance Company and one general insurance company. They may also work with Agriculture Insurance Company of India for distributing micro-insurance products of crop insurance and with any one of the stand-alone life insurance companies for distribution of their health insurance products.

## The Aims and Objectives

India has perhaps the most exciting and dynamic micro insurance sector in the world. The aim of this Summit is to provide an overview of existing knowledge on the demand and supply of micro insurance in India, as a basis for reducing the vulnerability of poor and low-income people while developing new market opportunities.

## The Expected Outcome From the Summit

- ➔ An opportunity to interact with all the stake holders under one roof
- ➔ To have a first- hand knowledge on the ongoing trends of the sector
- ➔ To have an idea on existing products and how innovative products can be launched in the market to suit the needs of the consumers.
- ➔ To understand how technology can improve the growth trajectory by leaps and bounds
- ➔ The current challenges plaguing the sector and how those can be mitigated

AMFI-WB initiated number of such events during last seven years where many eminent personalities shared their views for the betterment of the Industry. Here are small glimpse:









## Who Should Attend?

- Heads and executives from MFIs and BC Organizations
- Heads and executives from state and national level MF industry associations/ networks/SROs.
- Senior Officers from IRDA
- Insurance Broker agencies, Consultants
- Managers and executives from the RBI (Expected)
- General Managers, CGM, ED, MD from as many as 25 commercial and nationalized banks and financial institutions.
- Heads and executives from insurance companies
- Heads of rating institutions, software companies, consultancy firms

## Our Sponsors and Supporters for earlier Summit(s):



## Digital Partner for 2017





## Eastern Region Insurance Summit 2017 – Sponsorship Categories

Sponsorship Proposal	Conference Partner	Principal Sponsor	Co-Sponsor	Technology Partner
Sponsorship Amount	Up to 4 Lakh	Up to 3 Lakh	Up to 2 Lakh	Up to 1 Lakh
Status of “Conference Partner” Sponsors name and Logo will be prominently displayed at the venue	✓			
Prominent display of logo on the main backdrop	✓	✓	✓	✓
Display of logo on conference material, report and delegate kits	✓	✓	✓	✓
Up and down (Round) air ticket to reach venue with 5-star Hotel accommodation for one day for one person (Senior representative of company)	✓	✓		
Speaker slot to a company senior representative at Inaugural session	✓			
Speaker slot to a company senior representative at any Plenary session	✓	✓	✓	
Branding at significant point of venue	✓	✓	✓	✓
Insertion of company's brochure and publicity material in conference kit	✓	✓	✓	✓
Projection of logo on screen during the break	✓	✓	✓	✓
Screening on a corporate video during the session break or lunch time.	✓	✓		
Complimentary exhibition space of 2*2 Meters at the conference venue	✓	✓		
7 delegate passes to attend the conference	✓			
5 delegate passes to attend the conference		✓	✓	
3 delegate passes to attend the conference				✓

**N: B: Applicable taxes will be levied with Sponsorship amount.**

**Provision of Stall for product and publication display:**

- ➔ Stall Contribution: INR 35000.00 + tax
- ➔ Stall size: Octanorm stall. 2m X 2m with 2m height with 2 spotlight, one table and 2 chair



## Registration Form

Yes, I/We am/are interested in participating in the Eastern Region Insurance Summit 2017 and would request for my/our registration as a delegate(s). The detail of delegate(s) are:

Sl. No.	Name of the delegate	Designation	Organization with address	Contact detail: ( telephone, email etc.)
1				
2				
3				
4				
5				
6				

## Registration Fees

For AMFI-WB Members:

1	Rs.500.00 per head inclusive of all taxes
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For Non AMFI-WB member:

2	Rs.1000.00 per head inclusive of all taxes.
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**Note. The fees do not include accommodation.**

All payments are to be made through DD/local cheque drawn in favour of: AMFI-WB. Name of the bank: **Bandhan Bank**. Account Number: 50150085467805. Account Type: SB TSAC-Trust-Society-ASSOC. Branch Name/Code: Belghoria/1594. Branch Address: Queen Tower, 75 Feeder Road, Belghoria, Kolkata – 700056. MICR/IFSC Code: 700750013/BDBL0001594. PAN of AMFI-WB: AADTA0559K. Income tax exemption certificate number (12AA): M. NO. DIT (E)/8E/232/2012-13/T-138/2834-36 DATED 11.12.2012.

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### **The Association of Micro Finance Institutions - West Bengal (AMFI - WB):**

The Association of Micro Finance Institutions - West Bengal (AMFI - WB) is an institution which endeavors to promote and develop microfinance in the State. With a membership of 30 Micro Finance Institutions, AMFI – WB currently caters to around 45 lakh poor women by providing them with financial services, especially micro credit. AMFI – WB regularly conducts stakeholder meets at the district level, management development programs for its members, microfinance industry-related seminars & workshops, and member meetings on matters of mutual interest. For more information about AMFI-WB service offerings, visit [www.amfi-wb.org](http://www.amfi-wb.org).

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### **Past Initiatives:**

Over the last 7 years, AMFI-WB has taken number of initiatives to minimizing the gap and making a strong bridge between Microfinance institutions and various segment of its stakeholders such as bank and financial institutions, insurance companies and IT companies, rating and credit bureau institutions, Regulators etc..

