Impact Assessment of Disaster Microinsurance for Pro-Poor Risk Management: Evidence from South Asia

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Abbreviations

AIDMI	All India Disaster Mitigation Institute
BPL	Below the Poverty Line
DRR	Disaster Risk Reduction
DRM	Disaster Risk Management
GSDMA	Gujarat State Disaster Management Agency
IIASA	International Institute for Applied Systems Analysis
OBC	Other Backward Castes
RRTI	Regional Risk Transfer Initiative
SEWA	Self-Employment Women's Association
UN	United Nations

Executive Summary

Rationale

There is wide and growing discussion on financial disaster safety nets, such as those provided by microinsurance, and the role that they can play as a resource for the poor in the aftermath of a disaster. Recent research and experience has pointed to the importance of such programs in assisting the poor reduce their vulnerability to shocks such as natural hazards and avoid poverty traps.

In the South Asia region, creative alliances among NGO/community groups, microfinance organizations, rural development banks, government regulators, entrepreneurs, and international financial and donor institutions have been pioneering disaster microinsurance products targeted directly at the poor. Some have grown out of pressing needs identified on the ground in the aftermath of a disaster; others have developed through "replication" of what has been heralded as a social protection "best practice."

Microinsurance is offered in South Asia for low-income households, farmers, and businesses as a means of providing access to post-disaster liquidity for recovery. There are mainly two types of disaster microinsurance schemes – one that is indemnity-based and pays claims based on actual losses, and one that is index-based, where insurance contracts, mostly for crop risks, are written against a physical trigger such as rainfall measured at a regional weather station. In the case of index-based insurance, farmers collect insurance compensation if the index falls below or reaches a certain measure or "trigger," regardless of actual losses. These schemes may offer a viable alternative to traditional crop insurance, which has failed in many countries, mainly because of the high costs associated with settling claims on a case-by-case basis. Many of these schemes have been backed by international financial institutions or other sources of subsidies.

Despite its theoretical potential, very little is known about how microinsurance actually benefits households and communities after disasters. Much of the current work on disaster microinsurance has focused on supply-side issues, such as insurance pricing and implementation questions, whereas the demand side and potential benefits to the insured have gone largely unexamined through rigorous evidence-based research.

About the Study

This paper offers the first large empirical cross-country assessment of the impact of disaster microinsurance in the South Asia region capitalizing on the prevalence of disaster-prone communities across South Asia, many of which are mixes of both households with and without disaster microinsurance – a fertile ground for rigorous comparative analysis.

The overall aim of the study is to advance the discussion of disaster microinsurance from anecdotal knowledge to specific evidence-based recommendations by assessing and understanding the impacts of products on clients. Key areas covered include: i) client satisfaction in products and services; ii) client awareness, understanding and perceptions of risk, products, and needs; iii) current disaster coping mechanisms and risk management behavior; iv) delivery mechanisms tailored for this low-income market; and, v) the potential for vulnerability reduction, including poverty and disaster risk reduction as well as well as enhancements in human welfare.

The study was initiated as a part of the Regional Risk Transfer Initiative (RRTI), an effort led by All India Disaster Mitigation Institute (AIDMI) to expand and strengthen microinsurance options for the poor in South Asia. It has been supported through funding from ProVention Consortium and executed in partnership with the International Institute for Applied Systems Analysis (IIASA).

Methodology

To investigate the impact of disaster microinsurance, an original dataset was generated through primary data collection based on stratified sampling of responses received from a control group (or "non-clients") as well as microinsurance clients of the following five organizations offering disaster microinsurance products: Basix (India), Self-Employment Women's Association (SEWA India), All India Disaster Management Institute (AIDMI India), Yasiru (Sri Lanka), and Proshika (Bangladesh). One disaster product was surveyed for Yasiru, AIDMI, and SEWA, while two different products were surveyed for Basix and Proshika bringing the number of products evaluated to seven.

Survey questionnaires were administered in local languages by 85 volunteers and representatives of the participating organizations from the period October 2008-September 2009. A total of 2,171 surveys were completed with 1,640 client evaluations and 531 responses from non-insured clients.

While this study references the larger body of literature on disaster microinsurance and findings from previous qualitative reviews, the analysis in this study is based solely on the findings from the survey of the 5 participating organizations mentioned above. Section 5 on Organizational Profiles provides an overview of the surveyed organizations.

Key questions and findings

Types of coverage

The microinsurance products assessed covered natural hazards and consequent risks specifically for tropical cyclones, floods, earthquakes, tsunamis, landslides/mudslides/debris-flow, as well as fluctuations of extreme temperature and rainfall. Non-natural hazards such as epidemics and or other risks such as accidents, illness, unemployment, and the like may have been covered under the programs of the participating organizations of the study however, were not the primary interest of the study.

In terms of types of insurance, a wide variety were covered ranging from savings and loan insurance to more traditional life, property and contents, and finally crop insurance. Also, two schemes (BASIX and SEWA) used index-based crop insurance.

Is microinsurance affordable?

Before examining whether clients felt microinsurance products were affordable, it is necessary to consider the relative cost of the microinsurance product. This can be done in terms of the potential payout as well as total annual household income. Table 1 shows the premium to coverage ratio for each of the products surveyed.

Name	Risks covered	Pricing: premium to coverage
Proshika Scheme 1	Savings	50%
Proshika Scheme 2	Loan	48%
AIDMI	Life, property and contents	< 1%
Yasiru	Life	2%
BASIX Scheme 1	Property	1%
BASIX Scheme 2	Crops	9%
SEWA	Crops	10%

Table 1: Risks covered and pricing as a ratio of premium to coverage.

As the table shows, while the Proshika schemes cover loans and savings, the organization only pays back twice the amount disbursed in the case of a disaster. AIDMI, Yasiru and BASIX Scheme 1, on the other hand, focus on life and property insurance and only charge a very small portion of the amount covered. Finally, the crop insurance schemes that provide coverage for relatively frequent droughts charge about 10 percent of the maximum coverage. Figure 1 shows this graphically.

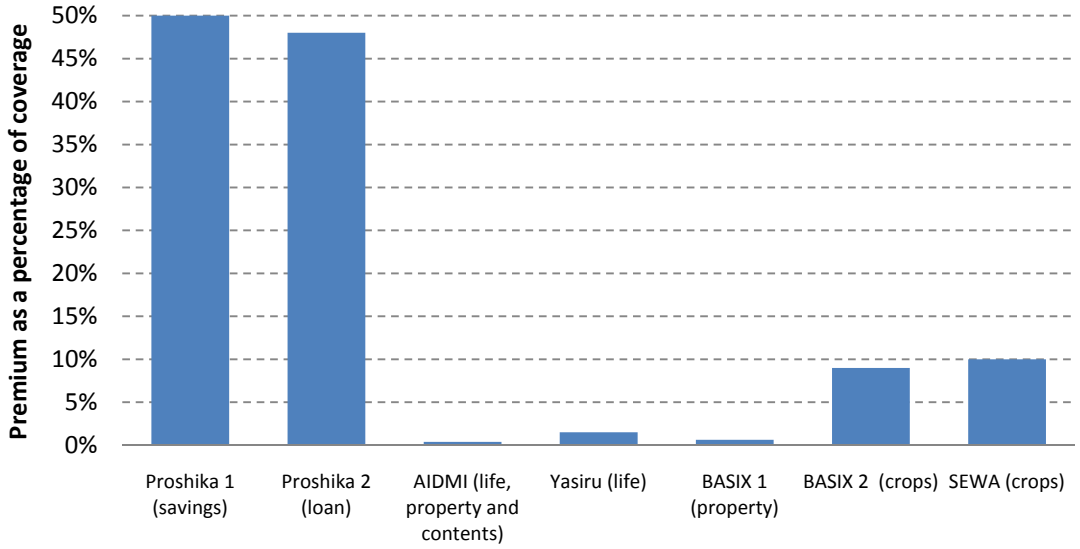


Figure 1: Premium as a percentage of coverage.

One reason for the staggering differences in premiums charged is the fact that some schemes receive subsidies from governments and international organizations while others have to cover the costs themselves. For example, the microinsurance products of BASIX, Yasiru, and Proshika do not receive subsidies while some form of subsidization is given for AIDMI and SEWA.

Figure 2 below shows premium in percentage of annual household income.

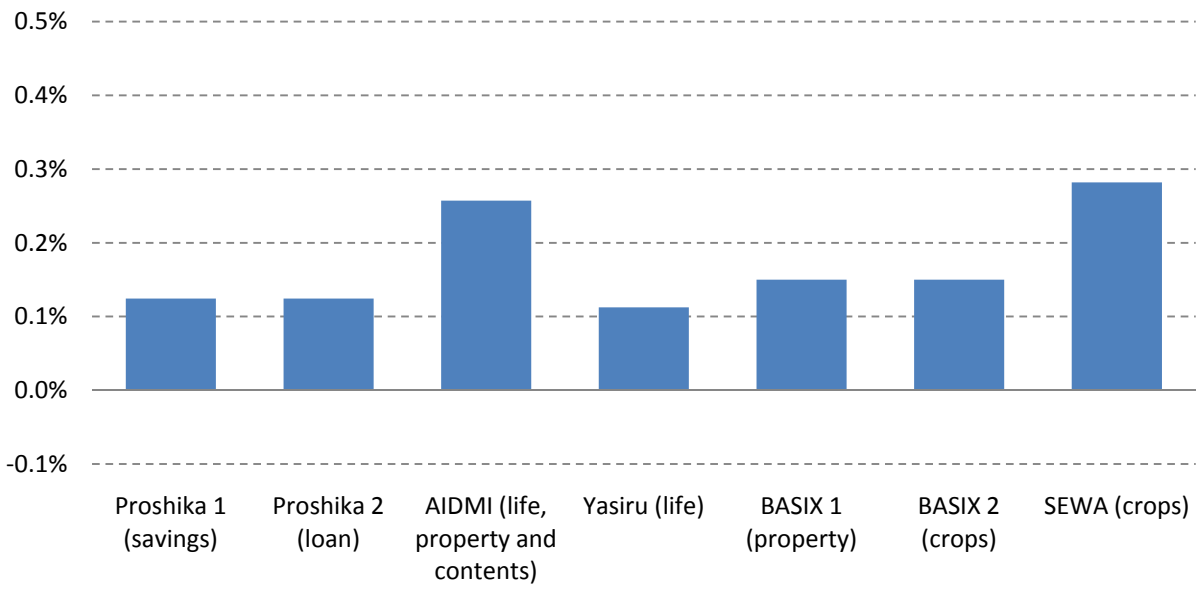


Figure 2.Premium in percentage of annual household income.

Survey responses

Given the wide range of risks covered and premiums charged, a large majority of people surprisingly feel that they can afford the amount they pay. Nearly 77 percent stated that the amount they pay is okay, and 11 percent stated it is too little, whereas a little less than 7 percent indicated that the amount they pay is too much.

This is indication that there is general willingness to pay for microinsurance services or that households of a certain income group are able to afford these products more than others. However, there may still be a large population of individuals poorer than the current clients which need to be served but could not afford the premium.

Opportunity cost

If disaster microinsurance clients were not spending money on premiums, what would they be spending it on? Expenditure on food consumption and livelihood-related expenses has been found to be the primary opportunity costs for disaster microinsurance. This includes spending on food (44 percent), livelihood-related expenses (30 percent), as well as savings (23 percent).

Is disaster microinsurance really reaching the poor?

Natural disasters in South Asia have enormous implications for the poor and one key question posed was whether microinsurance programs, such as those surveyed, were really reaching the poor.

By many measures, this study confirmed this finding with high levels of coverage in rural poor areas, clients with low levels of income, high-levels of indebtedness, low levels of savings, and generally

those hovering near the poverty line. An average of 45 percent of clients self-reported as being under the poverty line, whereas for the control group it was 42 percent. Figure 3 below shows the percentage of clients self-reporting being "below the poverty line."

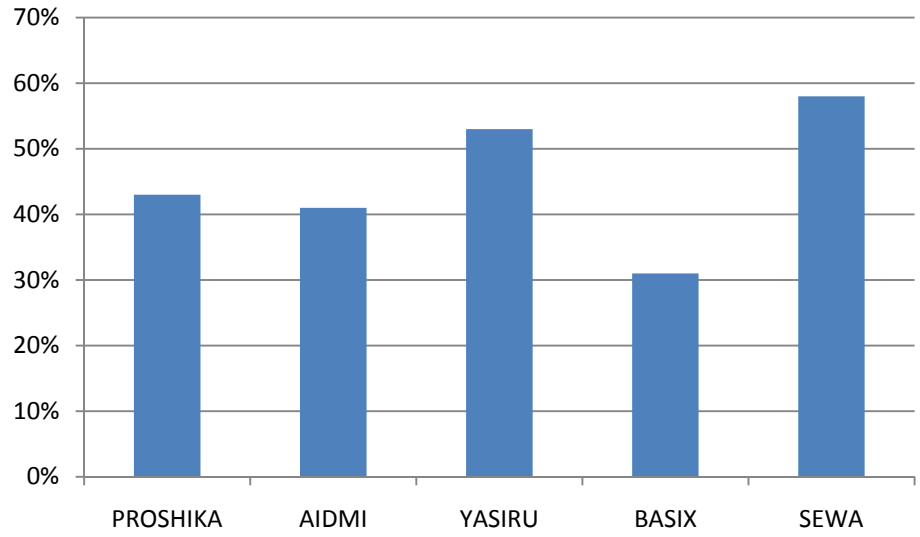


Figure 3: Self reporting below the poverty line by organization (%)

By calculation of the poverty line through the internationally recognized definition of income under US$2 a day, the daily income of the surveyed insured population averages $2.20, which is only slightly above the poverty line. For the control group, it was $2.87. Therefore, while the majority of clients are above the poverty line, they are hovering only marginally from it, with external shocks such as disasters having the potential to push them back into further poverty.

Insurance and rural poverty

Much of poverty in South Asia is concentrated in rural areas: approximately 85 percent of the poor live in rural areas and depend primarily on agriculture for their livelihoods.[1] In all countries of the region, poverty is disproportionately concentrated in rural areas, with disasters such as floods and droughts causing long-term detrimental impacts.

The study found that there exists a significant difference between urban and rural disaster microinsurance clients. In rural areas, more people (51 percent) in comparison to people from urban areas (40 percent) are poor or perceive themselves as poor.[2]

The study also found that 80 percent of clients surveyed lived in rural areas, indicating the high concentration of clients, relevance of such services and products in highly disaster prone areas, strong demand, and geographical concentration of microinsurance organizations in these areas.

[1] M. Mudahar, "Dealing with Drought - Disaster Risk Reduction and Recovery Strategy in South Asia," (Washington, D.C.: 2000).
[2] This is based on individual's response to the question, "Are you below the poverty line" with a definition of the "poverty line" and official government criteria.

Income and Expenses

The average household income of disaster microinsurance clients is $105 per month, 17 percent below their neighbours in the control group at $126.[3] Household expenses amount to the major part of income use at $78 per month for clients (74.3 percent of income) and $88 (69.9 percent) for non-clients. With an average of 4 people (2 adults and 2 children) in each household, this means that incomes are being considerably stretched.

In terms of the individual incomes reported, microinsurance clients also made less with an average of $66 a month whereas their counterparts in the control group averaged $86 per month.

Savings and Debt

Low income earners are one of the most susceptible groups when it comes to debt. Having less disposable income leaves the poor open to high-interest borrowing which may lead into "debt traps." This trend is true for disaster microinsurance clients with higher levels of indebtedness and lower levels of savings. With an average debt of $301 for the microinsurance group in comparison with $268 for the control group, and only $4 of savings for the median in the insured group, while $9 for the control, indebtedness is a serious problem throughout the sample.

Gender

Throughout the region, it is well known that women suffer disproportionately from natural disasters, with gender inequalities vis-à-vis human rights, political and economic status, land ownership, housing conditions, exposure to violence, education and health, which make women more vulnerable before, during, and after disasters. These inequalities are exacerbated in disaster events, in particular, as women often do not receive timely warnings or other information about hazards and risks as their mobility is restricted or otherwise affected due to cultural and social constraints. Gender-biased attitudes and stereotypes can complicate and extend women's recovery, for example if women do not seek or do not receive timely care for physical and mental trauma experienced in disasters. Women's relative longevity compared to men's and their reproductive roles can create mobility and health constraints. It is older women, in particular the very old, women with disabilities and pregnant and nursing women, and those with small children, who are most at risk as they may be left behind, or left out of relief and recovery activities, or the last to leave in cases of emergency due to constraints on knowledge, mobility, and resources.

What needs equal emphasis, however, is the fact that women also represent an immense source of potential and power to combat disaster risks given the opportunity to participate in programs such as disaster microinsurance.

The study found that there is greater participation of women in disaster microinsurance programs than surveyed in the control group. Forty-five percent of surveyed clients were male while 51 percent were female (4 percent of survey responses did not have clear values for gender) as compared with 60 percent male and 40 percent female in the control group survey.

[3] While the data is very skewed and the median income level is nearly equal in both groups, $87, non-parametric tests including Mann- Whitney statistics showing significant mean differences.

Also, disaster microinsurance programs are targeting or gaining greater participation of women-headed households but only by a small margin (4 percent). For disaster microinsurance clients, 86 percent are male headed while 14 were female headed. For the control group, male headed households were 90 percent and 10 percent for women.

Literacy

Disaster microinsurance clients self-reported the same literacy rates as their counterparts in the control group at 70 percent. An average of the national literacy rates of the three participating countries (India, Sri Lanka, Bangladesh) weighted with the increased participation from Indian organizations renders a tri-country literacy rate of 67.3 percent. This indicates that the areas being served have approximately the same average national literacy rates.

Benefits of insurance: Are products doing their job?

Adequacy of claim payments

A total of 272 people stated that the money they received from an insurance claim was not sufficient or they did not receive any claim money. Of this number, 58 percent sought additional money from other sources. With a lack of other social safety nets, clients reported borrowing most often from money lenders, friends, and family:

- 29 percent from money lenders with the most common interest rate of 36 percent
- 22 percent from community or an organization with an average interest rate of 12 percent
- 12 percent from Banks with interest rates ranging between 2 and 6 percent in the majority of cases
- 11 percent from friends with the most common interest rate of 3 percent
- 5 percent from family (no interest rates could be calculated)

However, while many are borrowing to offset costs after a disaster, it cannot really be said that the claim payments are not adequate. In some cases, additional funds are required for financing other things such as previous loans, increased need for basic provisions such as food, medical care, shelter, or to fill the gap through loss of livelihood such as farming income.

What does emerge is a sense of high risk of indebtedness over a long period of time and need for additional insurance coverage.

Getting money in time

Getting money to clients in a timely way is important to ensure that needs are being met. Of the clients that filed a claim and received money, the majority (44 percent) indicated that they received it within one month of filing the necessary paperwork. However, a large number also received it after two months (26 percent), or three months (30 percent).

The study has also shown that the time period in which money is received can influence how it will be spent. The following is a breakdown of expenses according to when claims money was received:

	1 month (60 respondents, 44%)	2 months (35 respondents, 26%)	3 months (40 respondents, 30%)
Food	65%	17%	45%
Housing	50%		12%
Livelihood	25%	17%	46%
Medical expenses	10%	25%	
Savings			9%
Other			24%

Table 2. Expenditure on claims money by the time it was received in months (multiple responses possible)

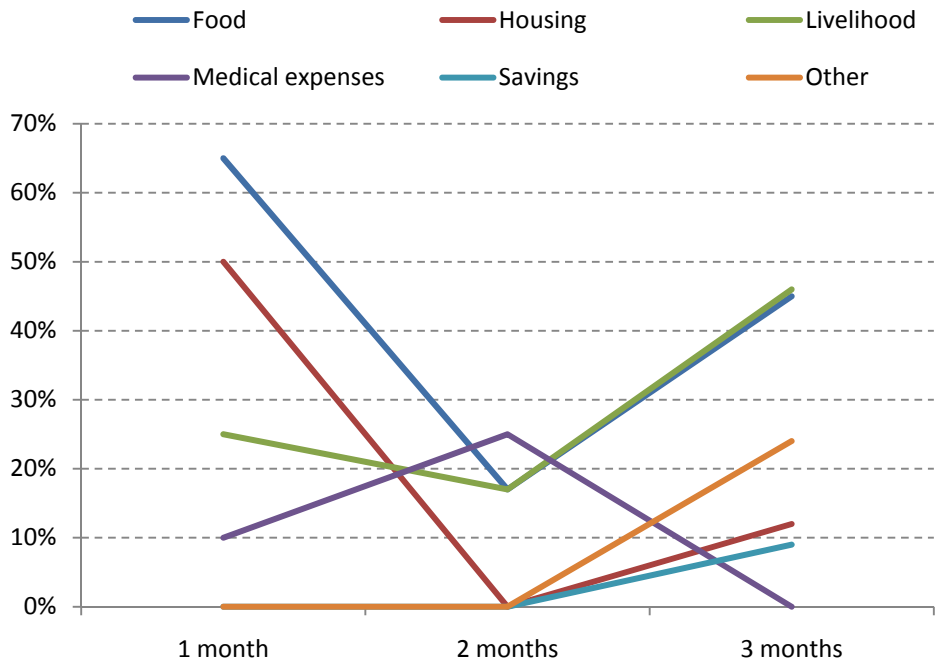


Figure 4. Graph of the use of claim money by the time it was received in months

As the above table and graph shows, the earlier clients get money, the more it will be spent on housing, however, food seems to be important throughout while medical help is important in later stages along with livelihood expenses.

Spending insurance money for that which was insured

If a disaster microinsurance program is covering losses to shelter from a flood, for example, one would expect that coverage after a disaster be spent for the item which was insured – in this case, shelter. While people are free to use insurance money for anything else, what does the evidence show for the way money is being used?

The study found that most often, money from insurance claims were being used to cover expenses for which the insurance was taken out, however, claims money was also being used for other things -

most often for food and livelihood-related expenses which indicates core problems in the provision of basic needs and adequate safety nets after disasters.

In fact, a question on the need for other types of insurance generated the following responses from clients: crop insurance (15 percent), health insurance (9 percent), and medical insurance (7 percent). Many also responded that life and health insurance seemed especially needed in the future for all people in their family, with particular emphasis on coverage for children.

Helping to get people back to work faster

Does having money to "bounce back" after a disaster help individuals get back to work faster? In the study, analysis of the variable "number of days taken off" after a disaster did not reveal any significant differences. The number of working days lost due to a disaster event is, on average, 68 days for individuals with insurance and 66 days for the control group. The high level of days off may be correlated with the timing when individuals finally receive claims money which has ranged from 1-3 months.

Increasing human welfare

Do social safety nets such as insurance increase social welfare over time? Study analysis has found no significant changes in welfare - measured through levels of savings and debt - for microinsurance clients suffering from multiple disasters while they were insured. This is not to say that microinsurance has no long-term developmental impact. Clients already have high levels of indebtedness and low levels of savings rendering it very difficult to emerge from "poverty traps." The study has also found that clients are very vulnerable against other losses not included in the insurance scheme for which insurance money is being used.

Increasing "investment" activities

Insurance literature posits that insurance can increase "risk taking behavior." For example, knowing that there is a fund available to cover losses from a perennial drought, a farmer can forgo saving for it and instead, invest current resources into other things such as drought-resistant seeds, fertilizers, and other farming equipment.

In the study, this trend could not be clearly determined, however, microinsurance clients seem to be spending on as well as borrowing more for food and livelihood-related activities whereas the control group spent more on household items. This is consistent with questions on opportunity costs of paying for the disaster premium which indicates that basic needs are not being met to allow such risk taking behavior.

Changing behavior

How does insurance change post-disaster coping strategies?

After most disasters, affected communities employ a number of coping strategies in the immediate aftermath. Figure 5 shows the post-disaster coping strategies employed by clients compared with the control group. Generally, borrowing money, reducing expenditure, and taking out savings, are the

primary coping mechanisms found for both clients and the control group. The study found that the insured needed to borrow money and migrate – both disaster coping strategies – more than their counterparts in the control group. Microinsurance does not seem to be decreasing the need for such coping capacities in comparison to the control group.

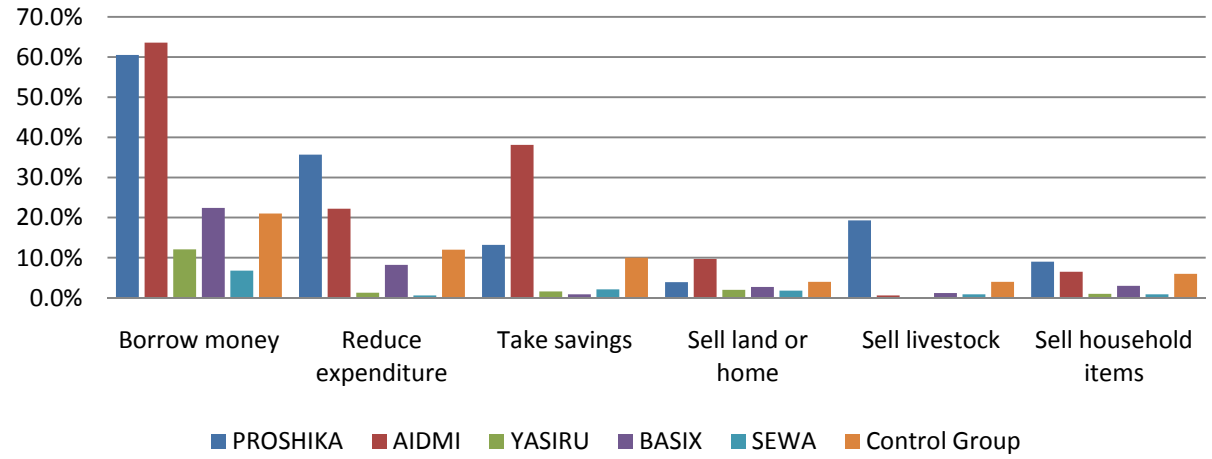


Figure 5. Responses for post-disaster coping strategies by organization and control group.

Recovery Aids

After disasters, a number of recovery support mechanisms exist including the provisioning of blankets, tents, food, medicine help, stoves, utensils, livelihood support, housing, and cash. Many clients have relied on aids such as cash and food and have greater access to these than their counterpart households in the control group. Both cash and food are the most relevant recovery aids in addition to other forms of help including blankets and livelihood support.

Recovery Providers

In getting support to affected communities, both clients and non-clients reported NGOs and the government as key sources of relief aid however, a larger number of clients also received aid from NGOs which is likely due to the association with the NGO providing the microinsurance.

Borrowing

Borrowing after a disaster is one of the key coping mechanisms employed by clients. A total of 713 (74 percent) have borrowed money after a disaster, especially from money lenders (31 percent), and the community or local organizations (22 percent). The remainder borrowed from family and friends, with a small minority borrowing from employers or banks. The total amount of borrowing needed in percentage of yearly family income ranges between 0.77 percent and 5 percent (the median is 1.5 percent).

The number of borrowers in the control group population is lower, i.e. in the control group a total of 117 (66 percent) have borrowed after a disaster and it seems that in the control group, there is higher reliance on informal networks with many borrowing from family or friends.

Are there linkages between microinsurance and disaster risk reduction?

Awareness of risk

In the South Asian context, a combination of economic and environmental pressures has increasingly pushed the poor into sub-standard and unsafe living conditions. With the supply of developed and safe land in constant shortage, there are an increasing number of settlements sited in landslide- and flood-prone areas, or in wastelands. Unsafe buildings can be found throughout the region rendering the conception that living in such areas, the poor must be unaware of their vulnerability to disasters.

The study has shown that many microinsurance clients in fact know something about their risks and what needs to be done to make themselves safer. 387 people (24 percent of total) indentified the need for reinforcing parts of their home, of which 68 percent also stated that they reinforced parts of their home in the last 10 years to reduce the impact of disasters. This is evidence that clients perceive some amount of personal risk, although it is difficult to ascertain the extent of knowledge of vulnerability since this study did not allow for in-depth probing of this issue.

For the control group, the majority stated that migration is the best option to reduce vulnerability to disasters which was not the case for insurance clients. Keeping savings was important for both but more advanced instruments like revolving funds were seen as important for clients.

Promoting risk reduction behavior

While disaster microinsurance can provide resources to offset needs in disasters, the real challenge in the region is to ultimately achieve paradigm shifts towards disaster risk reduction rather than one-time initiatives for resource distribution. For many of the organizations involved in this field, it is to ensure that disasters affect clients less in the future while increasing their overall human development.

To ascertain whether clients were involved in "risk reduction" behavior, a list of the following activities was used in the survey:

- Reinforcing parts of home
- Moving to safer areas
- Safeguarding belongings
- Changing community infrastructure (i.e. water flows, roads)
- Learning about risks
- Keeping savings
- Planning in advance
- Explaining to kids
- Advocating for disaster risk reduction
- Insurance
- Revolving fund

The study results indicate a diverse picture. For the types of disaster reduction activities undertaken in the last 10 years, reinforcing homes and accumulating savings to buffer future risks seems to be

the most important. Both seem to have a marked effect for Proshika and AIDMI compared to the non-insured, while less activity was found for the others. Figure 6 shows the uptake of ex-ante activities compared to the control group.

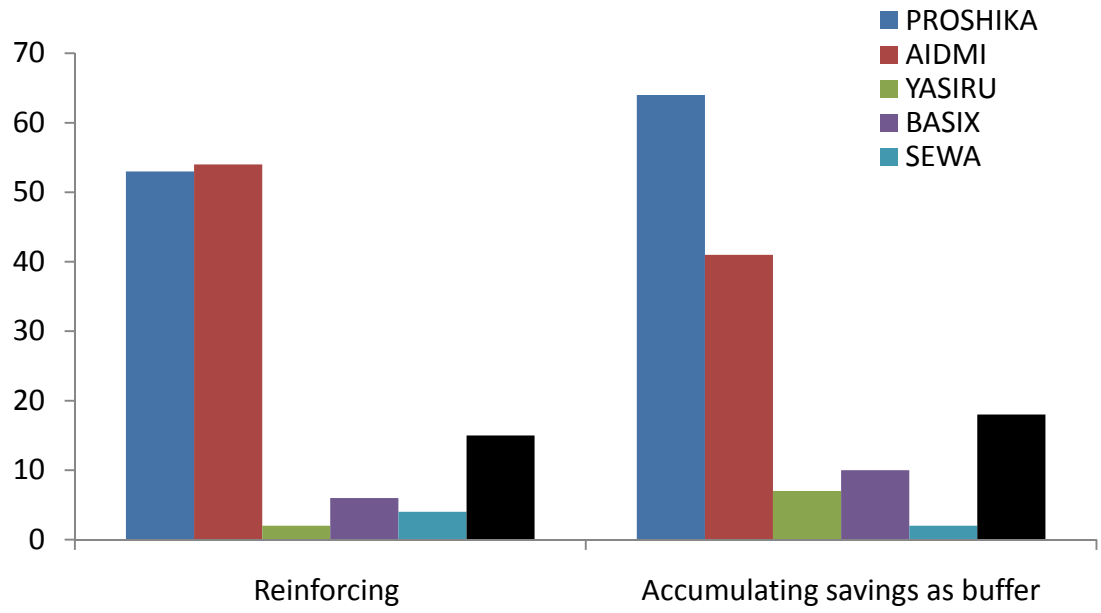


Figure 6: Uptake of ex-ante activities compared to control group

Improvement in the quality of shelter

Are disasters "windows of opportunity" to bring positive changes such as improvement in shelter for clients? The study found that after disasters, clients had greater improvements in shelter than non-clients. About 38 percent with kuccha structures (a house made of mud, grass, bamboo, thatch or sticks) reported having had improvements in shelter to a more robust type of house such as a semi-pukka (a mix between a kuccha structure and pukka), or pukka home (a house made of materials resistant to wear such as stone, brick, clay tiles, metal).

In terms of toilets, there is strong indication that improvements due to a disaster can be expected especially if the pre-disaster event structure/toilet is of lower quality.

Risk and insurance perception: What do communities in South Asia think about the role of disaster microinsurance?

Overall satisfaction

Many people are satisfied with their microinsurance program. Clients were surveyed on their satisfaction in regards to various aspects of their insurance policy including: information received on the policy, the premium, coverage, claims process, timing of final payment, policy renewal, and connectivity to the organization.

Nearly all felt rather satisfied (more than 90 percent) regarding the information received on the insurance scheme, the premium, the coverage, the instalments of the premium, connectivity to the organization, and the process of policy renewal. There is a reported problem with the claims process, however. Nearly all surveyed stated that the claims process was somewhat difficult and they required help (85 percent). Of this number, nearly all received some kind of help from the insurance organization (89 percent).

Another indication of overall satisfaction is the large number of surveyed (88 percent of total) who said that they would renew their disaster insurance policy in the future. A total of 40 percent felt that they would renew due to a good perception of the company, 41 percent because of the security that insurance provides, and 35 percent stated it was because of good service from their respective organization.

These findings show the importance of trust and reputation of the organizations providing the insurance service. Low levels of insurance penetration in the region are partly due to the negative reputation of insurance companies with difficulties in completing claims and getting money. Rapport with the community, trust networks, and improved claims processes are essential for further development of disaster microinsurance in the region.

Microinsurance and Poverty Linkages

There is an overall positive perception that insurance can help reduce poverty. Nearly 90 percent of the insured group felt personally that microinsurance could help reduce poverty and more than 80 percent in the control group, many of which do not have any type of insurance. Therefore, there is a perception of the economic benefits of microinsurance.

Furthermore, approximately 39 percent of disaster microinsurance clients also felt that insurance could prevent or lessen the need to borrow money after a disaster at least a little and for the control group, this was 24 percent. The findings above have shown that microinsurance clients, in actual disaster situations, rely on additional borrowing, and there is a positive perception that microinsurance schemes could prevent or lessen borrowing in the future.

Money vs. Relief

Microinsurance clients, by far, expressed greater preference in insurance rather than relief after a disaster. In discussions with clients, many expressed the security that insurance provides as compared to the ad hoc nature of relief which cannot be relied upon from disaster to disaster.

Client Referrals

If disaster microinsurance is really working, one indicator would be client referrals. By far, a large number of respondents (81 percent) think that insurance should be promoted to others, whereas only a minority (2.3 percent) thinks that it should not. Interestingly, another 11 percent are unsure if it is a good idea to promote disaster microinsurance to others. This could be due to possible under-information of the clients of how insurance works, which was stated very often. Continuous education of clients as well as potential clients is important.

Is there adequate awareness of insurance, specifically targeted for disasters and the poor?

Many have heard of insurance but awareness of disaster insurance is generally low considering the large role that disasters play in the everyday life of communities interviewed. The majority of people in the control group (69 percent) have heard about some type of insurance before, whereas 21 percent did not, and another 10 percent have heard only a little bit. Half of the respondents (48 percent) know of something called "disaster insurance."

Awareness and poverty

Awareness can be correlated with poverty with many identifying themselves as below the poverty-line having less awareness of insurance.

Power of information

Is the problem in growth of disaster microinsurance penetration the lack of awareness and information? For the surveys completed of people without insurance, the following question was asked at the end, "For Surveyor: Did the person voluntarily request information on the program or express interest in joining?"

Spending just 15-30 minutes interviewing individuals while explaining how disaster microinsurance worked had a very positive outcome. At the end of the survey, 18 percent of individuals interviewed expressed interest in joining the insurance scheme, 32 percent expressed interest in getting more information, while another 31 percent requested both – getting more information and joining.

This is evidence of the important role of information and awareness-building and the future work of organizations involved in this area.

Summary

Overall, the results of this study show interest in and willingness to pay for disaster microinsurance programs in South Asia. The products are reaching poor clients, many who are below the poverty line, highly in debt, and employ limited and difficult coping mechanisms after disasters.

However, the findings have shown that funds are often late in finally reaching clients with reported difficulties with the claim process (with adequate help being provided by organizations) and inadequate total coverage with a number of individuals borrowing additional funds from money lenders, friends, and family. Clients usually have high existing levels of indebtedness which only get exacerbated after disasters which calls for a review of modification in product offerings and other risk managing financial services and safety nets in combination with disaster microinsurance. In addition, there is a need to review products and potential clients in communities to ensure that although "the poor" are being served, "poorer than the poor" are not being excluded due to costs and information barriers.

In terms of long-term risk reduction, a number of indicators tell us that the clients are aware of some of the risks they face and may be proactively engaging in decreasing some of the vulnerabilities themselves. This is not to say that there is awareness of all the risks they face as this study did not

allow for a deeper probing of individual understandings of risk, however, disasters may be a "window of opportunity," bringing positive changes such as improvement in shelter and toilets for clients more than non-clients.

The importance of trust cannot be underestimated. Findings show the importance of trust and reputation of the organizations in clients signing up for such services but also renewing them year to year. Historically low levels of insurance penetration in the region can be attributed to the negative reputation of insurance companies and difficulties in getting money or completing claims. Rapport with the community, trust networks, and improved claims processes are essential for further development of disaster microinsurance in the region.

Finally, the key to everything seems to be awareness and information. The study signaled high demand for disaster microinsurance after non-insured clients had been given information showing the relevance and pricing of such products as well as the power of organizations to reach more clients simply through outreach. An overwhelming majority (80 percent) of clients feel that disaster microinsurance should be promoted to others while only a minority (2.3 percent) think it should not.

Recommendations

With disaster microinsurance in its infancy in the region, a number of things are required – many of which are beyond the scope of the study. Recommendations such as the promotion of regulatory systems in countries that do not have a legal apparatus for microinsurance, increasing reinsurance options, and diversifying delivery models, are some of the important areas outlined in academic literature and in policy arenas.

However, the aim of this study was to provide specific recommendations based on evidence and therefore, the recommendations that follow are based solely on the findings of data analyzed through empirical review. And while they are limited to the thematic areas covered by the study, are extremely pertinent to the successful servicing of disaster microinsurance for the poor.

Therefore, the following 6 priority activities and interventions are recommended based on the findings of this study.

1 **Utilize the client community to increase awareness and grow.** Microinsurance organizations should work to create innovative ways to involve the community in outreach and awareness generation of disaster microinsurance. Client satisfaction is high and an overwhelming majority is ready to refer friends to the program.

2 **Microinsurance is not a panacea for disasters. There is a need to promote long-term disaster risk reduction in conjunction with microinsurance.** Use disaster microinsurance as an entry point for further risk reduction. Support existing microinsurance organization, with strong outreach and community linkages, to develop programs focused on risk education, structural mitigation (i.e. retrofitting), preparedness, and enhanced coping mechanisms.

3 **Promote the review of organizations' claims processes to ensure that money is getting to clients in the most effective and efficient way possible.** This includes examination of services to help with claims, support for timely review of claims, and information management of decisions.

4 **Promote increased participation by women in disaster microinsurance programs.** This includes a review of products and services and modifications based on the specific needs of women in the region.

5 **Look for the biggest critic.** The proof of impact of disaster microinsurance cannot be determined solely through surveys of clients but must be done through the survey of people who have dropped out of the program, were rejected claims, and who will not renew membership in the future. With programs in their infancy in the region, a critical component for growth is being open to hear what has worked and what hasn't from perhaps our "biggest critics" and working to fix problems.

6 **Use impact assessments for future product development.** Impact measurement is a critical component of research and development for microinsurance products in South Asia and other regions. There is a need to develop future product offerings based on rigorous empirical findings of impact assessments.

Study Overview: Disasters, Safety Nets, and the Poor

South Asia at risk

Across the globe, natural disasters are growing in destructiveness and their human toll is escalating: over the period 1970-2009, more than 6 billion people were cumulatively affected by natural disasters.[4] The number affected has also grown from 1.78 billion in the first half of that period (1970-1989) to almost 4.3 billion in the second half (1990-2009) and has continued to increase.[5]

As frequency and severity of major natural hazards has increased around the globe, the countries of South Asia –Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka – have been no exception to this trend. With over 900 events reported since 1970, South Asia region can be viewed as extremely vulnerable to a number of disasters both natural hazards such as tropical cyclones, floods, earthquakes, tsunamis, landslides/mudslides/debris-flow, and fluctuations of extreme temperature and rainfall. Between 1990 and 2008, over 750 million people - 50 percent of the population in the region – were affected by a natural disaster, leaving almost 60,000 dead and about US$45 billion in damages.

The status quo of managing disaster risks: disaster recovery & relief aid

In response to the growing frequency and severity of disasters in the region, communities, NGOs, governments, and international organizations have all worked to respond effectively to disasters while decreasing vulnerabilities over the long-term. Disaster risk management – the process of implementing strategies, policies and improved coping capacities to lessen the adverse impacts of disasters – has become an important area, however much of the management of disasters in the region is still focused on dealing with disasters after they occur. This is to say, relying on systems of disaster relief and humanitarian aid to deal with post-disaster losses such as the Asian Tsunami of 2004 which killed nearly 230,000 people, injured tends of thousand, and caused over 10 million to become homeless or displaced. Much of the recovery from this disaster was funded through humanitarian aid pledged by governments, humanitarian organizations, and individuals amounting to US$1.8 billion. Other disasters such as the Pakistan Earthquake of 2005 or Bangladesh Cyclone of 2007 are declared national emergencies in which national disaster or calamity funds are utilized. See Box 1 for details on calamity funds in the region.

All national emergency funds are annual non-accruing funds which mean that they maintain the same statutory size in budget percentage terms and cannot be accumulated or carried forward from one year to another.

[4] EM-DAT, based on natural disasters: Drought, Earthquake, Epidemic, Extreme Temperature, Flood, Insect Infestation, Landslide, Storm, Volcano, Wildfire (EMDAT, 2010)
[5] Dilley, M., R. S. Chen, U. Deichmann, A. L. Lerner-Lam, and M. Arnold. 2005. Natural Disaster Hotspots: A Global Risk Analysis. Washington, D.C.: World Bank Publications.

Box 1. Disaster response/calamity funds in South Asia

Pakistan: At the federal level, the National Disaster Management Fund (NDMF) and Prime Minister Relief Fund exist. Some funds are also notified for specific disasters and provincial government may also set up their relief funds. No funds are allocated annually. Funds are earmarked as and when need arises.

Bangladesh: The country has four disaster compensation funds which include a Climate Trust Fund (US$100 million), a Special Emergency Fund (US$15.7 million), a Flood Fund (US$0.1 million) and a Drought Fund (US$0.1 million). In addition, there is also a US$1.2 million for reallocation for rehabilitation of people affected during emergencies

India: A Calamity Relief Fund (CRF) has been set up in each state to meet the expenditure for providing immediate relief to the victims of disasters. The size of the Fund has been fixed by the Finance Commission after taking into account the expenditure on relief and rehabilitation over the past 10 years. The Government of India contributes 75% of the corpus of the Calamity Relief Fund in each State, while the remainder 25% is contributed by the State. Relief assistance to those affected by natural calamities is granted from the CRF. The size of the Fund was roughly doubled for the period 2005-10 from the previous five year period to Rs.21, 333 crore (US$4.74 billion), which is equivalent to US$0.79 billion per year.

No matter how small, they are a key source of funding to deal with the consequences of natural hazards in the region. Emergency assistance aid can be made available to households, businesses, and local governments however, while appropriations are made for emergencies, often the actual budgetary outlays on such events are well in excess of budgeted amounts. This means that many people either do not receive funding or reallocations or an increase in country deficits through borrowing occurs to fill the gap. Table 3 shows the ratio of economic losses from recent large catastrophic events in South Asia to the amount of annual budgetary appropriations for emergencies in 2008-2009.

Event	Economic Loss ($ millions)	Available disaster funding ($ millions)	Ratio of (1) to (2)
Bangladesh Cyclone Sidr (2007)	1675	117	14.3
Pakistan Earthquake (2005)	5490	54.26	101.2
Gujarat Earthquake (2001)	3491	790	4.4

Table 3. Economic Losses from Recent Catastrophic Events vs. Available Government Funding
Source: Gurenko, Eugene N. "Disaster Risk Financing in the Countries of South Asia." Unpublished Technical Paper (2010).

According to this, in Bangladesh, it would take over 100 times of available emergency budgetary allocations from all sources to cover the economic losses from a severe catastrophic event with a 20-50 year return period such as Cyclone Sidr of 2007. This exemplifies the inadequate funding available to cover disaster losses in the region.

In addition to national annual budgetary allocations for emergencies, the affected have to rely on international assistance, which however, only provides a limited amount of necessary funding (the 2005 Pakistan earthquake and the 2004 Indian Ocean Tsunami are the exception than the rule), and often come with considerable time lags. As one example, two years after the 2001 earthquake in Gujarat, India, assistance from the central reserve fund and international sources had reached only 20 percent of original pledged commitments.[6]

"Everyday risks"

While large landscape disasters such as the Asian Tsunami may receive media attention and emergency relief aid from national government as well as the international community, much of the region is exposed to more frequently occurring low-intensity losses which often go unnoticed and without such elaborate systems of response and compensation. These include hazards like perennial floods and droughts which impact large numbers of people and damage housing and local infrastructure but do not cause major mortality or destruction of economic assets, to everyday traffic and occupational accidents, diseases and health problems like malaria, unemployment and underemployment, and so forth.

The poverty cycle

In the context of these "everyday risk," the poor are particularly vulnerable because of their often unstable livelihoods, insufficient income for basic needs, food shortages, poor health conditions, lack of savings and existing debt, weak housing structure, limited access to information on what they can do to protect themselves, and low awareness of hazard risks.

To cope with disasters, the poor often have a very limited capacity to access and use assets in order to buffer disaster losses. Most of the countries in the region have weak or absent social protection measures such as safety nets and social security and informal credit and insurance. The poor are often involved in the informal sector that, while providing jobs, is usually low-paying, instable, and without any security benefits. Along with the informal economy, the large agriculture and primary economy in developing countries constitute more than 80 percent of the total workforce across the world which is in general deprived of any kind of social protection or social security coverage.

The underprivileged are thus left to manage themselves in the face of risks which reduce their scope to improve their standard of living and in most

Box 2. Poverty in the South Asia region

Poverty remains an intrinsic problem in the region. Over the decade, agricultural contribution to GDP declined from 28 to 19 percent, while food inflation has soared. Close to half the population of South Asia still lives in poverty, living on less than $2 a day. Nearly a quarter lack access to electricity and almost 1 in 4 people in the region do not have access to an improved water source. Around 80 out of 1000 children under five die each year from preventable and treatable diseases such as respiratory infections, measles, and diarrhea.

[6] World Bank, "Financing rapid onset natural disaster losses in India: a risk management approach" (World Bank Group, Washington, DC, 2003).

cases, evolve around much more vulnerable conditions. This can be seen to lead to deterioration in wellbeing measured through health, nutritional and educational status and other long-term human development problems locking them into endemic poverty cycles.[7]

Figure 7. Disaster-poverty cycle

The livelihood aspect of disasters is very critical with the poor depending so much on their livelihoods. Any threat including a minor accident to the breadwinner in a family can create major economic shock at the household level as the inability to work combined with medical expenses and other problems can lead to indebtedness and destitution. In India, it is estimated that every year, nearly 24 percent of the people fall below poverty line due to mounting health care expenses. Similarly, loss of houses and assets through fire, flood, eviction, or calamities other than natural such as political and communal conflicts can also be equality disastrous.[8]

Similarly, the heavy dependence on agriculture and self-employment activities in poor households needs to be considered to understand the potential disaster impact. In South Asia, especially in India, the majority of operational land holding is marginal (less than one hecter) or small (between one and two hectares). The remainder is near absolute landless indicating the lack of key resources required to enhance livelihood or access-related services like credit to enhance livelihood activity. Under this condition, any change in weather or climate can alter the economic planning households. The recent cases of farmer suicides in India indicate the severity of lack of proper safety nets at the time of climatic and market failures.

[7] World Bank (2005). Managing agricultural production risk. World Bank, Washington, D.C.
[8] Indrani Gupta and Mayur Trivedi, "Social Health Insurance Redefined Health for All through Coverage for All," *Economic and Political Weekly*, September 17, 2005 2005.

Coping mechanisms

There are a variety of coping mechanisms in the absence of formalized safety nets. This includes turning to moneylenders, selling assets, reducing input in farming, or diversification of activities. Another strategy is sending family members to work elsewhere and remit payments.

However, many of these options are ill-suited for dealing with covariate and large disaster shocks, which may affect whole communities at a time, which may mean largely increased rates of moneylenders or massively depressed asset prices post disaster. Also, such traditional risk management strategies, while reducing vulnerability in the short term, can increase vulnerability over the longer term by promoting sub-optimal asset allocation. For example, without insurance for an annual flood, a farmer may save money for future recovery instead of investing into needed farming equipment, seeds, and related expenses. Therefore, not being able to hold assets (known as "asset holding"), can decrease the income-generating potential of poor households leading to higher welfare and less poverty during normal times. In disaster situations, asset holding offers a crucial means to buffer disaster losses. The ability of a household to access and mobilize assets therefore has a dramatic influence on both the ex-ante and ex-post capacity of households and communities to manage disaster risk.[9]

Table 4. Examples of pre- and post-disaster risk financing arrangements

	Security for loss of assets (households/ businesses)	**Food security for crops/livestock loss (farms)**	**Security for relief and reconstruction (governments)**
Post-disaster (ex- post)	emergency loans; money lenders; public assistance	sale of productive assets, food aid	diversions; loans from World Bank and other IFIs
Pre-disaster (ex-ante)			
Non-market	kinship arrangements	voluntary mutual arrangements	international aid
Inter-temporal	micro-savings	food storage	catastrophe reserve funds, regional pools, contingent credit
Market-based risk transfer	property and life insurance	crop and livestock insurance (also index based)	insurance or catastrophe bonds (also index based)

Source: Linnerooth-Bayer and Mechler, 2009

Status of disaster insurance in South Asia

There are a number of such schemes across the region however, both catastrophic or disaster insurance as well as index-based agricultural insurance for individuals is in its infancy in the region - well below 1 percent. As quoted by Munich Re, only 1 percent and 3 percent of households and

[9] Carter, M. and Barrett, C. (2006). The economics of poverty traps and persistent poverty: An asset-based approach. Journal of Development Studies, 42 (2): 178 – 199

businesses in low- and middle-income countries, respectively, have insurance coverage against catastrophe risks, compared with 30 percent in high-income countries.

In all South Asian countries, the main form of disaster insurance coverage is as a voluntary endorsement to a homeowners' policy, which in most cases, is declined by consumers. As it is, the property and casualty insurance industry in South Asia is still small and under-developed. A very small percentage of the population voluntarily buys insurance products; property insurance in general and catastrophe insurance in particular are no exception.

Contributing factors to low levels of disaster insurance:

- Disaster insurance other than crop insurance cannot be bought separately in any South Asian country and has to be bundled with a home-owners policy. Once combined, the total costs of both covers can be well in excess of US$80-100 per year which may create an affordability barrier for many households
- Low disposable incomes of households to spend to insure potential future disasters compared with competing demands in the present such as healthcare, shelter, food, and other basic necessities
- The lack of trust among the general population in insurance. A poor claims payment record of many local insurers presents a major obstacle to the expansion of the insurance market
- Due to competitive market pressures, the cost of catastrophe insurance coverage is rather low often well below the technical cost of insured risk. Although, on the surface, this may be good news to the consumers, in reality, inadequate premium rates mean that companies will not be able to afford placing reinsurance cover with credible reinsurance companies and hence would have to retain most if not all the risk themselves. This endangers their ability to pay claims in the case of a catastrophic event. But even at this low price few homeowners are willing to pay additional premium for catastrophe insurance coverage.
- Finally, the inherent characteristic of disaster risks reduces it acceptance amongst insurance suppliers. First, disasters are difficult to estimate and can affect large proportions of a population at risk at the same time. At the same time, informal safety nets such as family and friends tend to break down during a disaster. Disasters also cause multiple losses simultaneously to life, health, and property, magnifying the impact. Therefore, insurance products that cover disaster risks poses higher potential of losses than other types of insurance[10]

[10] Reinhard Mechler, Joanne Linnerooth-Bayer, and David Peppiatt, "Disaster Insurance for the Poor? A Review of Microinsurance for Natural Disaster Risks in Developing Countries," (ProVention/IIASA Study, 2006).

Box 3. Status of the Microinsurance Sector in India

In India, there is general acceptance that microinsurance can offer an innovative way to combat poverty in India by managing financial risks to livelihood and lives. According to a UNDP study entitled, "Building Security for the Poor - Potential and Prospects for Micro-insurance in India," nearly 90 percent of the Indian population i.e., around 950 million people, are not covered by insurance and signify an untapped market of nearly US$2 billion. Using conservative estimates, the same study projects the potential market size for microinsurance in India, both life and non-life, at Rs. 62,300 million (US$1.4 billion) to Rs. 84,300 million ($1.9 billion).

According to this study, the rural poor not only want insurance to be affordable, but also to protect against high-frequency risks such as serious health problems, accidents, harvest failure ,and fire. But insurance companies mainly offer standardized products for a clientele that is relatively better off, urban, male, with few products for women. Many potential insurance risks are specific to women, such as coverage for maternity expenses, female infertility treatment and injuries from domestic violence. It also discussed the severe mismatch between services offered by insurers and needs of the insured that result in the low demand for microinsurance. The present outreach of microinsurance is around 5 million people, covering only 2 percent of the poor in the country.

The Centre for Insurance and Risk Management estimates that the Indian insurance industry is expected to grow by 500 percent to reach $60 billion over the next four years. Additionally, a survey conducted among 248 urban and rural below poverty line families by Swayam Krishi Sangam (SKS)- a leading Indian MFI, indicated that on average, a household spent Rs. 2340 per annum on consultation, diagnosis, treatment and transportation for healthcare and approximately 45 percent of the families surveyed borrowed nearly Rs. 5000 to meet health-related emergencies. Among the sample, only 3 percent had some kind of health insurance coverage.

Microinsurance regulation was developed in 2004. The Insurance Regulatory and Development Authority (IRDA) notified government organizations, banks, MFIs, NGOs and Self-Help Groups (SHGs) to increase the outreach of microinsurance to the poor. It also legally recognized NGOs, SHGs, and microfinance institutions as "microinsurance agents," substantially increasing the pool of permissible agents. The regulations also allowed companies to provide both life and livelihood coverage, fixed coverage limits and reduced procedural bottlenecks.

Although there has been necessary regulatory measures and policy recommendation to facilitate the growth of the microinsurance sector in India, over the years, its growth has not been very impressive. In 2008, there were only 22 products marketed under the microinsurance category. The coverage of insurance products in India is limited to certain geographical regions that have relatively better microfinance coverage. In other words, microinsurance delivery is mainly a part of the microcredit business in India.

The low level of disaster microinsurance penetration in India can be explained through the following factors:

- Inadequate information and capacity gaps, especially in rural areas. In the past this has led to limited and inappropriate services fuelling insurance suppliers' concerns
- Misalignment of product design with needs and requirements of people
- Pricing, including affordability and viability of the product using available subsidies have not been adopted. Moreover, in the absence of a historical database on claims, premium calculations are based on remote macro-aggregates and overcautious margins
- Difficulty in distributing the cost of reaching rural markets
- Cumbersome and inappropriate procedures at the claims, development, and policy levels

Filling the gap: Disaster microinsurance for poor households

In the absence of functioning financial and insurance markets, the international community, rural development banks, the private sector and NGOs in developing countries have worked to create novel formal and informal instruments to manage financial needs and key risks. Microfinance institutions are increasingly providing affordable financial services, especially credit and savings, to low-income and poor households and enterprises, thus improving their income stability and asset-building opportunities. In developing countries, financial services providers—banks, microfinance institutions, credit unions, and other institutions—serve around 500 million low-income clients (Thomas, 2005).

One gap has been microinsurance, and to fill this gap of providing poor households with more affordable safety nets for disasters, microinsurance schemes have developed across the region catering to the needs of this segment with cost-effective, simple, and flexible programs. These include insurance products (index-based insurance for agriculture), risk-pooling schemes (e.g., funeral and burial societies), income support (e.g., credit arrangements; transfers), and consumption smoothing arrangements (e.g., savings; grain banks).

Microinsurance is defined as "the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and risk of cost involved."[11]

[11] C Churchill, "Protecting the Poor: A Micro-Insurance Compendium," (Geneva: International Labour Office 2006).

Box 4. Microinsurance, insurability and provider models

The Consultative Group to Assist the Poor (2003) defines microinsurance taking a demand side perspective:

"The protection of low-income people against specific perils in exchange for monetary payments (premiums) proportionate to the likelihood and cost of the risk involved. As with all insurance, *risk pooling* allows many individuals or groups to share the costs of a risky event. To serve poor people, microinsurance must respond to their priority needs for risk protection (depending on the market, they may seek health, car, or life insurance), be easy to understand, and affordable."

Other sources emphasize the specific delivery channels characteristically used by microinsurance for reaching the poor and low income via MFIs, NGOs and other organizations. Finally, the group-based nature of contracts is a common feature of microinsurance, as often groups of at-risk individuals or farmers share one insurance contract reducing the costs of issuing contracts and processing premiums and claims (Cohen and Sebstad, 2003; Brown and Churchill, 2000).

From a supply-side, provider perspective, Brown and Churchill (2000) list the following conditions for insurability:
A large number of similar units exposed to the risk;

- Limited policy holder control over the insured event;
- Insurable interest;
- Losses are determinable and measurable;
- Losses should not be catastrophic;
- Chance of loss is calculable; and
- Premiums are economically affordable.

As identified by Cohen and McCord (2003), there are four institutional models for providing microinsurance.

- *Community-based model*: Local communities, MFIs, NGOs and/or cooperatives develop and distribute the product, manage the risk pool and absorb the risk, with no involvement on the part of commercial insurers.
- *Full service model:* Commercial or public insurers provide the full range of insurance services.
- *Provider model:* Banks and other providers of microfinance can directly offer or require insurance contracts. These are usually coupled with credit, for example, to insure against default risk.
- *Partner-agent model*: Commercial or public insurers together with microfinance institutions (MFIs) or non-governmental organizations (NGOs) collaboratively develop the product. The insurer absorbs the risk, and the MFI/NGO markets the product through its established distribution network. This lowers the cost of distribution and thus promotes affordability.

Source: Mechler, Linnerooth-Bayer and Peppiatt, 2006

Idiosyncratic vs. covariate risks

Microinsurance has often been extended to risks such as the death of a breadwinner or livestock, healthcare expenses, funeral expenses, and property damage from theft/fire. These risks are mostly considered idiosyncratic in the sense that they do not affect whole communities at a time. While disasters also take the lives of people and livestock and cause damages to property and crops, disaster impacts are distinct and demand other forms of insurance as they can affect large portions of the population or risk pool at the same time (covariate risk), are difficult to estimate, tend to

break down informal safety nets, and may cause multiple losses to life, health, and property simultaneously.[12]

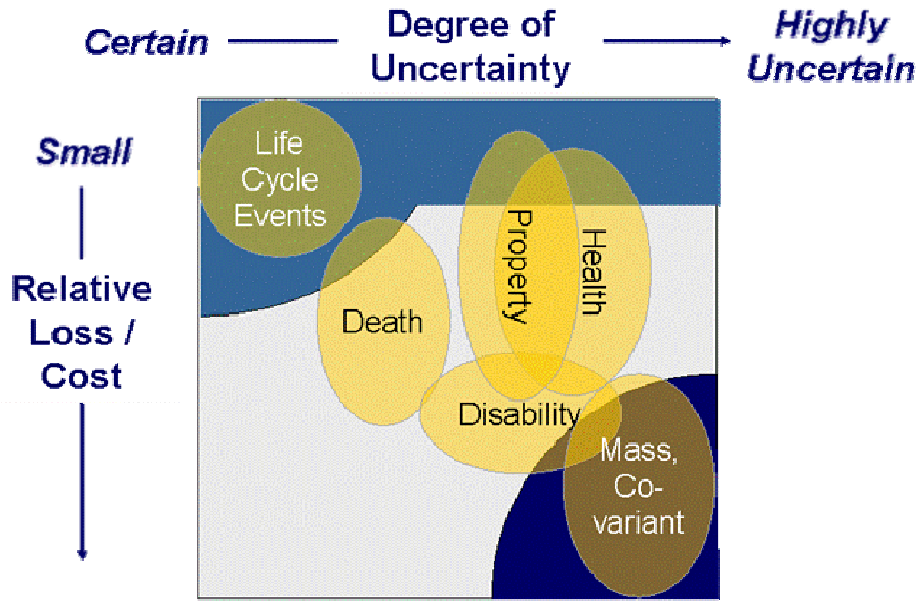


Figure 8. Insurance and types of risks (Source: Brown and Churchill, 2000)

Consequently, the implementation of microinsurance has proceeded from rather simple life insurance to health and property insurance. In terms of insurability, life insurance is least problematic, as risks can be reliably estimated, and moral hazard and insurance fraud is limited. Health and property risks are more difficult to insure yet raise fewer complications than mass covariate events, such as disasters, which have been more rarely been explicitly considered as a niche for microinsurance. As mentioned reasons are that they impact large regions with multiple losses, are more uncertain and have higher potential losses than other types of risks. Experience shows that covariate risks are not uninsurable yet, require very careful diversification and reinsurance.

The aim of most microinsurance programs is to act as a social security mechanism and provide defense against social and financial exclusion for people whose existing coping strategies are failing. The idea is that if people's livelihoods are protected it would encourage investment among lower-income groups and raise overall investment and growth rates. In other words, micro-insurance can reduce the incidence of falling into "poverty traps" by providing low-income households, farmers, and businesses with access to post-disaster liquidity, thus, securing or rehabilitating their livelihoods and habitations. [13]

[12] Brown and Churchill, 2000.
[13] World Bank, 2005.

Moreover, insurance is thought to enhance the creditworthiness of the insured households and farms and thereby, promotes investments in productive assets and higher- risk or higher-yield crops.

Bundled and voluntary arrangements

When talking about microinsurance for disaster risk, it is important to distinguish two broad categories of disaster microinsurance:

- Schemes as extensions to microcredit and microsavings operations. Often microinsurance is "bundled" with other microfinance services, for example, to secure a agricultural input loan

- Stand-alone insurance programs designed to deal with disaster risks. These stand alone voluntary arrangements specifically provide cover for disaster risks, most often drought

Index-Based Insurance for Agriculture

Farmers face a variety of market and production risks that make their incomes volatile from year to year. In many cases, farmers also confront the risk of disasters, as, for example, when crops are destroyed by drought or pest outbreaks or when assets and lives are lost to hurricanes and floods. These risks are particularly burdensome to the poor, including many small farmers. A key constraint to the provision of microinsurance, have been the large transaction costs involved in writing and servicing contracts to the poor. In the aim of providing a more effective solution in the absence of adequate relief, index-based insurance for agriculture has emerged as a novel mechanism across the globe and the region. Index-based insurance involves writing contracts against specific perils that are defined and recorded at regional levels (usually at a local weather station). Insurance payouts do not depend on the individual losses of each policyholder but on the regionally recorded index of losses which serves as a proxy for the losses in a particular region, i.e. index insurance covers the event, not if the individual looses. All buyers pay the same premium rate per dollar of coverage in the region and there are no on-site inspections or individual loss assessments to perform, as payouts are contingent on the natural phenomenon. [14]

Protection vs. promotion

Hess introduces an interesting distinction between protection and promotion models.[15] The protection model focuses on protecting people against shock-induced destitution, and provides counter-cyclical safety nets partially replacing traditional government and international sources for funding disaster relief and recovery. Under this system, beneficiaries do not pay premiums ex-ante, however may engage ex-post through participation in public works programs. One example is the WFP's Food for Work programs where beneficiaries receive food rations when they participate in programs such as road reconstruction works.

[14] Ulrich Hess and Peter Hazell, "Innovations in Insuring the Poor: Sustainability and Scalability of Index-Based Insurance for Agriculture and Rural Livelihoods " *2020 Vision for Food, Agriculture, and the Environment*, December 2009.

15 Ulrich Hess with Peter Hazell (2009). Promote and Protect Livelihoods – the role of index based risk transfer. WFP, Rome.

The objective of the promotion model is to promote increased income and livelihood opportunities by providing access to agricultural credit which may be used to adopt new technologies, improved farming practices and generally change the risk/return profile of clients. Premiums would be paid, sometimes bundled in with the credit provision. The target group of this set of microinsurance mechanisms would consequently be small holder farmers with some growth potential (see Table 5).

Table 5: Protection and promotion models for providing microinsurance solutions

FRAMEWORK	PROTECTION	PROMOTION
Target group	Rural households involved in subsistence and small scale agriculture and off-farm activities	Small holder farmers who have growth potential
Primary Purpose	Protect rural people from destitution and severe poverty	Expand farm businesses and secure higher incomes
Risk spectrum	Catastrophic coverage – 1/10 events – protecting around 60% of mean yield	1 in 5 year partial loss events to 1 in 7 year complete loss events – protecting around 80% of mean yield
Rationale for Insurance	Substitutes for costly and untimely disaster relief and is therefore good use of public money	Catalyzes credit for farmers
Nature of the Index	Livelihood risk coverage	Crop Specific coverage
Premium Subsidies	Yes	No
Linkages	Safety nets, often linked to government/donor sponsored social or farm support programmes	Financial and non-financial linkages, including agricultural credit, premium financing, secured markets and/or prices for production, inputs, agricultural production information, and weather forecasts and information
Actors	Government agencies and international relief organizations	Market players, including financial service providers, aggregators, commercial processors, and insurers
Role of Donors	Funding premiums and risk taking, technical assistance, weather stations, weather data banks, and contract design	Funding technical assistance, such as initial contract design support for smallholder contracts, weather stations, and weather data banks

Box 5. Details on index-based weather insurance

Index-based weather insurance products are contingent claims contracts for which payouts are determined by an objective weather parameter (such as rainfall, temperature, or soil moisture) that is highly correlated with farm-level yields or revenue outcomes. Rainfall-indexed insurance is well suited to agricultural production in regions where widespread crop losses are caused by drought or excess rainfall. In such regions, rainfall can be used as a good proxy for the actual losses incurred by farmers. In other areas, farm incomes can be indexed on temperature indicators for production sensitive to heat or frost, such as horticulture.

The underlying index used for an index insurance product must be correlated with yield or revenue outcomes for farms across a large geographic area. In addition, the index must satisfy a number of additional properties that affect the degree of confidence or trust that market participants have that the index is believable, reliable, and void of human manipulation, meaning that the measurement risk for the index is low. The properties for a suitable index are that the random variable being measured is (1) observable and easily measured, (2) objective, (3) transparent, (4) independently verifiable, (5) able to be reported in a timely manner, and (6) stable and sustainable over time with good historical data. Publicly available measures of weather variables generally satisfy these properties.

Index-based insurance is less susceptible to some of the problems intrinsic in traditional multiperil crop insurance. Because payouts for indexed contracts are automatically triggered once the weather parameter reaches a prespecified level, the insured farmers receive timely payouts. The automatic trigger reduces administrative costs for the insurer by eliminating the need for tedious field-level damage assessment. Because administrative costs are lower, premiums are relatively low and products are more affordable to farmers.a The objective and exogenous nature of the weather index prevents "adverse selection" (that is, farmers know more about their risks than the insurer, leading the low-risk farmers to opt out and leaving the insurer with only bad risks) and "moral hazards" (that is, farmers' behaviors can influence the extent of damage that qualifies for insurance payouts).
Indexed products also facilitate risk transfer to the international markets, because international reinsurers are likely to provide better terms when the insurance is based on measurable weather events and not farm-level losses.

Note: a. Approximately 10 percent of the sum insured in many cases.
Source: Ornsaran Pomme Manuamorn, "Scaling Up Microinsurance: The Case of Weather Insurance for Smallholders in India," World Bank Agriculture and Rural Development Discussion Paper 36.

Ongoing debate on the impact and utility of disaster microinsurance

Following the United Nations International Year of Microcredit 2005, there has been growing interest in microfinance solutions to help alleviate poverty in developing countries. Whereas using microcredit and, to a lesser extent, microinsurance to cover life and health risks is now widely established, the use of microinsurance to indemnify against losses caused by severe or catastrophic natural disaster is only just emerging.

With disaster microinsurance in its infancy in the region, there have been a number of programs set up by private sector organizations and NGOs with the goal of relieving the financial impact of disasters but have not been based on empirical evidence on potential benefits. There has been

considerable debate on the benefits of safety nets such as insurance for protecting against adverse disaster impacts.

In a survey evaluating the impacts of the BASIX microinsurance scheme,[16] no changes in farming practice were reported, although higher-risk, higher-yield methods of farming were anticipated as a result of financial protection.[17]

The traditional social security or protection paradigm is conceived to be a risk mitigation effort to address the economic crisis emerging from unemployment, work injury, maternity, sickness, old age, and death. Whether this is effective based on disaster experience has not ever been rigorously tested.

Criticism of microinsurance schemes are founded in ideas that such informal and formal approaches offer limited protection, low returns for households, and are prone to breakdown during emergencies.

Additionally, the argument that microinsurance, and the credit made available by it, encourages people to aspire for higher-return or higher risk activities has not been supported by evidence.

The community-based risk management schemes in the region are thought to rely too heavily on personal relations between participants, limiting scalability and geographic spread. Moreover, such mechanisms also have very limited viability in a condition where the entire community, that is homogeneous in terms of economic activities and climatic specifications, is prone to some kind of instability.[18]

In terms of cost, some cite that microinsurance is usually never subsidized which means that the entire burden has to be borne by the customer. Others note that since microinsurance products in general evolved around women self-help groups, there exist gender discriminations with men benefiting instead of women who paid the premium.[19]

Finally, there is an increasing concern over the shift in responsibility of supporting poor at the time of disasters from governments - which may have been implicit in the disaster due to structural failures - to the poor themselves. Therefore, the question of whether microinsurance for disasters is really reducing risks or just shifting the burden is a crucial and unaddressed question.

[16] The World Bank's Commodity Risk Management Group (CRMG) and Development Economics Research Group (DECRG) partnering with the International Crop Research Institute conducted a baseline survey sampling from two districts characterized by low and uncertain rainfall, low levels of irrigation, and shallow and infertile soils. The sample included 1,052 farming households, 267 buyers, 186 nonbuyers that attended the marketing meeting, and 299 nonattendees in the sampled villages. In addition, 300 farming households were interviewed in control villages (Gine, 2005).

[17] Gine, X. (2005) *Weather Insurance in India. Survey Findings,* Presentation at BASIX Quarterly Review&Insurance Meeting, Hyderabad, India.

[18] Ruchira Bhattamishra and Christopher B. Barrett., "Community-Based Management Arrangements: An Overview and Implications for Social Fund Program Design," in *Working Draft* (2008).

[19] L. Mayoux, "Women's Empowerment through Sustainable Micro-Finance: Rethinking "Best Practice"" (2005).

Need for evaluating disaster insurance

The debate on the need to incorporate natural disaster based risks through safety nets is critical now in light of a large gap in knowledge and with the increasing frequency of, and interest in, the region to alleviate impacts through innovative mechanisms like microinsurance. In order to shed light on the subject, there is a need for empirical investigations on the impact of such programs in reaching their goals.

In 2006, a study sponsored by ProVention was undertaken reviewing key micro-insurance products that cater to disaster risk across the globe to access their effectiveness in reducing vulnerability during the post-disaster period both from a long- and short-term perspective. The global review demonstrated the large potential of disaster microinsurance programs in order to protect the poor in the aftermath of natural disasters. One of the findings of this review is the existence of creative alliances among NGO/community groups, microfinance organizations, government regulators, entrepreneurs, and international financial and donor institutions in pioneering microinsurance programs. Of special interest is an emerging new role for donors in supporting these schemes. Yet significant challenges were also revealed and it was concluded that while "insurers have reliably and quickly settled claims, there is little information as to how these payments may have mitigated post-disaster poverty."[20]

Next steps

At the international level, there is a general acceptance of the need to have microinsurance products to mitigate disaster risk however, there is a hardly any understanding of the real ways that microinsurance can aid in disaster risk mitigation.

Therefore, there is a large gap in disaster microinsurance literature of strong evidence to support the claim that these products are achieving their goal of reaching the poor, reducing the impact of disasters, and helping move households out of poverty traps.

Empirical reviews aid insurance providers in developing "must needed", "regional specific" and "disaster specific" features of appropriate microinsurance products that cater to disaster risks. These also assist organizations in identifying the most appropriate products and delivery models to generate the most benefit to target populations, governments, and insurance suppliers.

As one case in point, many of the microinsurance products available in India since 1984 onwards are examples of institutional failures in the delivery of microinsurance products. This supply and delivery gap is mainly due to the lack of understanding on the part of policy making bodies of the process of designing and delivering a risk mitigation product for low-income segment of the population.

Finally, gaining clarity on the effectiveness of microinsurance may also assist in promoting other insurance suppliers to offer disaster coverage while promoting customer uptake.

[20] Mechler, Linnerooth-Bayer, and Peppiatt, "Disaster Insurance for the Poor? A Review of Microinsurance for Natural Disaster Risks in Developing Countries."

In order to initiate debate on the need for micro-insurance as a disaster management tool, it is essential to develop an understanding on how it affects or supports the households. Also, it is essential to have some understanding on the roles of individuals, government and other stakeholders perceived by the poor to manage their disaster risk. The perspective of insurance holders towards an insurance product is also equally critical for the design and distribution. Finally, it is essential to understand the diversity in different types of risks and intensity on the livelihood and habitation of the poor.

In this scenario, the present study attempts to bring some understanding on the impact of micro-insurance on the households, risk mitigation mechanism followed by households and the perspective of households towards microinsurance products, based on empirical assessment of primary data.

About the study and rationale

To support the evidence base for designing and delivering increasingly appropriate microinsurance products, the present study is the first large empirical assessment of the impact of disaster microinsurance for pro-poor disaster risk management in the South Asia Region. The overall aim of the study is to advance the discussion of disaster microinsurance from anecdotal knowledge to specific evidence-based recommendations by assessing and understanding the impacts of products on clients. Key areas covered include: i) client satisfaction in products and services; ii) client awareness, understanding and perceptions of risk, products, and needs; iii) current disaster coping mechanisms and risk management behavior; iv) delivery mechanisms tailored for this low-income market; and, v) the potential for vulnerability reduction, including poverty and disaster risk reduction, as well as enhancements in human welfare.

The study was initiated as a part of the Regional Risk Transfer Initiative (RRTI), an effort led by All India Disaster Mitigation Institute to expand and strengthen microinsurance options for the poor in South Asia. In 2003, RRTI partners began offering Afat Vimo, a microinsurance policy designed for poor families, now covering over 5000 individual. It was clear that the growing popularity of microinsurance in Asia had led to high expectations that it may be a tool for reducing the impact of natural hazards on the poor. Commercial insurers, intermediaries, and mutual benefit associations provide a wide range of insurance products that target the poor. Yet, there was little research on the impact that microinsurance policies are having on the poor families they are designed to serve.

Guiding Questions

The following were guiding questions in the development of the study:

- Are the poor in South Asia aware of their disaster risks? What are their current coping strategies or supports mechanisms?
- How do they manage risk and are they equipped to manage themselves?
- If they are equipped, does micro-insurance emerge as a viable option?
- What are the major concerns of a micro-insurance policy holder?
- It is purely the disaster risk involved in life/ health or asset/ livelihood loss?
- What is the appropriate delivery model to distribute a disaster related micro-insurance model?
- Credit linking/ using social networks like family, friends etc/ or direct selling

- What are the key characteristics of a successful or highly demanded micro-insurance product that caters to disaster risk?

Methodology

To investigate the impact of disaster microinsurance, an original dataset was generated through primary data collection based on stratified sampling of microinsurance clients as well as a control group (or non-clients) of the following five organizations: Basix (India), Yasiru (Sri Lanka), All India Disaster Management Institute (AIDMI India), Proshika (Bangladesh), and Self-Employment Women's Association (SEWA India).

Survey questionnaires were administered by 85 volunteers and representatives of the participating organizations from the period October 2008-September 2009. A total of 2,171 surveys were completed with 1,640 client evaluations and 531 non-insured clients to serve as a control.

Scope

The scope of this strategy focuses on microinsurance for natural hazards and consequent risks specifically for tropical cyclones, floods, earthquakes, tsunamis, landslides/mudslides/debris-flow, as well as fluctuations of extreme temperature and rainfall. Non-natural hazards such as epidemics and or other risks such as accidents, illness, unemployment, and the like may be covered under the programs of the participating organizations of the study however, are not of primary interest of this study.

Furthermore, while this study references the larger body of literature on disaster microinsurance and findings from previous qualitative reviews, the analysis in this study is based solely on the findings from the survey of the 5 participating organizations mentioned above.

Constraints

It is necessary to highlight that many areas of importance may have not have been addressed under the study. Constraints of space and data availability were main factors for the omission or abridgement of many theoretic topics of importance in the area of disaster microinsurance. A list of references at the end of this report provides seminal literature on this topic.

Sectional organization

This report is divided into 5 sections. The first section, "Study Overview: Disasters, Safety Nets, and the Poor," has provided an overview of the risks in the region, safety nets, role of disaster microinsurance, and the purpose of the present study. Section two explains the study methodology including the primary data collection method and statistical analysis. Section three provides the findings of analysis and answers to key questions on the impact of the disaster microinsurance products surveyed. Section four provides details on the participating organizations – AIDMI, Basix, Proshika, SEWA, and Yasiru, followed by the last chapter on conclusions and recommendations.

Study Methodology

Primary data collection process

The study period ran from January 2008 to October 2010 with the actual evaluation training and field surveying from October 2008 to September 2009. The organizations that underwent the surveying in this period were (in order): AIDMI, Basix, Yasiru, Proshika, and SEWA, in India, Sri Lanka, and Bangladesh.

In order to ascertain the impacts of microinsurance programs in the region, the study undertook interviews of current clients (also known as "the treatment group" or the "insured" or "beneficiaries") and non-clients (also known as "the control group"). In the absence of a recent disaster, where clients could be directly interviewed on their experience with the microinsurance scheme, or without a baseline for which to compare the present findings with earlier ones, this was thought to be the most suitable study methodology.

A control group was used to better determine the impact of microinsurance programs. If, for example, the amalgamated results of the insured population showed a trend in a certain factor, comparing with the control group could yield analysis if this trend was normal for the socio-economic distribution or is specifically attributable to the impact of involvement in the microinsurance scheme.

Through this process, all variables were sought to be kept the same and any differences could be ascribed to the microinsurance program itself with much greater confidence.

A total of 2,171 surveys were completed of which 1,640 were client surveys and 531 were control surveys. Completing this involved over 85 people in participating organizations with 54 people involved in training, 85 people in field surveying, and 15 in online survey inputting.

Organization selection

In order to select organizations for participation in this study, a preliminary list of all organizations involved in disaster microinsurance in the region was developed. The programs differed considerably in the type of product offering, premium, coverage, and other factors, however, they all addressed some key component of disasters and all were servicing the poor in a country in South Asia.

A total of eight organizations were originally to be selected for participation in the study and all of the above organizations were contacted. Based on interest and availability of the organizations as well as country diversity, the following five organizations were selected for participation in the study: AIDMI, Basix, Yasiru, Proshika, and SEWA. Details on each organization can be found at the end of the Section.

"Disaster microinsurance" products

Many of the participating organizations had multiple products that could be categorized as "disaster microinsurance." While all were microinsurance schemes, some were clearly labelled as "disaster" related schemes while others were "rainfall insurance," "accident insurance," or "weather index insurance." It was the components of the insurance coverage which rendered them as "disaster microinsurance" in their coverage against hazards including: tropical cyclones, floods, earthquakes,

tsunamis, landslides/mudslides/debris-flow, as well as fluctuations of extreme temperature and rainfall.

Primary data collection process

Two survey questionnaires were developed: an insured group survey and control group survey. The insured survey was 74 questions and included introductory questions on the survey population, details on the microinsurance program, claims history, disaster profile, and finances. The control group survey was 78 questions containing similar sections with differences in 15 questions that were directly relevant to the control group population. Annex 2 and annex 3 contains the basic English versions of the survey that were used for translation for each organization.

The insured group survey took, on average, between 30-45 minutes each while the control group took, on average, between 20-30 minutes.

Types of Questions

In terms of the types of questions, the team aimed to keep them mainly yes/no, multiple choice, and ranking types of questions with a few open-ended questions. This ensured that the results were easily comparable, were not overly difficult for the surveyors to conduct, and could be conducted with a reasonable timeframe.

At the end of both questionnaires, there was room for "comments/observations" which were either comments from the interviewees on the microinsurance scheme or any observations from the surveyor. This was an important part of data gathering and provided qualitative input on the impact of the programs.

Guiding questions

The following were guiding questions in the development of the survey:

Client profiling

- What strata of society does disaster micro-insurance really reach? Are these the working poor or the 'better off'?
- Who participates and who does not, and why? How do they perceive risks, and benefits of insurance?

Why and how do they participate (process and perceptions from the demand side)

- What are the opportunity costs of micro-insurance?
- Are the costs involved affordable for institutions and clients?
- What percentage of losses does insurance cover? What are their actual needs?
- Are we targeting the right populations? Is the premium right for them?
- What is process for claim settlement and the issues?
- What are the determinants of policy retaining?

Ex post effects

- What are the ex-post risk reduction mechanisms prevailing in the study regions?

- How is the insurance claim utilised by the policy holder?

Ex-ante effects

- Has micro-insurance increased the insured's economic disaster resilience?
- Are client achieving better economic status because of the financial stability provided by micro-insurance?
- Can micro-insurance incentives better risk management practices and how?
- How does micro-insurance impact the credit/debt situation of clients?
- What are the risk reduction/preparedness initiatives being undertaken to also assist clients to reduce their risks? What else can be done?
- Are service providers doing enough about reducing risks?

Factors that facilitate the expansion of insurance market

- Are there any effective precedents to enhance the demand for insurance in the regions studied?
- What are the key features that facilitate the risk reduction effort of the policy holder?
- As a risk reduction strategy, is it a sustainable?

Survey sample size

In order to establish an adequate survey size, four factors were taken into account: i) an examination of the total client sizes of the participating organizations; ii) variance of important variables in the questionnaire; iii) statistical confidence levels and intervals; and, iv) manpower and time availability of organization to undertake the surveying.

The combination of these factors proved difficult to balance with the large diversity in participating organizations. Based only on confidence intervals and levels, for AIDMI, based on 95 percent confidence level and 5 percent confidence interval, 450 beneficiary surveys were determined to be necessary. While this was feasible for this organization, it was not as feasible for others due to different beneficiary sizes or time availability.

It was decided that an important aspect was to keep all survey samples sizes the same throughout all the organizations although a significant amount of diversity existed between them. Therefore, keeping between a 90-95 percent confidence interval and 4 percent margin of error, it was determined that 400 surveys were sufficient. Of this, 75 percent (300 surveys) were sought to be completed for insured clients and 25 percent (100 surveys) would be conducted for the control portion for each organization. Some organizations completed a few extra surveys in each category.

In total, 1,640 insured group surveys were completed and 531 control group surveys for a total of 2,171 surveys. Slight variations in the numbers existed however, the minimum of 300 insured and 100 control were reached for each organization.

Survey Area

For each organization, an evaluation was conducted during the training sessions of where clients of the disaster microinsurance program were located. Maps were divided into areas of concentration and based on the density of the clients, diversity between urban and rural areas, hazard variance, manpower available for surveying, location of surveyors, and feasibility of travel to areas, various geographical areas were selected for surveying.

Details of each organization's survey area can be found in the Organizational Profiles section.

Control Group

In determining households for the survey of the "control group," every effort was made to pick corresponding households similar to those that were insured. For example, surveyors from each organization were tasked with completing surveys of insured clients and in the same geographical area, finding household for the control.

Random "Stratified" Sampling

To generate an original dataset, the surveyors employed stratified sampling techniques to choose both the clients and the control group. This was done to ensure that there was no bias (for example, only interviews of males), selection of both the insured and control groups were done taking into account various factors determined important by each organization in presenting a representative sample of the population. There was no quota set for the number in each group, surveyors were asked to take into account various criteria to ensure that one group was not overly surveyed or that any one group was not excluded.

The following are some examples of groupings:

For beneficiaries/clients:

- Male vs. Females
- Pukka house vs. Kuccha house
- Under 40 years old vs. Above 40 years old
- Heavy Rainfall vs. Moderate rainfall
- Claims vs. Non-claims
- Highly disaster prone area vs. Other areas

For non-beneficiaries/control:

- Male vs. Females
- Pukka house vs. Kuccha house
- Under 40 years old vs. Above 40 years old
- Heavy rainfall vs. Moderate rainfall
- Highly disaster prone areas vs. Other areas

For example, the perception and experiences of people who have made claims and received money were thought to be different from those who have never made claims, or who made claims and did

not receive money. Therefore, efforts were made to ensure a representative sample with a mix of experiences of clients and non-clients.

Translation

The questionnaires were developed, field-tested, and revised first through AIDMI in September 2008. The surveys were translated into local languages and refined during the training sessions and after field-testing. The surveys were translated and conducted by the participating organizations in the following languages:

- AIDMI: Gujarati
- Basix: Telegu (with Telegu/English responses)
- Yasiru: Sinhalese
- Proshika: Bangla
- SEWA: Gujarati

Efforts were made to keep the meaning of each question however, with slight changes based on the translation into local language.

Quality Controls

In order to ensure that the surveys were completed correctly, a 3-5 day training program was undertaken for each organization. This allowed for detailed discussion on each question, and possible confusion or misunderstandings in the English as well as translated questionnaires.

In the training session, a mock interview with a client was undertaken with all surveyors completing actual surveys. These were collected and graded in the class. Problem areas were discussed and followed by a subsequent survey of a non-client and graded to ensure that problem areas were resolved. The full details of the training sessions follow below.

In addition, surveyors were sent out in groups of 2-4 people with group leaders for each team. The group leader was responsible for reviewing surveys to ensure that they were adequately completed as well as monitoring team members while surveys were being conducted. The group leaders were trained on techniques for reviewing the completed surveys.

Finally, after inputting had been completed through the online system, a review of responses was conducted by the study team and any anomalies or errors were discussed and rectified. See section below on Survey Inputting

Training

Each organization underwent a 3-5 day training program involving all the individuals involved in the surveying as well as inputting. There were 7 parts of the training programme conducted both in English and translated into local language with the assistance of a group member or translator.

Part 1: Opening, objectives, and scope of the study

- Introductions

- Objective of getting a better idea about the impact of utility of the microinsurance program
- Help to make higher level decisions based on data

Part 2: Surveying Plan
- Development of surveying maps
- Discussion on survey area and projects
- Types of groups to be covered: control/beneficiary
- Workplan for each group
- Random sampling technique

Part 3: Logistic Arrangements
- Geographic location of teams
- Language of surveying
- Group composition: leader, documentation, translator, camera
- Transportation and timing
- Contact information sheet with mobiles, address, team photocopy and distribute
- What makes a survey easy?

Part 4: Surveying detailing
- Designation of corrector for translation
- Surveyors IDs
- Approximate timing for reach questionnaire
- General do's and dont's on surveying
- Etiquette and rights of community
- Guiding principles: surveyors should facilitate discussion, encourage participation, do not teach or preach, do not raise expectations, make party comfortable and try to bridge gaps, make sure people are not conscious, surveyors are not experts – just enumerators
- Interviewees can request copy of questionnaire if requested
- Introduction before the questionnaire
- Add corrections
- Contact information sheet
- Problems that can occur
- What makes a survey easy

Part 5: Inputting Mechanism
- Online site for inputting of survey results

Part 6: Pre-testing of questionnaire in the field
- Arrange transportation
- Groups of 2 – interviews
- Designate note taker for changes
- Designate time keeper

Part 7: Incorporation of changes and debriefing from field testing
- Time necessary for each survey based on experience
- Discussion of corrections required and incorporation

- Discussion on online inputting

Survey Inputting

After the surveys were conducted, a team within each organization was tasked with inputting the results through an online site hosted on a common webpage and accessible to each organization. Each inputter was given an "inputter identification number" and copied the results of the hardcopy surveys online at the following sites:

- Control group at http://www.surveygizmo.com/s/81267/control-group-questionnaire
- Insured group at http://www.surveygizmo.com/s/81029/micro-insurance-insured-survey

II. Survey Analysis Methodology

Key Questions

Based on the guiding questions, a list of key questions were developed early on in the study and correlated with questions for the surveys. They are as follows:

I. Socio-economic Profile

1. Where are clients located?
2. What is the average size of a household
3. Are there gender differences?
4. Who is the breadwinner?
5. What are the literacy rates?
6. What is the educational level of clients?
7. What caste and religion are clients?
8. How many people have bank accounts?
9. Are there important differences in rural vs. urban clients
10. Is insurance taken by people in particular trades rather than others?

II. Poverty Linkages

11. In most instances, the organizations interviewed stated that their programs were intended to reach the poor. Are the microinsurance programs really reaching the poor?
    a. Average household income and expenditure
    b. Are clients below the poverty line?
    c. What are levels of savings and debt?
    d. Is there a debt trap that clients are stuck in?
12. Is there a perception that insurance is a way to reduce the poverty?
13. Is there a perception that insurance can help clients get out of the poverty trap following a disaster?
14. Can insurance be said to help people in recovering faster in comparison with non-clients?
15. Over time, is there any difference in welfare for clients suffering from multiple disasters while they have microinsurance?
16. What is the opportunity cost for microinsurance?

III. Features of Microinsurance Programs

17. Is the premium that is being charged the right amount?
18. Is microinsurance being offered in disaster affected areas where there are other recovery mechanisms or are there cases where there is only insurance?
19. At what stage after a disaster are people getting claims money? Is this influencing where they spend the money?
20. Is the claims money being spent primarily on what the claim was made for?
21. Is the amount received after a claim adequate?
22. Do clients like the programs but are there difficulties in the claims process?
23. Is money thought to be the right thing to be giving after a disaster?
24. If the insured with to have additional coverage, can they afford it?
25. Do clients feel like the need to insure others in the family? What types of insurance?
26. Are the insured engaging in "investment" activities such as investment in business, farms, housing, etc. after disaster more than the control group? Are they involved in investment activities more than relief?

IV. Disaster Risk Reduction

27. Do clients engage in other disaster risk reduction activities more than non-clients?
28. Is there awareness of the root causes of vulnerability?
29. Are disasters causing any improvement in shelter?
30. Do insured have to employ less coping mechanisms than the control group?
31. What is the relation between years of disaster insurance and disaster risk reduction behaviour?

V. Awareness

32. Is there a general lack of awareness of insurance? Disaster insurance?
33. If the lack of awareness is filled, are people interested in receiving more information or signing up for insurance?
34. Are the insured promoting insurance to others?
35. Do poorer people generally have less awareness of insurance?

Research Design

The full questionnaire can be found in the Appendix.

Data

Variables are in different scales, i.e. nominal (e.g. for gender), ordinal (e.g. for satisfaction) in the usual Likert Scale, or continuous (e.g. annual premiums). This has also effects on the kind of methods which could be applied for the statistical analysis.

Research Tools and Analysis

Different exploratory analysis and tests as well as regression models were applied to the data. Starting from simple single variable exploration (mean, standard deviation, skewness, median, kortosis, percentiles), to bivariate analysis (contingency tables, ANOVA, linear regression), to full factorial models (general linear models, MANOVA) as well as non-parametric tests in case of failure of important assumptions (non normality, Mann-Whitney U Tests, etc).

Overview of Organizations

Overview

The following is a brief overview of the five organizations surveyed and their disaster microinsurance products. Much of this information has been gathered through existing literature combined with information from the study surveying. Full organizational profiles based on the data from the surveys can be found in Section 6 of the report.

AIDMI

The All India Disaster Mitigation Institute (AIDMI) is an NGO based in Gujarat, India that was formed in 1995. In August 2004, AIDMI launched the Regional Risk Transfer Initiative (RRTI) in association with the Provention Consortium. The main objective of the RRTI was the convergence of micromitigation, microcredit and microinsurance as a precondition for effective local, low-cost risk transfer. The RRTI went on to establish the *Afat Vimo* scheme as disaster insurance for the poor.

Afat Vimo provides life and non-life disaster insurance to low-income clients who are beneficiaries of AIDMI's livelihood relief through a Livelihood Relief Fund. It covers policyholders for losses incurred in the case of 19 eventualities, among them earthquake, cyclone, lightening, and landslide. The policy covers death of the policy holder, damage to their house and contents through accident and disaster, loss of tools, equipment and stock related to livelihood, and loss of earnings due to accident. AIDMI aims to target *Afat Vimo* towards disaster-affected, low-income households. This includes:

- Low-income households with an average annual income between US$370 to US$410
- Individuals engaged in microenterprises in the unorganized sector or as laborers
- Individuals whose assets average approximately US$450
- Individuals whose average monthly savings average between US$5 to US$10

The premium for *Afat Vimo* is approximately US$4.50/year with a yearly maximum coverage amount of US$1,560. There are currently 1,706 *Afat Vimo* clients. Between 2004 and 2009, DMI collected US$69,931 through premiums and paid out US$45,686.

Basix

BASIX, which comprises of a group of companies, was set up as a livelihood promotion institution in 1996. BASIX has adopted a strategy called the "Livelihood Triad" to achieve its mission of livelihood promotion. The triad consists of Livelihood Financial Services, Agriculture & Business Development Services and Institutional Development Services. BASIX now provides financial and technical assistance services to households directly and indirectly through formal collaborative partnerships with other institutions working with the poor in 12 major states in India. In the initial years, BASIX closely studied the risks faced by its clients and ways to manage it. Based on the research carried out in the initial years, in the year 2002, BASIX began offering formal insurance products to its clients, in partnerships with insurance companies.

There are two disaster microinsurance products offered by BASIX. The first is a weather index-based crop insurance which offers protection against crop losses resultant due to adverse weather

conditions. Deviation in crop yields are assessed with weather condition as a proxy. The premium is 8-10 percent of the sum insured at US$22.22/unit. A farmer is free to choose the level of sum insured depending on risk exposures. In 2008, this scheme had 4,545 clients with the total amount collected in 2008 at US$34,203 and US$6,816 paid out.

The other BASIX product is the micro-enterprise insurance which covers loss to the insured non-farm enterprise due to any kind of accident or natural hazard. The terms and conditions depend on the type of housing with 0.25 percent of sum insured for pucca houses versus 1 percent of sum insured for kuccha houses with a minimum coverage of US$111 and maximum of US$8888. In 2008, there were 21,928 clients and a total payout of $5777.

Proshika

Proshika started its operations in 1976. The name Proshika is an acronym of three Bangla words, which stand for training, education, and action. The organization is focused on education and training leading to income and employment generation, health education, health infrastructure building, environmental protection and regeneration.

Proshika has a number of microinsurance schemes, two that were evaluated in this study: Proshika Savings Scheme (PSS) and Economic and Social Security Programme (ESSP). PSS is a participatory insurance-cum-savings scheme where members of the group decide how much they save either weekly or monthly for insuring their household from disasters or emergencies. Depending upon what the group decides, they can save at least US$0.29 per week. Dividends are declared every year around the 30th of June, calculating their individual deposits until then. Usually they get 9 percent dividend every year and from this 9 percent they can withdraw 7 percent money at any time and use it for any expense of their choice. The remainder 2 percent is withheld for any claim against potential future disasters including land erosion, cyclone, tornados, etc. The coverage is for death, loss of shelter (housing, land) and marriage. PSS currently has 1,752 clients.

The other scheme is ESSP which is also a savings-cum-insurance scheme where members put in a minimum of US$1.74/month. If a client continuously contributes for 5 years, at the end of that period they will be entitled to receive 5-7 times the loan of his/her savings deposit.

Alternatively, if anybody is affected by a disaster and dies after getting their loan, their successor is not liable to pay back any loan or remaining amount. For any serious accidents, paralysis or serious diseases, members receive benefits and get waivers of due loan or any subsequent payment(s). Under this programme, scholarships are also awarded to meritorious students that are children of group members. There are currently 23,015 ESSP clients with total amount collected in 2008 at US$471,014 and total payout at US$30,7246.

Self-Employed Women's Association

The Self-Employed Women's Association (SEWA) is a trade union registered in 1972 serving poor, self-employed women workers in India. SEWA's main goals are to organize women workers for full employment and to become self-reliant. In 2006, under an existent insurance program, SEWA introduced a rainfall insurance covering excesses or deficits in rainfall at the beginning and mid of Kharif season in Gujarat. The policy is based on an index reading of aggregated rainfall during the cover phases. The premium is US$3.33/unit coverage for a payout of approximately 10 times the

premium amount and a customer can purchase as many units as he/she likes. In 2008, a total of US$2639 was collected with a total payout of US$2368. In 2009, there were 1441 policies linked to 780 clients.

Yasiru

Yasiru Mutual Provident Society was founded in 2000. This micro-insurance project is an initiative of Samastha Lanka Praja Sangawardana Mandalaya, a local NGO in Sri Lanka. The insurance scheme provides coverage for death, disability, and illness due to accidents and natural disasters including earthquakes, floods, fire, cyclones, lightening, and landslides. As of 2001, Yasiru had 8,151 members with targeted members being disaster-affected and vulnerable households with an average monthly income of US$180 – US$360.

Clients are divided into 4 different categories and can opt to pay a range of premium amounts. Accordingly, their coverage will be adjusted based on their payment level. Here are the basic monthly premium amounts:

1. Household without any children: US$ 0.09, 0.18, 0.27, 0.45, 0.9, 1.08, 1.35, 1.62
2. One parent with children: US$ 0.09, 0.18, 0.27, 0.45, 0.9, 1.08, 1.35, 1.62
3. Household with children: US$ 0.135, 0.27, 0.4, 0.675, 1.62, 2.02, 2.43
4. Other persons: US$ 0.045, 0.09, 0.135, 0.225, 0.45, 0.54, 0.675, 0.81

Benefit payments are now related to units of premium. US$0.09 is one unit. For a US$0.27 policy, the benefit payments are thus 3 units, meaning three times the amount paid at to a US$0.09 policy holder.

The total amount collected in 2009 was US$23,081 with US$15,407 being paid out.

Table 6. Summary of Microinsurance Schemes Assessed

Country	Organization	Microinsurance product	No. of benficiaries	Premium to coverage ratio
India	AIDMI	All disaster coverage	1,706 (2010)	<1 percent
India	BASIX	Weather index-based crop insurance	4,545 (2008)	9 percent
India	BASIX	Micro-enterprise insurance	21,928 (2008)	1 percent
India	SEWA	Rainfall insurance	1441 (2009)	10 percent
Sri Lanka	Yasiru	Disaster, health, accident insurance	20,129 (2009)	2 percent
Bangladesh	Proshika	Proshika Savings Scheme (PSS) insurance-cum-savings	1,752	50 percent
Bangladesh	Proshika	Enterprise and Social Security Programme (ESSP)	23,015	48 percent

Study Findings & Analysis

I. Socio-Economic Profile

Overall, a total of 2,171 surveys were completed with 531 (24.5 percent) control group surveys and 1,640 (75.5 percent) insured group surveys. Of the preliminary socio-economic data on rural/urban location, main earning person, caste, religion, household size, and literacy rate, the insured and control group are very similar with the exception of urban and rural location where the control group was 10 percent higher than the insured group. Table 7 contains a summary of findings.

	Control Group	**Insured Group**
Total number	531	1640
Living in rural area	70 percent (of total)	80 percent (of total)
Majority of interviewed persons	India (60 percent)	India (60 percent)
Main earning person	Male (90 percent)	Male (86 percent)
Main Caste	General caste (70 percent)	General caste (60 percent)
Main Religion	Hindu (52 percent)	Hindu (53 percent)
People in household	4 (30 percent), 2 children	4 (23 percent), 2 children
Literacy rate	70 percent	70 percent

Table 7: Selected socio-demographic variables for control and insured group

Table 8 shows selected socio-demographic variables for individual schemes.

	AIDMI	BASIX	Yasiru	Proshika	SEWA
Below poverty line	41	31	53	43	58
Illiterate	31	31	14	22	41
No formal education	34	31	16	32	41
Living in rural area	26	79	100	100	100
Main earning person Male	84	92	85	89	83
Main Caste	General (54 percent)	OBC (59 percent)	General (99 percent)	General (95 percent)	OBC (47 percent)
Main Religion	Hindu (57 percent)	Hindu (84 percent)	Buddhist (90 percent)	Muslim (66 percent)	Hindu (53 percent)

Table 8: Selected socio-demographic variables for individual schemes (in percentages)

What is the average size of a household?

The average size of client households is approximately 4 people of which 2 are children. This is the same for the control group.

Are there gender differences?

The study found that there was a greater prevalence of women in the insured group than in the control group. Forty-five percent of surveyed clients were male while 51 percent were female (4

percent of survey responses did not have clear values for gender) as compared with 60 percent male and 40 percent female in the control group survey.

Who's the breadwinner?

Disaster microinsurance programs are targeting or gaining greater participation of women-headed households but only by a small margin (4 percent). For disaster microinsurance clients, 86 percent are male headed while 14 were female headed. For the control group, male headed households were 90 percent and 10 percent for women.

What are the literacy rates?

Disaster microinsurance clients self-reported the same literacy rates as their counterparts in the control group at 70 percent. An average of the national literacy rates of the three participating countries (India, Sri Lanka, Bangladesh) weighted with the increased participation from Indian organizations renders a tri-country literacy rate of 67.3 percent. This indicates that the areas being served have approximately the same average national literacy rates.

This could also mean that there are differences in the official definition of literacy and that employed in practice across the region. The official definition of literacy is the ability to "identify, understand, interpret, create, communicate, compute and use printed and written materials associated with varying contexts."[21] Operationally, literacy may be used differently such as the ability to write one's own name.

What are the educational levels of clients?

For microinsurance clients, 31 percent did not have any formal education while all others had at least some kind of education but with substantial variation. Only 0.5 percent had achieved education beyond bachelor's degrees.

What caste and religion are clients?

Similar to the control group, nearly 60 percent of clients belonged to the general caste, and 30 percent to Other Backward Castes (OBC). This question pertains only to India and Sri Lanka which have caste systems.

Regarding religion, disaster microinsurance clients are more or less the same as their counterparts in the control group with 53 percent Hindu for clients and 52 percent for the control, 25 percent Muslim for both clients and control, and 16 percent Buddhists for clients and 17 percent for control. The remainder comprised of other religions.

How many people have bank accounts?

The study found that 54 percent of disaster microinsurance clients have bank accounts and for the control group, it was 55 percent, indicating the same level of penetration.

[21] United National Educational Scientific and Cultural Organization (UNESCO), "The Plurality of Literacy and Its Implications for Policies and Programs," in *Position Paper* (Paris: 2004).

Are there important differences in rural vs. urban clients?

One factor that was found to be different in rural and urban clients was poverty. There are a larger number of disaster microinsurance clients who considered themselves to be below the poverty line (Pearson Chi-square test: $p<0.01$) in rural areas. In rural areas, 51 percent were below the poverty line in comparison to 40 percent in urban areas. See Figure 9 below.

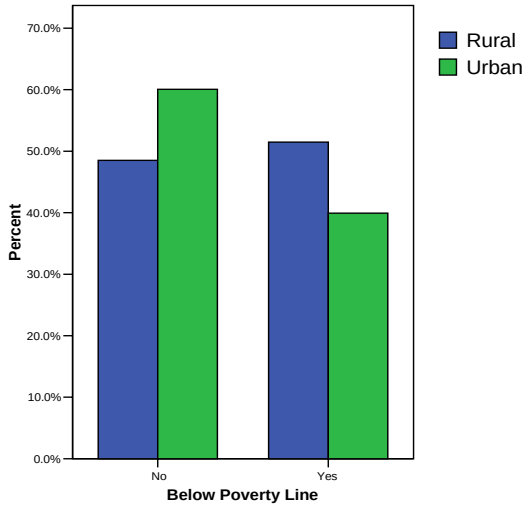


Figure 9. Client and control group responses to the question, "Are you below the poverty line?"

The study also found that 80 percent of clients surveyed lived in rural areas, indicating the high concentration of clients, relevance of such services and products in highly disaster prone areas, strong demand, and geographical concentration of microinsurance organizations in these areas.

Is disaster microinsurance taken by people in particular trades rather than others?

Table 9 shows the main sources of income for clients. As this is in percentage of total income, the information here must be treated with caution. Interestingly, farming, wage labour, and service jobs are the most widely reported for disaster microinsurance clients with primary incomes sources reported as farming (more than 50 percent to total income reported) with the remainder from trade and business. On the other hand, if an individual's primary income source is wage labour, the other primary income source is income through service jobs. Therefore, in principle, one can distinguish between a sub-group of farmers/traders and one sub-group of people employed in the service industry.

	Remittances	Husbandry/ Farming	Wage labour	Trade/ Business	Service job	Government programme	Other
Mean	26.28	54.28	47.93	44.46	52.26	17.87	25.78
Median	20.00	50.00	50.00	50.00	50.00	10.00	25.00
Mode	10	100	50	50	50	10	10
Std. Deviation	20.543	32.415	22.237	24.011	21.938	15.983	15.950
Skewness	1.345	.201	.124	.076	.078	2.434	.450
Kurtosis	1.984	-1.336	-.973	-1.043	-1.018	6.396	-.930

Table 9. Main sources of income for clients in percentage

Table 10: Non-parametric tests between insured and control group regarding sources of income

	Remittances	Animal husbandry/ farming	Wage Labour	Trade/ Business	Service job	Government Programme	Other
Mann-Whitney U	232.000	87582.000	77530.500	40032.000	9943.000	1475.500	730.500
Wilcoxon W	298.000	115785.000	100321.500	173935.000	40324.000	4103.500	961.500
Z	-2.137	-.588	-1.071	-4.085	-.526	-.003	-1.631
Asymp. Sig. (2-tailed)	.033	.556	.284	.000	.599	.997	.103

As the table above indicates, there seem significant differences between the insured and control group for the remittances and the trade variable. Income through remittances is significantly higher in the insured group, however, due to the low number of respondents in the control group (N=11) this result has to be treated with caution. Furthermore, it seems that in the control group income comes primarily from the trade/business sector compared to the insured group. If we separate the variables according to the sub-groups Farmer/Service worker, and perform the same test procedure, significant differences include the remittances variable as well (Service workers get more remittances than farmers).

II. Poverty Linkages

In most instances, the organizations interviewed stated that their programs were intended to reach the poor. Are the microinsurance programs really reaching the poor?

Average household income and expenditure

With five organizations from three countries participating in the study, currencies were converted to US dollars and standardized for comparison.[22]

The average household income of disaster microinsurance clients is $105 per month, 17 percent below their neighbours in the control group at $126.[23] Household expenses amount to the major part of income use at $78 per month for clients (74.3 percent of income) and $88 (69.9 percent) for non-clients. With an average of 4 people (2 adults and 2 children) in each household, this means that incomes are being considerably stretched.

In terms of the individual incomes reported, microinsurance clients also made less with an average of $66 a month whereas their counterparts in the control group averaged $86 per month.

[22] Exchange rates were taken in March 2010 although the survey was undertaken between 2008-2009. There is a marginal difference in the converted amounts.

[23] While the data is very skewed and the median income level is nearly equal in both groups, $87, non-parametric tests including Mann- Whitney statistics showing significant mean differences.

Are clients below the poverty line?

An average of 45 percent of clients self-reported as being under the poverty line, whereas for the control group it was 42 percent. Figure 10 below shows the percentage of clients self-reporting being "below the poverty line."

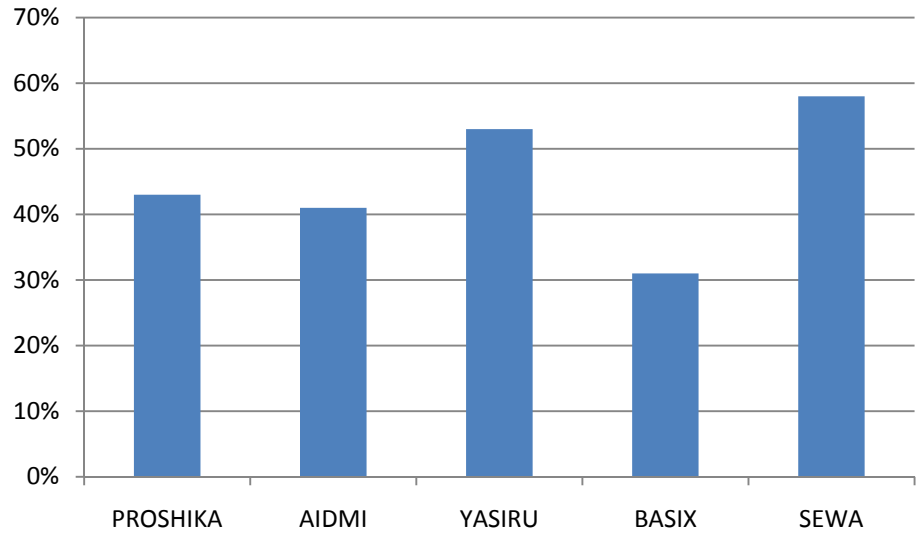


Figure 10.Percentage of clients self-reporting being "below the poverty line."

By calculation of the poverty line through the internationally recognized definition of income under US$2 a day, the daily income of the surveyed insured population averages $2.20, which is only slightly above the poverty line. For the control group, it was $2.87. Therefore, while the majority of clients are above the poverty line, they are hovering only marginally from it, with external shocks such as disasters having the potential to push them back into further poverty.

What are levels of savings and debt?

Low income earners are one of the most susceptible groups when it comes to debt. Having less disposable income leaves the poor open to the high-interest borrowing, which may lead into "debt traps." This trend is true for disaster microinsurance clients with higher levels of indebtedness and lower levels of savings. With an average debt of $301 for the microinsurance group in comparison with $268 for the control group, and only $4 of savings for the median, while $9 for the control, indebtedness is a serious problem throughout the sample.

	AIDMI	BASIX	YASIRU	PROSHIKA	SEWA
Expenditure	65	65	70	87	60
Family Income	76	130	70	101	56
Income	54	76	44	72	11
Debt	46	434	17	101	109
Savings as	11	54	0	14	0

difference between Family income and expenditure					

Table 11. Median of economic variables (in current USD) separated into the different programs for microinsurance clients.

Is there a debt trap that clients are stuck in?

Research has suggested that the poor get stuck in debt traps with cycles of borrowing. From the disaster microinsurance group, a total of 713 (74 percent) have borrowed money after a disaster, especially from money lenders (31 percent), and the community or local organizations (22 percent). The remainder borrowed from family and friends, with a small minority borrowing from employers or banks. The total amount of borrowing needed in percentage of yearly family income ranges between 0.77 percent and 5 percent (the median is 1.5 percent).

The number of borrowers in the control group population is lower, i.e. in the control group a total of 117 (66 percent) have borrowed after a disaster and it seems that in the control group, there is higher reliance on informal networks with many borrowing from family or friends.

In the instances where claim money was said to not be sufficient or claim money was not received (272 people), 58 percent said that had to seek additional money from other sources. The majority received help either from the community or an organization (22 percent) with interest rates on average of 12 percent, or from money lenders (29 percent), with a mode of interest rate at 36 percent. Five percent received help from family (no interest rates could be calculated), 12 percent from Banks (interest rates ranged between 2 and 6 percent in the majority of cases), and 11 percent from friends (interest rate mode=3 percent).

No comparison with the control group was possible because there were no cases where money was not sufficient.

All in all, there are indications that for the non-insured, financing loss options such as borrowing is not feasible outside the informal area which may also mean that participation on microinsurance schemes may be found to increase credit worthiness although this was not directly tested.

Is there a perception of insurance as a way to reduce poverty?

There is an overall positive perception that insurance can help to reduce poverty. Nearly 90 percent of the insured group felt personally that microinsurance could help reduce poverty and more than 80 percent in the control group, many of which do not have any type of insurance. Therefore, there is a perception of the economic benefits of microinsurance.

Furthermore, approximately 39 percent of disaster microinsurance clients also felt that insurance could prevent or lessen the need to borrow money after a disaster at least a little and for the control group, this was 24 percent.

The findings above have shown that microinsurance clients, in actual disaster situations, rely on additional borrowing, and there is a positive perception that microinsurance schemes could prevent or lessen borrowing in the future.

Can disaster microinsurance be said to help people in recovering faster in comparison with non-clients?

Getting back to work

Does having money to "bounce back" after a disaster help individuals get back to work faster? In the study, analysis of the variable "number of days taken off" after a disaster did not reveal any significant difference. The number of working days lost due to a disaster event is, on average, 68 days for individuals with insurance and 66 days for the control group. The high level of days off may be correlated with the timing when individuals finally receive claims money which has ranged from 1-3 months.

Table 12. Statistics for number of days not working due to disaster for insured and control group.

	Insured Group	Control Group
Mean	**68**	**66**
Std. Deviation	104	111
Median	20	25

Table 13. Non-parametric tests show no difference (Mann Whitney test)

	N	Mean Rank	Sum of Ranks
Control Group	120	264	31649
Insured Group	424	275	116591
	Mann-Whitney U: 24389, p-value: .488 (not significant)		

Over time, is there any difference in welfare for clients suffering from multiple disasters while they have disaster microinsurance?

To see the impact of disaster microinsurance programs, it was important to see whether any differences could be seen over time for clients experiencing multiple disasters. That is to say, are there any differences in levels of savings and debt after one disaster as compared with clients experiencing more frequent disasters? Table 14 shows the results of testing:

	One Disaster experience (total number is 230)	More than one disaster experience (total number is 70)
Savings: Mean (std. Dev.)	$79 ($360)	$13 ($20)
Savings: Median	$10	$4.37
Debt: Mean	$164 ($189)	$98 ($177)
Debt: Median	$87	$44

Table 14: Savings and indebtedness statistics (current USD) for microinsurance clients with one disaster claims and microinsurance clients with more than one disaster claims.

Of the client survey, 230 experienced one disaster while 70 experienced more than one disaster. In comparison, one can find significant differences between the two groups in terms of levels of savings and debt. However, the majority of people experiencing a second disaster are observations from Sri Lanka (63 out of 70) so separate tests were performed. The low observation rate makes it impossible to detect any trends for the other countries and for Sri Lanka the tests did not give any significant results.

However, the indebtedness level is very high in this group already and also savings are small, which indicates that they are very vulnerable against other losses not included in the insurance schemes.

What is the opportunity cost for microinsurance?

If disaster microinsurance clients were not spending money on premiums, what would they be spending it on? A reduction in food consumption and livelihood-related expenses has been found to be the primary opportunity costs for disaster microinsurance. This includes spending on food (44 percent), livelihood-related expenses (30 percent), as well as savings (23 percent).

Item	Percentage (Yes)
House	13
Food	**44**
Household items	18
Livelihood-related	**30**
Lending money	1
Savings	**23**
Medical	6
Funeral	0
Children education	12
Marriage	1
Repay previous loan	2
Other	6

Table 15: Opportunity costs for insurance: "If you were not paying for your disaster insurance policy, what would you spend that money on?" Percentage of total people (insurance group) selecting the given options:

III. Features of Disaster Microinsurance Programs

Is the premium being charged affordable?

Before examining whether clients felt they were being charged an amount that was affordable it is necessary to determine the relative cost of the microinsurance product. This can be done in terms of the potential payout as well as total annual household income. Table 16 shows the premium to coverage ratio for each of the products surveyed.

Name	Risks covered	Pricing: premium to coverage
Proshika Scheme 1	Savings	50%
Proshika Scheme 2	Loan	48%
AIDMI	Life, property and contents	< 1%
Yasiru	Life	2%
BASIX Scheme 1	Property	1%
BASIX Scheme 2	Crops	9%
SEWA	Crops	10%

Table 16: Risks covered and pricing as a ratio of premium to coverage.

As the table shows, while the Proshika schemes cover loans and savings, the organization only pays back twice the amount disbursed in case of a disaster. AIDMI, Yasiru and BASIX Scheme 1, on the other hand, focuses on life and property insurance and only charges a very small portion of the amount covered. Finally, the crop insurance arrangements providing coverage for relatively frequent drought events charge about 10 percent of the maximum coverage. Figure 11 shows this graphically.

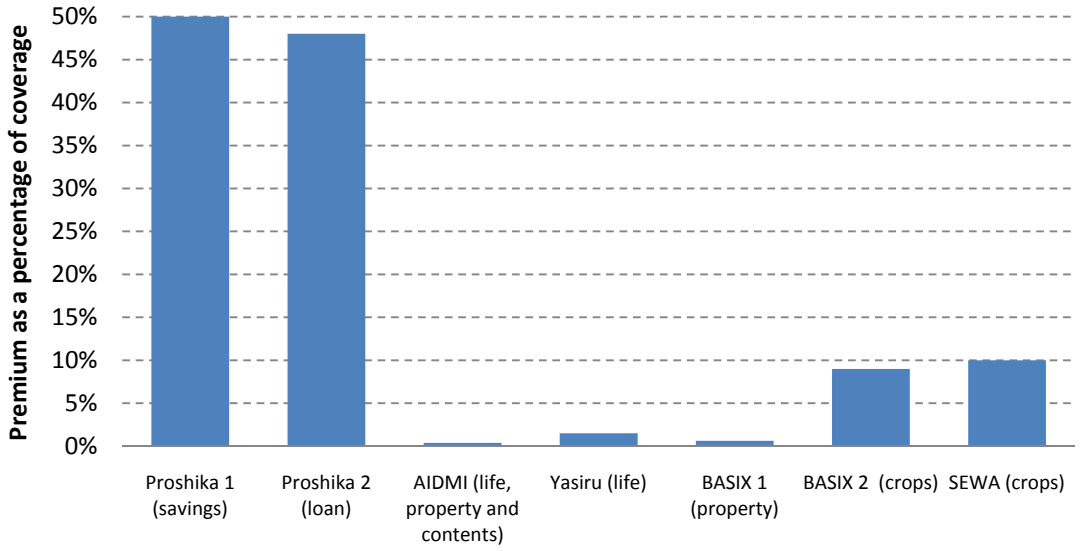
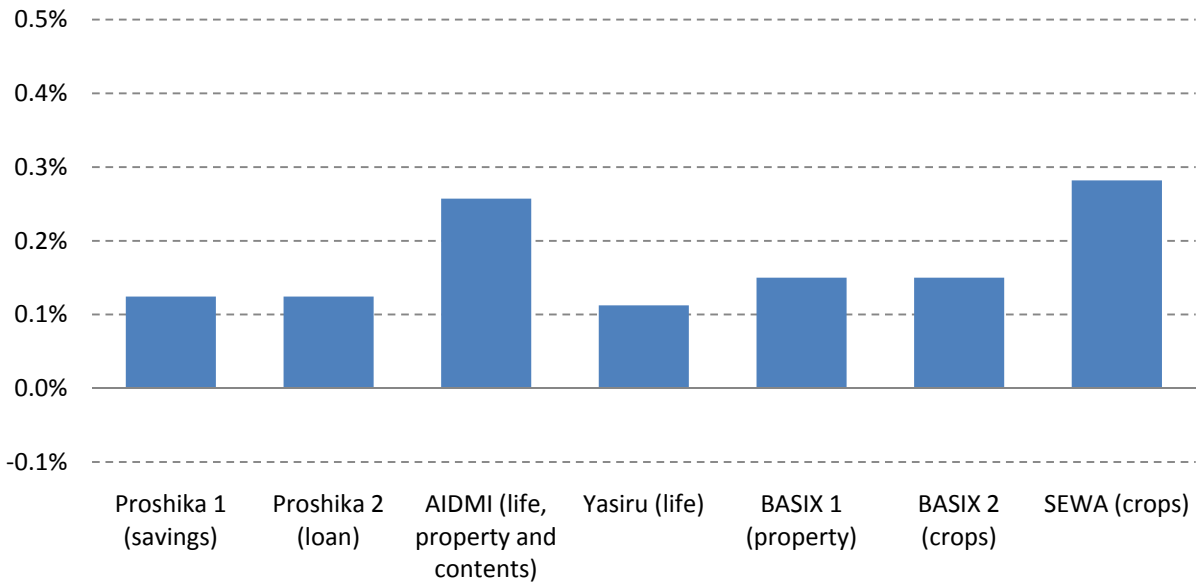


Figure 11. Premium as a percentage of coverage.

Figure 12 below shows premium in percentage of annual household income.



Survey responses

Given the wide range of risks covered and premiums charged, surprisingly a large majority of people feel that they can afford the amount they pay. Nearly 77 percent stated that the amount they pay is okay, and surprisingly 11 percent stated it is too little, whereas a little less than 7 percent indicated that the amount they pay is too much. That also corresponds well with questions regarding the satisfaction of the features of the disaster microinsurance programs.

This result is strengthened by the fact that most people who said the premium is too high also answered that to encourage more people to take disaster insurance, it is necessary to make it more affordable. A significant number of people also think that the premium is okay due to the perceived increase in disaster risk in the future.

Regarding socio-economic dimensions, the responses of clients are more a function of wealth, e.g. family income, savings and debt which again strengthens the hypothesis that successful claims and affordability are the primary reasons in perceiving a right amount of premium being charged.

Interestingly, differences between income and expenditure, i.e. net effects, play no role here however, one obvious indicator is the experience of a successful claim and independent tests show a significant result. This is to say that people with successful claims tend to say that the premiums charged are okay, while the ones without any successful claims or no claims yet tend to say that the premium is too high.

Overall, however, there seems to be indication that there is general willingness to pay for microinsurance services or that households of a certain income group are able to afford these products more than others. However, there still may be a large population of individuals poorer than the current clients which need to be served which could not afford the premium to join the program.

Is microinsurance being offered in disaster affected areas where there are other recovery mechanisms or are there cases where there is only insurance?

For microinsurance clients, there seems to be a smaller difference in access to recovery aids such as cash and food in comparison with their counterpart households in the control group. Apart from that, for both groups these two seem to be the most important ones, and other forms of help include blankets and livelihood support.

	Insured Group	Control Group
Cash	**23**	**17**
Tent	5	4
Livelihood	**10**	**4**
Medicine	7	6
Food	**24**	**19**
Utensils	7	7
Stove	0	1
Medical care	2	2
Housing	5	3
Nothing	9	5
Blankets	**10**	**10**
Other	3	2

Table 17. Cumulative responses of what help was received after a disaster (percentage of total)

Regarding the organization which helped them, NGOs and the government seems especially important for both groups. However, NGOs are more important within the insured group.

	Insured Group	Control Group
Family	3	5
NGO	**25**	**15**
Political Organization	2	2
Community	5	5
Religious organization	7	7
Other	9	3
Government	**26**	**23**

Table 18: Sources of assistance in disasters

At what stage after a disaster are people getting claims money? Is this influencing where they spend the money?

Getting money to clients in a timely way is important to ensure that needs are being met. Of the clients that filed a claim and received money, the majority (44 percent) indicated that they received it within one month of filing the necessary paperwork. However, a large number also received it after two months (26 percent), or three months (30 percent).

The study has also shown that the time period in which money is received can influence how it will be spent. The following is a breakdown of expenses according to when claims money was received:

	1 month (60 respondents, 44%)	2 months (35 respondents, 26%)	3 months (40 respondents, 30%)
Food	65%	17%	45%
Housing	50%		12%
Livelihood	25%	17%	46%
Medical expenses	10%	25%	
Savings			9%
Other			24%

Table 19. Expenditure of claims money by the time it was received in months (multiple responses possible)

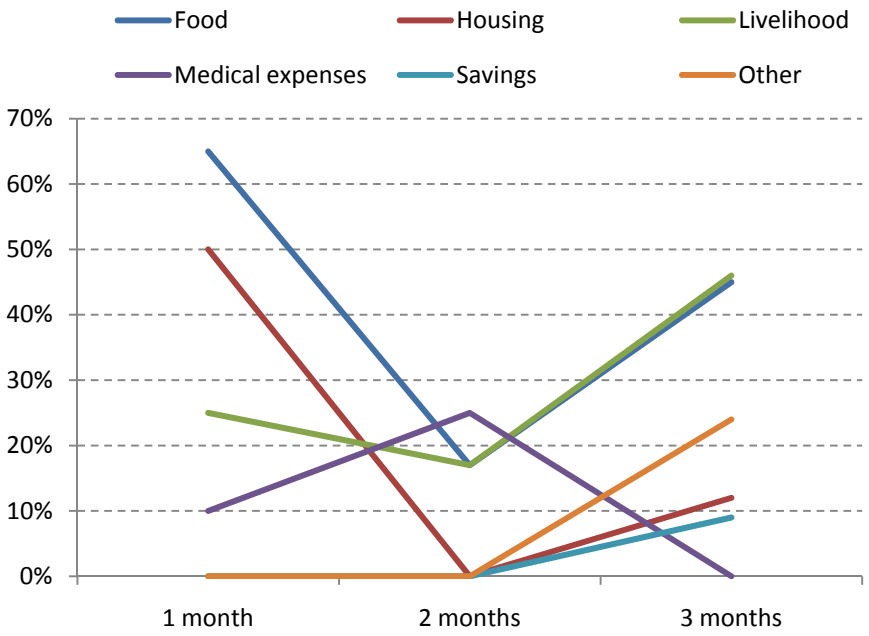


Figure 13. Graph of the use of claims money by the time it was received (in months)

As the above table and graph shows, the earlier clients get money, the more it will be spent on housing, however, food seems to be important throughout while medical help is important in later stages along with livelihood expenses.

Is claims money being spent primarily on what the claim was made for?

Table 20 below shows a comparison between hazard type and spending. The rows represent what type of claim was received, and the columns show what it was used for. For example, 3 had claims from cyclone events and everybody used it for housing (and additionally one for housing and savings).

Hazard insured? / Spent on	House	Household items	Lending money	Medical	Children education	Repaying loan	Food	Livelihood	Savings	Funeral	Marriage	Other
Accident (30)	13	5	2	2		6	13	18	2			4
Crop (7)		1		1			2	2				
Cyclone (3)	3								1			
Drought (14)	1						10	10	2			5
Flood (31)	13					10	15	19				
Hospitalization (66)	66			56			2	6				
MES (6)				1				4				
Natural Death (6)										6		
Weather (32)	1			3			20	11			3	

Table 20: Claim payments from hazard (row, number of people) and related spending (column).

The study found that most often, money from insurance claims was being used to cover expenses for which the insurance was taken out, however, claims money is also being used for other things - most often for food and livelihood related expenses which indicates core problems in the provision of basic needs and adequate safety nets after disasters.

Is the amount received after a claim adequate?

A total of 272 people stated that the money they received from an insurance claim was not sufficient or they did not receive any claim money. Of this number, 58 percent sought additional money from other sources. With a lack of other social safety nets, clients reported borrowing most often from money lenders, friends, and family:

- 29 percent from money lenders with the most common interest rate of 36 percent
- 22 percent from community or an organization (22 percent) with an average interest rate of 12 percent
- 12 percent from Banks with interest rates ranging between 2 and 6 percent in the majority of cases
- 11 percent from friends with the most common interest rate of 3 percent
- 5 percent from family (no interest rates could be calculated)

However, while many are borrowing to offset costs after a disaster, it cannot really be said that the claim payments are not adequate. In some cases, additional funds are required for financing other things such as previous loans, increased need for basic provisions such as food, medical care, shelter, or to fill the gap through loss of livelihood such as farming income.

What does emerge is a sense of high risk of indebtedness over a long period of time and need for additional insurance coverage.

Do clients like the programs but are there difficulties in the claims process?

The majority of people said that they would like to renew their disaster insurance policy mainly due to a good perception of the company (49 percent), security (41 percent) and also good service (35 percent). Interestingly there seems a tendency that the perceived risk will likely increase in the future as 29 percent answered with this option.

The reasons for not renewing the contract are primarily due to money shortages or that it was not needed, however, the percentage of people answered this question was very low.

Yes	**Good Company**	**49**
	Good Service	**35**
	Compulsory	7
	Needed	30
	Security	**41**
	Recommended	9
	Help get a loan	19
	More disaster in future	29
	Don't know	2
No	**Affordability**	**1**
	Misleading	0.4
	Not needed	**1**
	Forced to take	0.4
	No money	3
	claim related	0.4
	Other	**1**

Table 21: Responses of whether clients were going to renew their disaster insurance policy. Percentage of total.

Looking at satisfaction levels of the processes and components of the microinsurance scheme, the insured group felt satisfied regarding the information received on insurance, the premium, the coverage, the schedule, connectivity to the organization and the process of renewing the policy. However, regarding the claims process, this performed the worst in comparison.

	Somewhat satisfied	**Satisfied**	**Somewhat dissatisfied**	**Dissatisfied**	**Not applicable/don't know**
1. Information received on	10	79	3	1	2

insurance					
2. Premium	13	70	9	2	2
3. Coverage	8	66	10	2	9
4. Premium payment schedule (lump sum vs. installments)	8	72	7	1	8
5. Connectivity to organization	5	83	4	1	3
6. Process of renewing policy	7	65	7	2	14
7. Simplicity of claim process	6	70	4	2	18
8. Time to complete claim	9	53	11	3	24

Table 22: Satisfaction with insurance scheme - percentage of total.

The results above are strengthened if the indicators on help with claims processes are taken into account. While the majority of people were satisfied with the simplicity of the process to get claim payments, this does not mean that it was actually easy for them to do that. Furthermore, time to complete the claim was also rated rather bad in comparison to the other answers (but is generally still high). This is also reflected in the fact that nearly all people needed help with the claim (95 percent) and nearly all received it (89 percent).

Is money thought to be the right thing to be given after a disaster?

Interestingly, in the microinsurance client group, more prefer insurance, with less in the control group. Furthermore, more individuals in the control group prefer relief after a disaster with the opposite in the insured group. More than expected in the control group would prefer a combination while the opposite true for the insured.

	Insurance (count/expected)	Relief (count/expected)	Both (count/expected)	Other (count/expected)
Insured Group	29 (443/401)	3 (40/58)	62 (947/969)	3 (90/92)
Control Group	18 (88/129)	8 (37/19)	68 (37/19)	6 (31/30)

Table 23: Percentage of people who would prefer money or insurance as disaster relief

Statistical test (Chi Square and contingency coefficients were looked at) showing significant results, i.e. the Null hypothesis of independence between the two groups can be rejected ($p<0.001$ for Chi –

Square and symmetric measures leading to significant results p<0.001, i.e. Cramers V= .146, p=.000).

If the insured wish to have additional coverage, can they afford it?

Of the clients that responded to this question (50 percent), 15 percent stated the need for crop insurance, followed by health insurance (9 percent) and medical insurance (7 percent).

Do clients feel the need to insure others in their family? What types of insurance?

Many responded felt that life and health insurance seemed especially important for all people in the family, followed by children.

	Percentage yes of total					
	Children	Elders	Spouse	Earners	All	None
Life	20	8	21	12	**26**	27
Funeral	1	7	4	1	12	72
Health	20	7	15	10	20	**40**
House	1	1	6	4	14	70
Assets	1	1	7	4	11	73
Accidents	4	2	8	12	16	58
Crop	2	3	5	9	8	69
Other	0	0	0	1	5	88

Table 24: Responses to the question, "In addition to you, who in your family would you like to see have insurance and what type."

Are the insured engaging in 'investment' activities in business, livelihood, housing, etc after disasters more than the control group? Are they involved in 'investment activities' more than relief?

Item	Insured Group (Yes percentage)	Control Group (Yes percentage)	Significant difference (Chi-Square test) p-value
House	18	17	.570
Household items	5	10	**.001**
Repay precious loan	2	1	.148
Medical	4	2	.071
Children education	1	1	.000
Other	4	1	.001
Food	17	12	**.012**
Livelihood related	21	14	**.000**
Savings	1	0	.000

Funeral	0	0	.346
Marriage	1	1	.364

Table 25. Responses to the question "What did you spend this money on"

It seems that the control group spent more on household items, whereas the insured group more on food and livelihood.

IV. Disaster Risk Reduction

Do clients engage in other disaster risk reduction activities more than non-clients?

Interestingly, for the insured group, the participation in disaster-related activities is generally (and significantly) higher than for the control group: 24 percent said yes in the insured group while only 8 percent for the control group. Search and rescue activities, microfinance, and revolving fund were named the most in the insured group.

Responses	Insured Group (Yes percentage)	Control Group (Yes percentage)	Significance, p-value (Chi-Square test)
No	21	22	.538
Yes	**24**	**8**	**.000**
Search and Rescue	7	0	.000
Building construction	3	0	.000
Microfinance	8	0	.000
Other	3	0	.000
First aid training	3	0	.000
Community based training	4	0	.000
Disaster knowledge related	3	0	.000
Revolving fund	8	0	.000

Table 26: Number of responses to the question, "Have you ever participated in the following activities in the last 10 years"

For the types of disaster reduction activities undertaken in the last 10 years, reinforcing seems especially important for the control group whereas keeping savings is especially important for the insured group. Furthermore, impact reduction seems more of an issue for the insured group if reinforcement is excluded. Structural mitigation therefore is seen as primary impact decreasing option for the non-insured and financial instruments (savings) more as an option for the insured.

Item	Insured Group (Yes percentage)	Control Group (Yes percentage)	Significance, p-value (Chi-Square test)
Reinforcing	**24**	**57**	**.000**
Moving	8	0	.000
Safeguarding	6	0	.000
Community changes	3	0	.000
Learning	5	0	.000
None of the above	4	0	.000
Other	0	0	.578

Keeping savings	**25**	**14**	**.000**
Planning in advance	8	0	.000
Explaining to kids	5	0	.000
Advocating	4	0	.000
Insurance	30	0	.000
Revolving fund	10	0	.000

Table 27: What changes have been done by you or anyone over the last 10 years to reduce the impact of disasters?

Is there awareness of the root causes of vulnerability and what needs to be done to reduce risks?

Table 28 below shows where individuals responses to the question of "what needs to be done in the future" for reducing vulnerability and "what was done in the past" overlapped.

For example, from the people who said that reinforcing parts of the home needs to be done to ensure that they are less affected by disasters in the future, 68 percent of disaster microinsurance clients also stated that they reinforced parts of their home in the last 10 years to reduce the impact of disasters.

Interestingly, a majority of the control group stated that migration is and was an option to reduce their vulnerability which was not the case for the insured group. Besides that, traditional techniques to decrease vulnerability like saving money was important for both groups while only for the insured group more advanced instruments such as insurance and a revolving fund were seen as important for the future but also were applied in the past.

	Insured Group	Control Group
	Overlap	Overlap
Reinforcing parts of home	**68**	**87**
Moving to safer area	**58**	**86**
Safeguarding belongings	32	35
Community infrastructure changes	23	33
Learning about your risk	21	28
None of the above	79	63
Other	25	0
Keeping savings	**76**	**74**
Planning in advance	37	52
Explaining to kids	32	29
Advocating for disaster risk reduction	24	19
Insurance	**88**	**40**
Revolving fund	**60**	**17**

Table 28: Percentage of people who answered "what needs to be done in the future to reduce your risk" (100 percent) and corresponding answers of what was done in the last 10 years.

Are disasters causing any improvement in shelter?

Microinsurance Group:

According to Indian vernacular architecture, there are three types of housing: "kuccha", "semi-pukka," and "pukka." Although the terminology is used most widely in India, similar notions exist across the region.

A "kuccha" house is a building made of natural materials such a mud, grass, bamboo, thatch or sticks and is therefore a short-lived structure. Since it is not made for endurance it requires constant maintenance and replacement. The practical limitations of the building materials available dictate the specific form which can have a simple beauty. The advantage of a kaccha is that construction materials are cheap and easily available and relatively little labor is required.

A "pukka" house is a structure made from materials resistant to wear, such as forms of stone or brick, clay tiles , metal or other durable materials, sometimes using mortar to bind, that does not need to be constantly maintained or replaced. However, such structures are expensive to construct as the materials are costly and more labor is required. A pukka may be elaborately decorated in contrast to a kuccha.

A "semi-pukka" house is one that is a combination of the kuccha and pukka style, the semi-pukka, has evolved as villagers have acquired the resources to add elements constructed of the durable materials characteristic of a pukka house. Architecture as always evolves organically as the needs and resources of people change.

As indicated in the table below, the higher the numbers in the diagonals, the less the changes in housing and toilet observed in the sample. In terms of housing, the majority usually stayed in the in the same housing structures but also interesting trends can be detected.

For the microinsurance clients, it seems that semi-pukka housing structures were most replaced after a disaster to a pukka home. The same holds true for kuccha structures: About 38 percent of the ones with a previous kuccha structure changed after the disaster event to a more robust housing type structure.

Before/After	Kuccha	Semi-Pukka	Pukka
Kuccha (total: 442)	**62**	18	20
Semi-Pukka (total: 170)	1	**66**	32
Pukka (total: 101)	0	3	**96**

Table 29: Insured group: percentage of people going from previous housing type (row) to other housing type (column) due to a disaster event.

Also, changes in the type of toilet occurred after disasters. Going from open defecation to pit latrine after a disaster seems quite common, however for tube well this trend is not so strong. Generally speaking, there are strong indications that improvements due to a disaster can be expected especially if the pre-disaster event structure/toilet is of lower quality.

Hence, there seems to be an opportunity after a disaster event for positive improvements to infrastructure.

Before/After	Open Defecation	Tube well	Pit latrine	Public toilet
Open Defecation (332)	**51**	9	35	4
Tube well (105)	1	**84**	13	2
Pit latrine (258)	0	4	**95**	1
Public toilet (3)	0	0	0	**100**

Table 30: Insured group: percentage of people going from previous type of toilet (row) to other type of toilets (column) due to a disaster event.

Control Group:

For the control group, 62 percent went from kuccha housing structures to the same housing structure, while 21 percent went on to make a better house (semi-pukka or pukka). Especially for semi-pukka houses, more than 20 percent are built to pukka levels after a disaster.

Before/After	Kuccha	Semi-Pukka	Pukka
Kuccha (total: 371)	**62**	21	15
Semi-Pukka (50)	0	**80**	20
Pukka (25)		4	**96**

Table 31: Control group: percentage of people going from previous housing type (row) to other housing type (column) due to a disaster event.

Before/After	Open Defecation	Tube well	Pit latrine	Public toilet
Open Defecation (65)	**66**	11	19	6
Tube well (36)	0	**75**	17	8
Pit latrine (57)	2	2	**97**	0
Public toilet (1)	0	0	0	**100**

Table 32: Control group: percentage of people going from previous type of toilet (row) to other type of toilets (column) due to a disaster event.

Do disaster microinsurance clients employ less coping mechanisms than the control group?

After most disasters, affected communities employ a number of coping strategies in the immediate aftermath. Figure 14 shows the post-disaster coping strategies employed by clients compared with the control group. Generally, borrowing money, reducing expenditure, and taking out savings, are the primary coping mechanisms found for both clients and the control group. Significant differences between the insured and control group were found in terms of the need to borrow money and migrate with more people in the insured group using these options compared to the control group.

Microinsurance does not seem to be decreasing the need for such coping capacities in comparison to the control group.

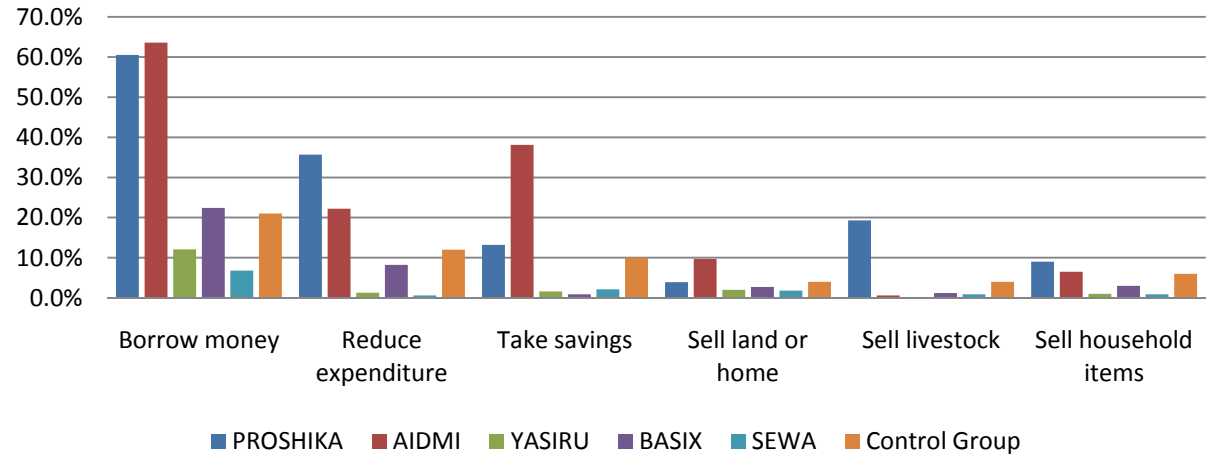


Figure 14. Responses for post-disaster coping strategies by organization and control group.

What is the relation between years of disaster microinsurance and disaster risk reduction behavior?

The majority of people in the insured group have had insurance for around 3 years (if median is used, mean is 3.6 with a standard deviation of 2.4). However, 22 percent have had insurance contracts for only one year.

Interestingly, in the insured group, the participation in disaster related activities is generally much higher than in the control group. See Table 33 below:

Item	Insured Group (Yes percentage)	Control Group (Yes percentage)	Significant difference (Chi-Square test) p-value
No	21	22	.538
Yes	24	8	**.000**
Search and Rescue	7	0	.000
Building construction	3	0	.000
Microfinance	8	0	.000
Other	3	0	.000
First aid training	3	0	.000
Community based training	4	0	.000
Disaster knowledge related	3	0	.000
Revolving fund	8	0	.000

Table 33: Involvement in disaster risk reduction activities.

Item	Insured Group (Yes percentage)	Control Group (Yes percentage)	Significant difference (Chi-Square test) p-value
Reinforcing	24	57	**.000**
Moving	8	0	.000
Safeguarding	6	0	.000
Community changes	3	0	.000
Learning	5	0	.000
None of the above	4	0	.000
Other	0	0	.578
Keeping savings	25	14	**.000**
Planning in advance	8	0	.000
Explaining to kids	5	0	.000
Advocating	4	0	.000
Insurance	30	0	.000
Revolving fund	10	0	.000

Table 34: Responses to the question, "What changes have been done by you or anyone over the last 10 years to reduce the impact of disasters?"

Reinforcing seems especially important for the control group whereas keeping savings is particularly important for the insured group. Furthermore, impact reduction seems more an issue for the insured group if reinforcement is excluded.

V. Awareness

Is there a general lack of awareness of insurance? Disaster insurance?

The majority of people in the control group (69 percent) have heard about insurance, whereas 21 percent have never heard of it and another 10 percent have known a little about it.

	Percent yes of total
Yes	68.9
No	15.1
Kind of / maybe	10.2
No answer	5.9

Table 35: Percentage of people in the control group who are aware of insurance.

Life insurance and accidental insurance seems to be the most familiar types of insurance within the control group and here also there seems to be general awareness of such types as 35 percent of the sample said they knew that such kind of insurance existed whereas health/crop insurance

information is distributed primarily through insurance visits and on the village level. Information of insurance schemes for assets, shelter or funerals was either distributed via other channels.

	Percentage of total						
	Always knew	Read	Family	Village	Visit insurance	Government	Other
Life/Acc	35	11	18	16	25	2	19
Funeral	4	4	2	8	2	1	72
Heath/Crop/livelihood	5	5	6	11	12	1	60
Shelter	3	4	6	9	7	3	63
Assets	2	5	5	7	8	1	66

Table 36: Different insurance types and knowledge of these due to information via various sources.

Half of the respondents (48 percent) in the control group knew of something called "disaster insurance," while the other half did not know. Again, under the assumption that disasters indeed play a role in the life of the interviewed persons, this percentage is rather low.

Do poorer people generally have less awareness of insurance?

In analyzing the control group responses, it seems that the poor have less awareness of insurance. Table 37 shows the statistical results with a comparison of people who were self-identified as below the poverty line.

Table 37. Poverty line analysis

			Heard of Insurance		
			No	Yes	Total
Below Poverty Line	No	Count	31	185	216
		Expected Count	40.1	175.9	216.0
		% within V24	14.4%	85.6%	100.0%
		% within V44	40.8%	55.6%	52.8%
	Yes	Count	45	148	193
		Expected Count	35.9	157.1	193.0
		% within V24	23.3%	76.7%	100.0%
		% within V44	59.2%	44.4%	47.2%
Total		Count	76	333	409
		Expected Count	76.0	333.0	409.0
		% within V24	18.6%	81.4%	100.0%
		% within V44	100.0%	100.0%	100.0%

Table 30. Chi-square tests for poverty analysis.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	5.414[b]	1	.020		
Continuity Correction[a]	4.837	1	.028		
Likelihood Ratio	5.419	1	.020		
Fisher's Exact Test				.022	.014
N of Valid Cases	409				

a. Computed only for a 2x2 table

b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 35.86.

If the lack of awareness is filled, are people interested in receiving more information or signing up for insurance?

Is the problem in growth of disaster microinsurance penetration the lack of awareness and information? For the surveys completed of people without insurance, the following question was asked at the end, "For Surveyor: Did the person voluntarily request information on the program or express interest in joining?"

Spending just 15-30 minutes interviewing individuals while explaining how disaster microinsurance worked had a very positive outcome. At the end of the survey, 18 percent of individuals interviewed expressed interest in joining the insurance scheme, 32 percent expressed interest in getting more information, while another 31 percent requested both – getting more information and joining.

This is evidence of the important role of information and awareness-building and the future work of organizations involved in this area.

	Percent of total
Information	31.9
Joining	17.5
Both	30.9
None	7.7
No Answer	12.2

Table 39: Interest in information or joining the program.

Are the insured promoting insurance to others?

A large number of respondents (81 percent) think that insurance should be promoted to others, whereas only a minority (2.3 percent) thinks that it should not. Interestingly, another 11 percent are unsure if this is a good idea (see Figure 15). This could be also due to possible under information of the clients of how insurance is working, which was stated very often.

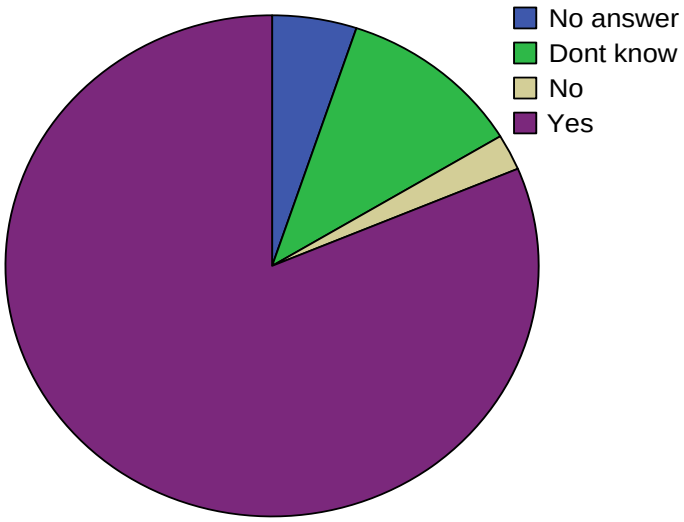


Figure 15: Graph of percentage of people that believe that the community should be encouraged to purchase disaster insurance.

Organizational Profiles

AIDMI

Organization overview

Name: All India Disaster Management Institute (AIDMI)

Year established: 1995

No. of employees: 20

Areas of work: Risk reduction, response, recovery, policy advocacy

Website: www.aidmi.org

Microinsurance Program

Name: *Afat Vimo* ("disaster insurance" in Gujarati)

Date of creation: 2004

For profit/not-for-profit: Not-for-profit

Disasters covered: 19 types including earthquakes, floods, landslides, cyclones, fires, and strikes

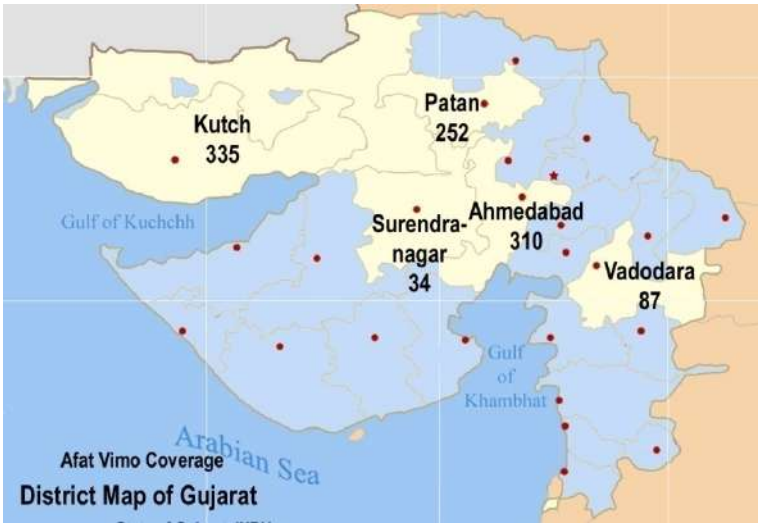
Areas served: Gujarat (Kutch, Patan, Surendra Nagar, Ahmedabad, Vadodara) and Bihar (Madhubani)

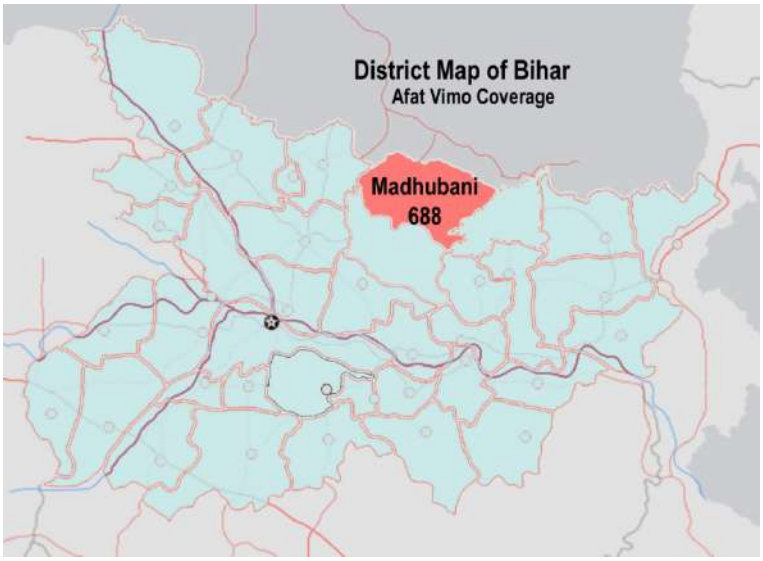
Terms:

- death of the policy holder (who is usually the main earner in the family);
- damage to their house through accident and disaster;
- damage to their house contents through accident and disaster;
- loss of tools, equipment and stock related to livelihood; and,
- loss of earnings due to accident

Underwriting: The Life Insurance Corporation of India (LIC) covering life aspects and the United India Insurance Company (UIC) providing general coverage.

Renewal: Yearly. In order to include new additions, two renewal dates at the interval of every six months have been agreed upon between the organization and insurance companies.





Areas served by AIDMI's microinsurance program, *Afat Vimo*

Coverage

Coverage: $1,560 (maximum)

Maximum liability for lost life	Rs. 20,000 ($416)
Maximum liability for damage to house	Rs 10,000 ($208)
Maximum liability for damage to house contents	Rs 10,000 ($208)
Maximum liability for stock-in-trade	Rs. 10,000 ($208)
Maximum liability for personal accident	Rs. 25,000 ($520)
Total Coverage	Rs. 75,000 ($1560)

Clients

No. of clients: 2010: 1706 individuals
2004: 1024 individuals

Target clients: disaster- affected, low-income households
1. low-income household—average annual income between US$370 to US$410;
2. engaged in microenterprises in the unorganised sector or as labourers;
3. Average assets worth US$450; and,
4. Average monthly savings between US$5 to US$10

Eligibility: Any Indian citizen

Current clients:

- small businessmen (cabins for grocery, confectionaries, snacks etc.);
- small vendors (hand carts, vegetables, fruits, plastic utensils etc.);
- home based workers (sewing machines, clothes, 'Bandhani' weaving materials etc.);
- landless labourers (plumbers, carpenter, barber etc.)

Premium

Premium: $4.50/year

Annual premium per policyholder	Rs. 172 ($3.50)
Annual membership/renewal fees (5.81% of the premium amount)	Rs. 10 ($0.20)
Service Charge (22.09% of the premium amount)	Rs. 38 ($0.79)
Total cost of Afat Vimo for Policyholder	Rs. 220 ($4.50)
Total Annual Administrative Charges are 27.90% of the premium amount	Rs. 48 ($1.00)

Financials

Total amount collected (2008): Rs. 822,140 ($18,270)

Total payout (2008): Rs. 563,070 ($12,513)

Amount collected history:

Fin. Year	No. of Beneficiaries	Premium amount	Total
2004-05	1024	Rs. 135	Rs. 1,38,240
2005-06	3000	Rs. 150	Rs. 4,50,000
2006-07	4492	Rs. 150	Rs. 6,73,800
2007-08	4251	Rs. 250	Rs. 10,62,750
2008-09	3737	Rs. 220	Rs. 8,22,140
Total			**Rs.3,146,930 ($69,931)**

Claims

How claims are made: phone/volunteers

Who processes claims: Premium collection and claim processing officer

Where can people get help for claims:
Organization's field teams, insurance agents, and insurance companies.

Claims and payouts history:

Fin. Year	No. of Claims	Payout
2004-05	5	Rs. 22,500
2005-06	27	Rs. 194,500
2006-07	132	Rs. 747,931
2007-08	151	Rs. 527,881
2008-09	37	Rs. 563,070
Total	352	**Rs. 2,055,882 ($45,686)**

Disputed claims: 65 claims have been rejected since the start of the program due to incomplete documentation. In 2008, 12 claims were rejected for the same reason.

Other

Administration: Jointly through the Chamber of Commerce and Industry for Small Businesses (CCISB)

Is the scheme self-sustainable? No

Micro-insurance regulated in India: Yes

Marketing strategy: Word of mouth, though volunteers and community-based meetings

Noted Challenges

Sustainability: One challenge with this program is self-sustainability. The organization noted that there is a long way to go to make the *Afat Vimo* scheme financially sustainable but the way to work towards this is known. It lies in a combination of devolution to local organizations, scaling-up, tougher bargaining for commissions from the insurance companies and strengthening of the policy framework to put more pressure on the companies. AIDMI now needs to develop a strategy to do this. Right now, some of the operational costs of administering the policy come from existing projects in those areas.

The Story of how *Afat Vimo* came into creation…

Due to the combination of high exposure to natural hazards and high human vulnerability, India experiences significant losses to disasters perennially. Present studies estimate that more than 90 percent of the Indian population does not benefit from any kind of social protection.

In 2002, a majority of relief beneficiaries from the Gujarat earthquake relief program were still exposed to disaster induced financial losses. Studies, including the Gujarat Community Survey of 2002 by AIDMI and the ProVention Consortium, revealed that access to risk transfer is correlated with sustainable economic recovery among victims. Yet, AIDMI found that only 2% of those they surveyed had insurance. As a result, they designed a microinsurance scheme to augment their ongoing Livelihood Relief Fund activities. The resultant scheme, *Afat Vimo* was the product of extensive discussions and negotiations with insurance providers who might be interested in supplying low-premium insurance policies to poor clients.

Survey Overview

Date of surveying: October-November 2008

No. of people involved in:
Survey training: 10
In-field questioning: 10
Inputting: 5

Language of survey: Gujarati

Criteria used for randomizing survey clients:

Insured clients survey:
- Sex (Male/Female)
- Urban/Rural
- Pukka house/Kuccha house
- Under/above 40 years old
- Highly disaster prone/other areas
- Joining before 2007 and after 2007
- Made claims/not made claims

Control group survey:
- Sex (Male/Female)
- Urban/Rural
- Pukka house/Kuccha house
- Under/above 40 years old
- Highly disaster prone/other areas

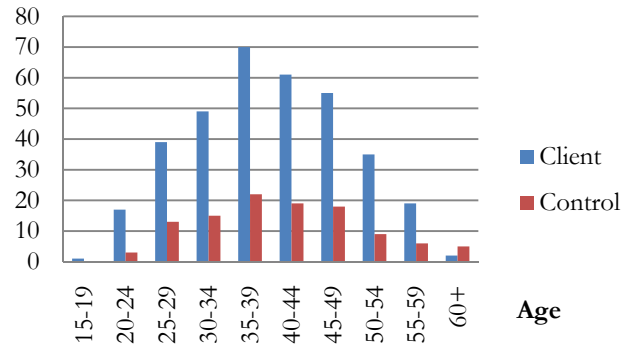
Survey results

No. of surveys completed: 464 (349 clients; 115 control)

Urban/rural:

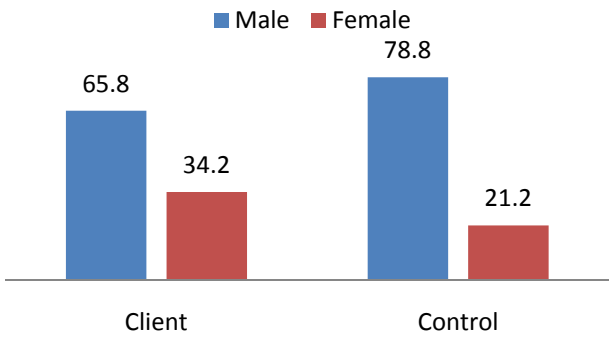
	Rural	Urban
Insured	90 (25.8%)	259 (74.2%)
Control	30 (26%)	85 (74%)

Age distribution

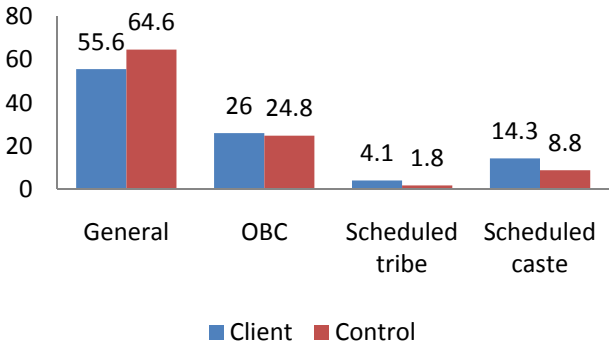


Survey results

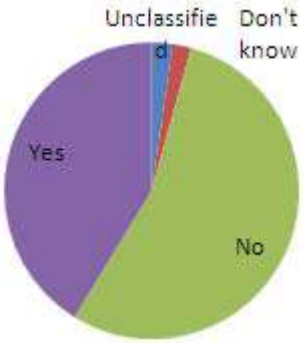
Gender distribution of people interviewed (%)



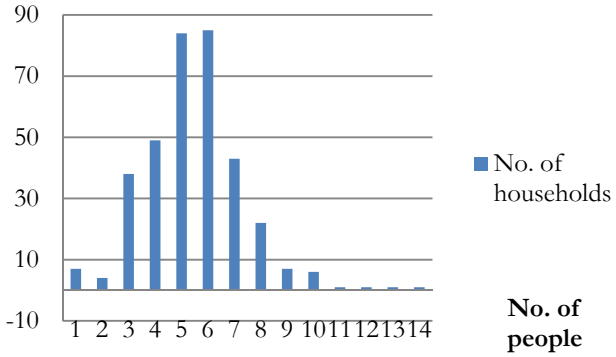
Caste distribution of people interviewed (%)



Client Household below Poverty Line

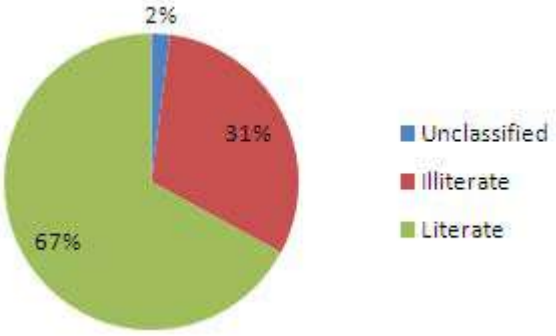


Number of people in client household

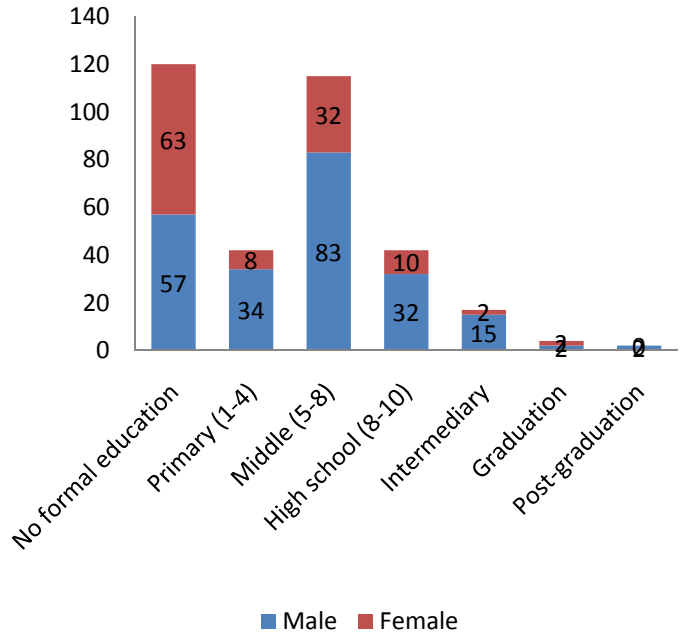


Survey results continued

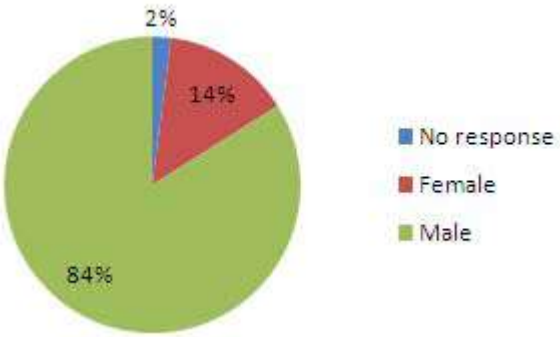
Client Literacy rates



Client educational levels, by gender



Main earning person in household (clients)



Basix

Organization overview

Name: BASIX

Year established: 1996

No. of employees: 6000

Areas of work: Institutional development services, livelihood financial services (including risk mitigation), and agriculture/business development services .

BASIX has a number of microinsurance schemes and two were evaluated as part of this study: 1) weather index-based crop insurance; and 2) enterprise insurance.

Microinsurance Program 1: Weather Index-Based Crop Insurance

Name: Weather index-based crop insurance

Date of creation: 2004

For profit/not-for-profit: For profit

Areas served: Andhra Pradesh, Jharkand, Maharashtra, Orissa

Terms:

- The product offers protection against crop loss resulting due to adverse weather condition
- Deviation in crop yield is assessed with weather condition as a proxy
- Only risk resulting due to named weather perils is covered (rainfall, temperature and humidity, etc)

Underwriting: ICICI Lombard

Renewal: Yearly while coverage is limited to the cropping season.

Coverage: SI is unitized at Rs. 1000/- per unit. Farmer free to choose his level of sum insured depending on his risk exposure and risk appetite

Premium: 8% to 10% of sum insured

No. of clients: 2008: 4,545
2004: 230

Target clients:

- All the customers of BASIX who are served by at least one of the Triad Services (Institutional Development Services, Livelihood Financial Services, Agricultural, Business Development Services)
- Non-customers of BASIX in the operational areas
- Institutional Clients like NGOs, NGO MFIs, and Federations of SHGs etc in the operational as well as non-operational areas

Eligibility: Any Indian Citizen living in BASIX operational areas.

Eligibility: Any Indian citizen living in Basix operational areas.

Total amount collected (2008): Rs. 1,539,175

Claims: 537 (2008)

Total payout (2008): Rs. 0.30 million (US$6816)

Microinsurance Program 2: Micro-Enterprise Insurance

Name: Micro-enterprise insurance

Date of creation: 2006

Disasters covered: All natural disasters including fire.

Areas served: Andhra Pradesh, Karnataka, Maharastra, Orissa, Madhya Pradesh, Rajasthan, Jharkhand, Chhattisgarh, New Delhi, Bihar

Terms and premium:

- Terms and premium depend on type of housing: Pucca (Permanent) and Kuccha (Semi-permanent) depending on the material used for construction
- Standard list of perils covered
- Burglary is not covered

Underwriting: Royal Sundaram Alliance Insurance Company

Renewal: Yearly

Coverage: Minimum Rs 5000 and maximum Rs 400,000

Premium: 1% of Sum insured in case of semi-permanent and 0.25% in case of permanent construction.

No. of clients: March 2008: 21,928
2006: 7

Areas served by Basix's micro-enterprise insurance

Microinsurance Program 2: Micro-Enterprise Insurance

Target clients:

- All the customers of BASIX who are served by at least one of the Triad Services (Institutional Development Services, Livelihood Financial Services, Agricultural, Business Development Services)
- Non-customers of BASIX in the operational areas
- Institutional Clients like NGOs, NGO MFIs, and Federations of SHGs etc in the operational as well as non-operational areas

Eligibility: Any Indian Citizen living in BASIX operational areas.

Claims: 36 (2008)

Total payout (2008)**:** Rs. 0.26 million ($5777)

How claims are made: The claim is originated in the field, the client with help from employees, prepares the claim documents and submits to the head office, then to the business processing office, and then insurance company.

The Story of how Basix's weather index-based insurance developed…

In 2003, BASIX and Mumbai-based insurance company ICICI Lombard, with technical assistance from CRMG, launched the first pilot program for index-based weather insurance in the developing world in the Mahahbubnagar district of Andhra Pradesh. This pilot program sold weather insurance policies protecting against low rainfall to 200 groundnut and castor farmers. In 2004 BASIX incorporated farmer feedback into the design of the second generation of improved weather insurance products that were sold to over 700 farmers, several of whom were repeat customers from the 2003 pilot. In 2005 BASIX scaled up the program further, selling over 7,600 policies in 36 locations in six Indian states. These new policies were refined versions of the 2004 products and offered improved risk management features for farmers, but had a generic, standardized structure which made it easier for BASIX to retail to many clients in many locations. Intense training sessions with loan officers, who became literally one-stop-shop customer service agents, allowed BASIX to offer a large array of rainfall insurance products to its farmer clients. In 2006, BASIX sold rainfall and multi-peril weather contracts including temperature and relative humidity to over 11,000 customers.

Survey Overview

Date of surveying: October-December 2008

No. of people involved in:
Survey training: 10
In-field questioning: 10
Inputting: 5

Language of survey: Telegu with English/Telegu responses

Criteria used for randomizing survey clients:

Insured clients survey:
- Sex (Male/Female)
- Pukka house/Kuccha house
- Under/above 40 years old
- Heavy rainfall/moderate rainfall
- Made claims/not made claims

Control group survey:
- Sex (Male/Female)
- Pukka house/Kuccha house
- Heavy rainfall/moderate rainfall
- Under/above 40 years old
- Highly disaster prone/other areas

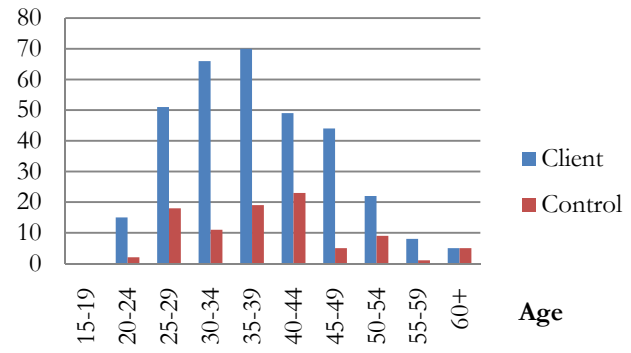
Survey results

No. of surveys completed: 425 (330 clients; 95 control)

Urban/rural:

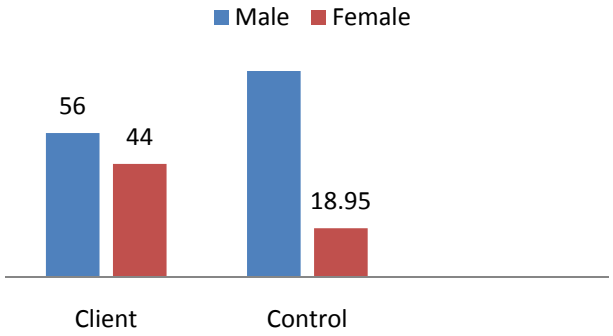
	Rural	Urban
Insured	261 (79%)	69 (21%)
Control	31 (22%)	64 (78%)

Age distribution

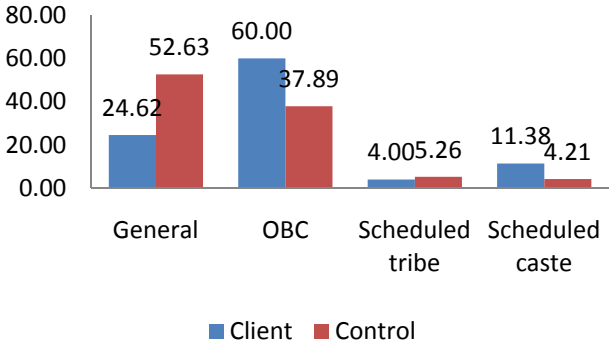


Survey results

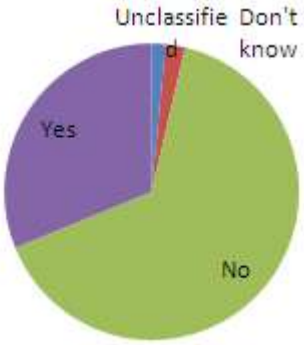
Gender distribution of people interviewed (%)



Caste distribution of people interviewed (%)

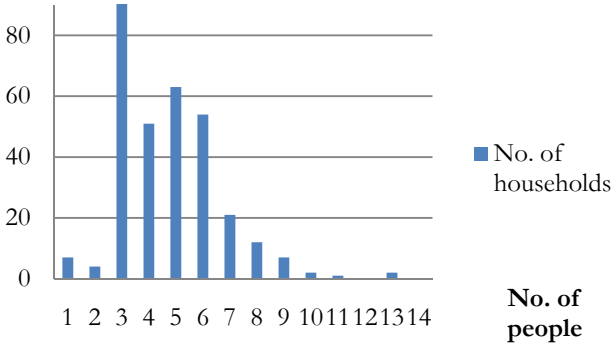


Client Household below Poverty Line*



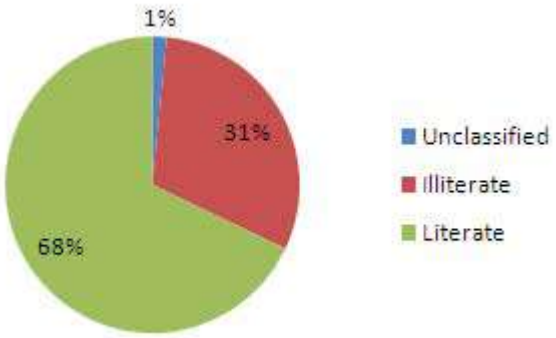
*self reported

Number of people in client household

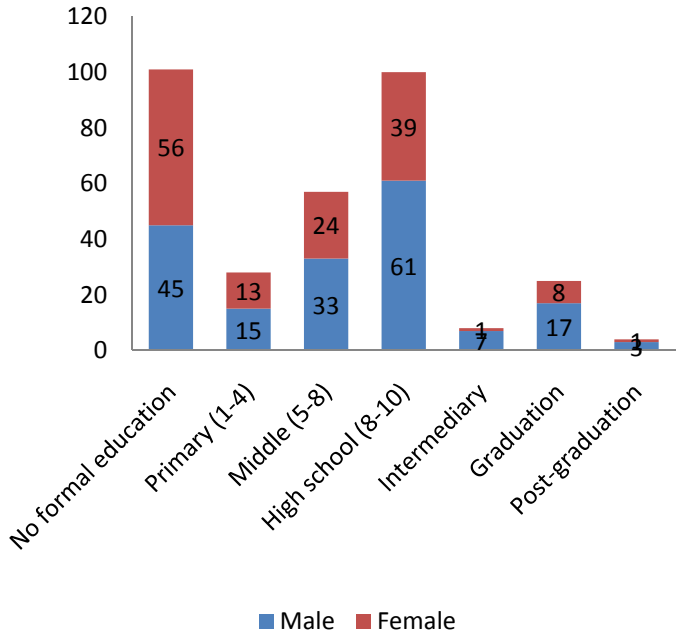


Survey results

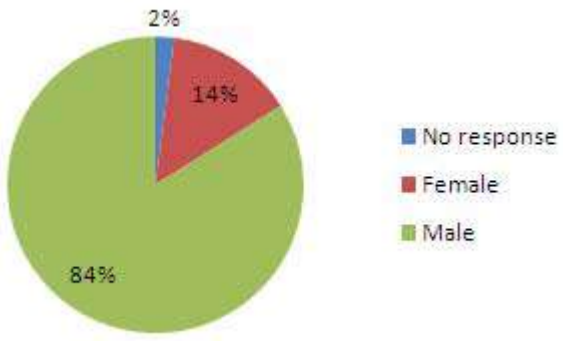
Client Literacy rates



Client educational levels, by gender



Main earning person in household (clients)



Proshika

Organization overview

Name: Proshika Manobik Unnayan kendra

Year established: 1976

No. of employees: 8065

Areas of work: Organization building, education and training leading to income and employment generation, health education, health infrastructure building, environmental protection and regeneration.

Two of Proshika's disaster microinsurance schemes were evaluated: Proshika Savings Scheme (PSS) and Economic and Social Security Programme (ESSP).

Microinsurance Program 1: Proshika Savings Scheme (PSS)

Name: Proshika Savings Scheme

Date of creation: 1991

For profit/not-for-profit: Not for profit

Coverage: Housing, plantation, livestock

Areas served: See map

Terms:

- This is a participatory insurance-cum-savings scheme where members of the group decide how much they will save weekly or monthly for securing their household and members from disasters or emergencies
- According to the decision of group, they can save at least Tk.20 per week. Dividend will be declared every year around 30th June, calculating their individual deposit of that time. Usually they will get 9% dividend every year and from this 9% they can take/withdraw 7% money at any time they want and can use this money for other purposes of their daily life. But 2% money will be kept for any claim against disasters.

Areas served by Proshika Savings Scheme (PSS)

Areas served by Proshika Enterprise and Social Security Programme (ESSP)

Microinsurance Program 1: Proshika Savings Scheme (PSS)

Terms continued:

- In case of death of a member, land erosion (river erosion), cyclone, tornado or any major incidence, they can make a claim under the PSS program
- After the claim has been verified and legal documents checked, member will receive as their claim twice the amount against their individual savings.

Coverage: Death, Loss of shelter (housing, land etc.), Marriage

Premium: Variable; three installments (40%, 40%, and 20%)

No. of clients: 1752

Eligibility: Those who are part of Proshika Group are eligible to join.

Total amount collected (2008): Tk. 182,000,000 (savings)

Claims: Tk. 13,000,000

Total payout: Tk. 10,000,000

Disputed claims: Tk. 3,000,000

Other

Is the scheme self-sustainable? No. The scheme is not financially sustainable

Micro-insurance regulated in country: Yes

Marketing strategy: The program is marketed though volunteers and community-based meetings.

Microinsurance Program 2: Enterprise and Social Security Programme (ESSP)

Name: Enterprise and Social Security Programme (ESSP)

Date of creation: 1999

Coverage: Loss and damage of enterprise and tolls, education, etc.

Terms and premium:

- This is a savings-cum-insurance scheme where members put in a minimum of Tk 120/month
- For housing and land program, if a client continuously contributes for 5 years, than they will be entitled to receive 5-7 times loan of his/her savings deposit
- If anybody is affected by a disaster and dies after getting their loan, the successor is not liable to pay back any loan or remaining amount
- For any accident or paralyzed or serious diseases, member will receive benefits and will get waiver of due loan or any subsequent payment.
- Under this programme, scholarships will be awarded to meritorious students of group members. Usually they receive Tk. 2500/year for two years after successful completion of S.S.C and H.S.C. For very good result like A+, they receive Tk. 3000/year for 2 years.

Renewal: Every 5 years

No. of clients: 23,015

Total amount collected (2008): Tk. 32,500,000

Claims: Tk. 25,200,000

Total payout: Tk. 21,200,000

Disputed claims: Tk. 4000000

How claims are made: Concerned departments and associated staff process claims

Where can people get help for claims: Proshika field staff

Survey Overview

Date of surveying: April-May 2009

No. of people involved in:
Survey training: 4
In-field questioning: 42
Inputting: 2

Language of survey: Bengali

Criteria used for randomizing survey clients:

Insured clients survey:
- Sex (Male/Female)
- Pukka house/Kuccha house
- Under/above 40 years old
- Highly disaster prone/other areas
- Made claims/not made claims

Control group survey:
- Sex (Male/Female)
- Pukka house/Kuccha house
- Under/above 40 years old
- Highly disaster prone/other areas

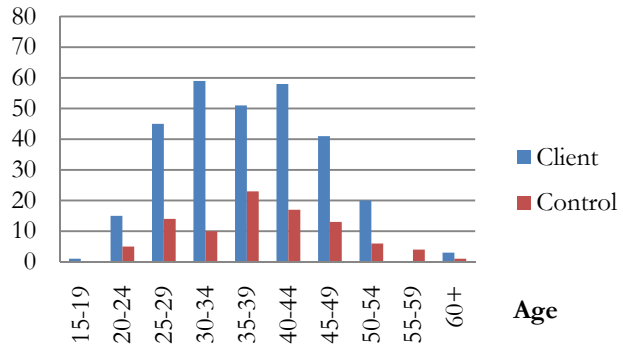
Survey results

No. of surveys completed: 406 (309 clients; 97 control)

Urban/rural:

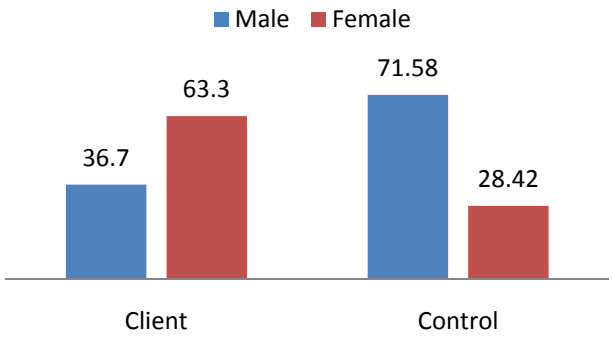
	Rural	Urban
Insured	307 (99.3%)	2 (0.7%)
Control	97 (100%)	0 (0%)

Age distribution

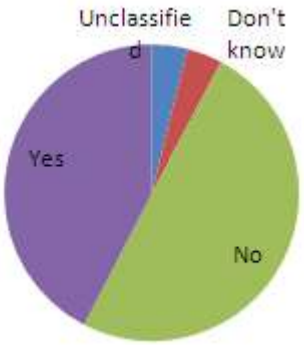


Survey results

Gender distribution of people interviewed (%)

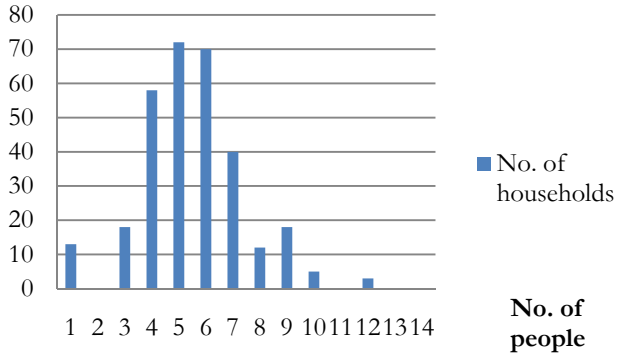


Client Household below Poverty Line*



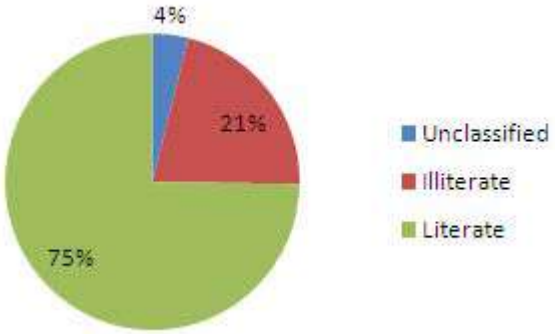
* Self-reported

Number of people in client household

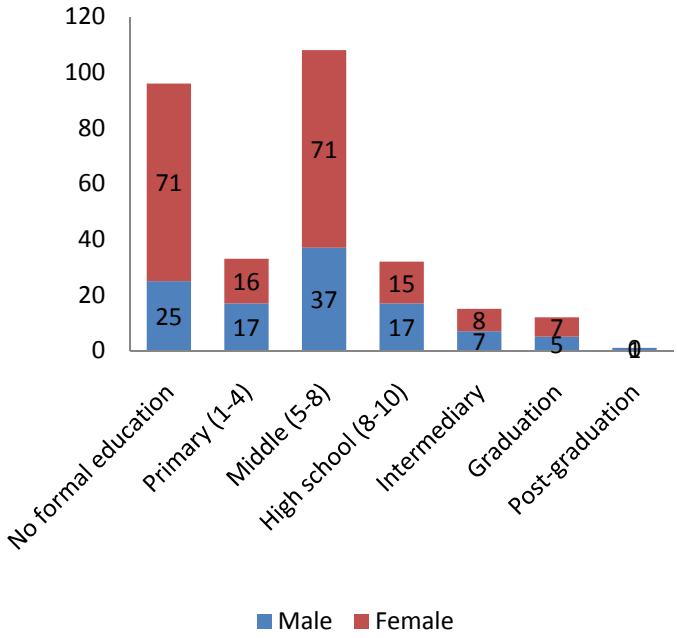


Survey results

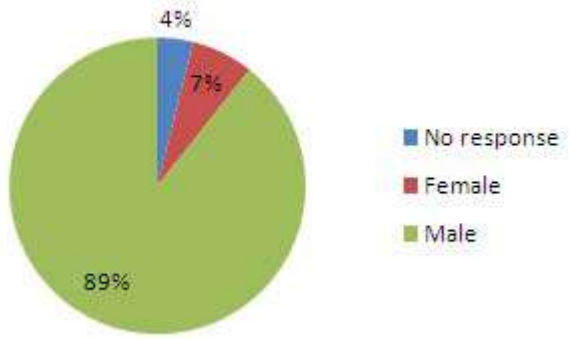
Client Literacy rates



Client educational levels, by gender



Main earning person in household (clients)



SEWA

Organization overview

Name: Self-Employed Women's Association (SEWA)

Year established: 1972

No. of employees: Approximately 1000

Areas of work: Banking, health care, child care, Insurance, legal services, capacity building, housing and infrastructure

Website: www.sewa.org

Microinsurance Program

Name: Under *Vimo SEWA* ("SEWA insurance" in Gujarati), there are two products: a) Health and Life Insurance; and, b) Rainfall insurance (*varsadi-vimo*). Only the rainfall insurance was surveyed.

Date of creation: 2006

For profit/not-for-profit: Not-for-profit

Disasters covered: Deficit or no rainfall: at the beginning and the mid of Kharif season.
Excess rainfall: during end of kharif season.
Excess Rainfall (multiple event)

Areas served: Gujarat

Terms & Process

- This is a rainfall insurance scheme which is based on an indexed reading
- Aggregate rainfall during the cover phases in measured at Ahmedabad

Renewal: Yearly. The policy lasts approximately 3-4 months for Kharif season.

Reinsurance: The reinsurance is done by the insurance company contracted yearly by the organization to provide the insurance policy. In 2009 and 2010, Agriculture Insurance Company of India has provided the scheme. In 2006, it was ICICI Lombard.

Areas served by SEWA's microinsurance program, *Varsadi vimo*

Clients

No. of clients: 2009: 1441 policies to 780 clients
2006: 908 policies

Gender: Approximately 50/50 male female ratio

Target clients: Agriculture depended poor farmers.

Eligibility: There is no specific eligibility criteria.

Premium and Coverage

How premium was set: The coverage and premium amount were set based on the following:
1. Actuarial calculations
2. Past experience
3. Purchasing power of clients
4. Amount of risk
5. Depends on insurer to insurer : their investment portfolio and reinsurance portfolio.

Premium: Rs. 150/unit for covering both excess and deficit rainfall. A client can purchase more than one policy unit.

Coverage: Every year it has changed but it is approximately 10 times the premium amount. In 2009, Rs. 1500 for one unit of the policy

Total amount collected (2008): Rs. 118,750

Total payout:
2006: No claim
2007: No claim
2008: Anand: Rs.570
Ahmedabad: Rs.78660
Santalpur: 27360
The payout in 2008 was from SEWA directly and not covered under the index insurance. See section "Other" below for details.

Disputes: 1-2 percent (2008). This is due to the small payout in respect to the premium amount.

Other

Is the scheme self-sustainable? No. There have been significant issues with the self-sustainability of this program. For a few years, no payments were made although a number of people had purchased the rainfall insurance. In 2008, SEWA made payments from its own funding to clients who were affected by drought/excess rainfall but did not officially qualify for claims under the insurance scheme. This was done to ensure continued membership in the program.

Marketing strategy: Through patrika, video tapes, flyers and renewal gifts etc. Marketing team conducts village meetings for awareness building.

The Story of how SEWA began offering microinsurance…

Contrary to what is often believed, SEWA has realized that problems of a small and marginal farmer are not limited to unavailability of credit or financial services only. They face various challenges like lack of support services such as capacity building, healthcare, market information, technical education, access to tools and equipment, organizing, and market linkages. Lack of these services, rather than unavailability of micro-credit, is often responsible for financial exclusion of a small and marginal farmer. SEWA's approach has been to treat agriculture also as an industry.

SEWA realized that agriculture sector is full with problems. It is an unorganized sector of the economy, where farmers have to face problems like irregularity of work, low and unequal wages (based on season, gender etc.), unskilled labor force, lack of employment opportunities, lack of skill development, degradation of the soil and other natural resources, and above all, no income security even after working for long hours. They have no direct market access. Yet, most of the rural households rely on agriculture for their livelihoods.

Following these problems, SEWA initiated agriculture campaigns and had an extensive experience working with small and marginal farmers, and etching out a working model of agriculture development for them and treat agriculture also as a rural industry.

In the year 2009, SEWA organized 98 farmer's development groups and through these groups, various type of training have provided to the 26000 many farmers. Almost 2.5 Crores of rupees of loans are provided to the 2728 farmers and 6230 farmers have linked to the marketing linkages. To cover the product risk, 1500 farmers have linked under the Rainfall Insurance.

Survey Overview

Date of surveying: July-September 2009

No. of people involved in:
Survey training: 14
In-field questioning: 16
Inputting: 3

Language of survey: Gujarati

Criteria used for randomizing survey clients:

Insured clients survey:
- Urban/Rural
- Pukka house/Kuccha house
- Under/above 40 years old
- Heavy rainfall/light rainfall
- Received money or not

Control group survey:
- Sex (Male/Female)
- Urban/Rural
- Pukka house/Kuccha house
- Under/above 40 years old
- Heavy rainfall/light rainfall

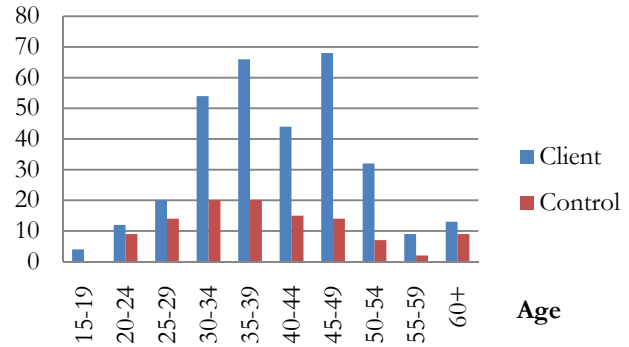
Survey results

No. of surveys completed: 458 (340 clients; 118 control)

Urban/rural:

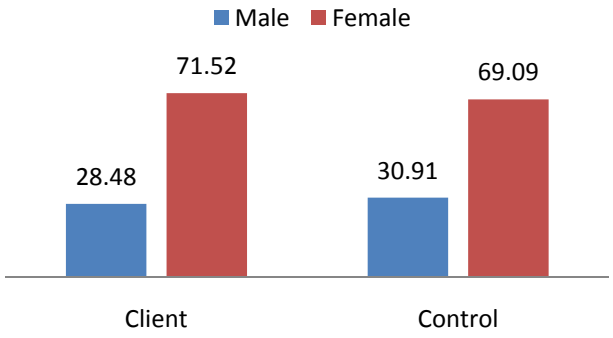
	Rural	Urban
Insured	338 (99.4%)	2 (0.6%)
Control	117 (99.2%)	1 (0.8%)

Age distribution

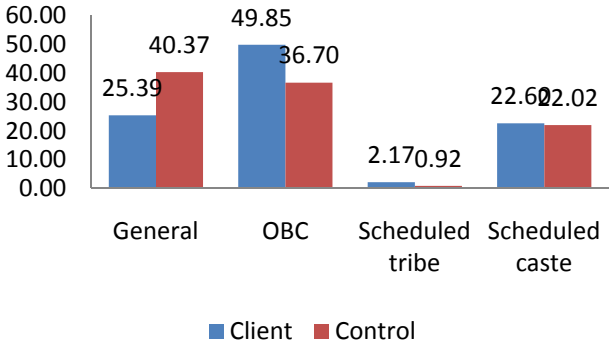


Survey results

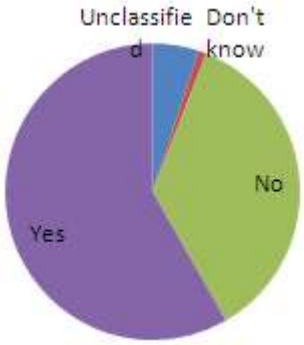
Gender distribution of people interviewed (%)



Caste distribution of people interviewed (%)

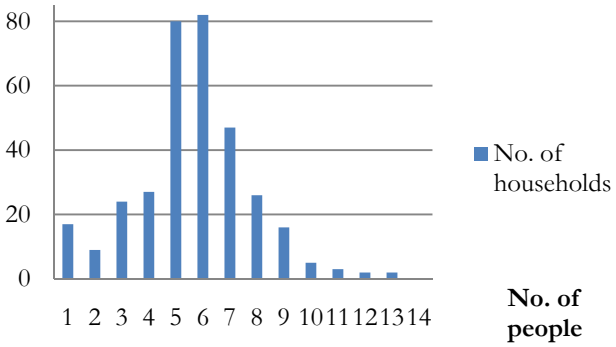


Client Household below Poverty Line*



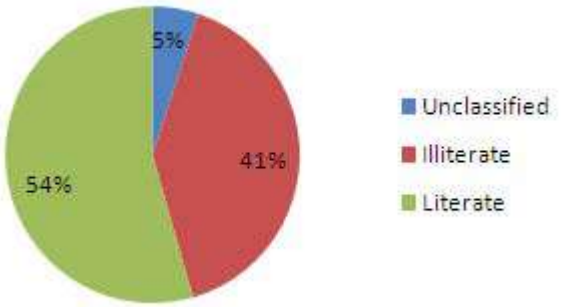
* Self-reporting

Number of people in client household

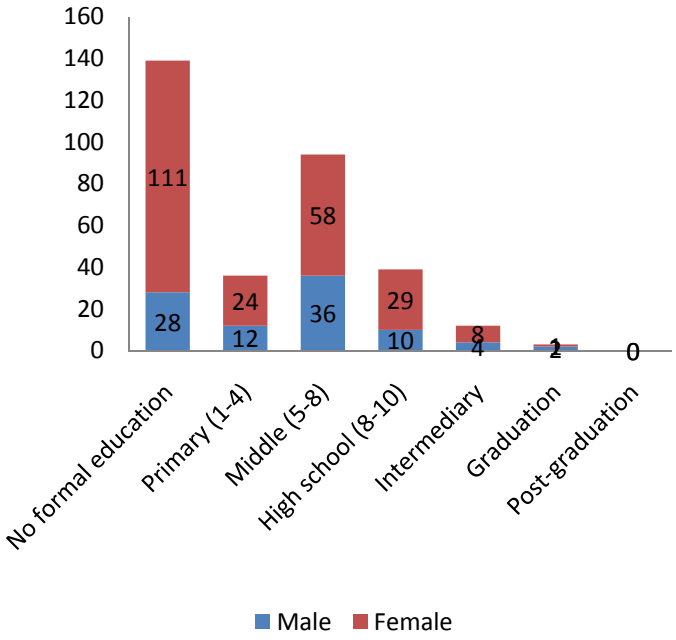


Survey results

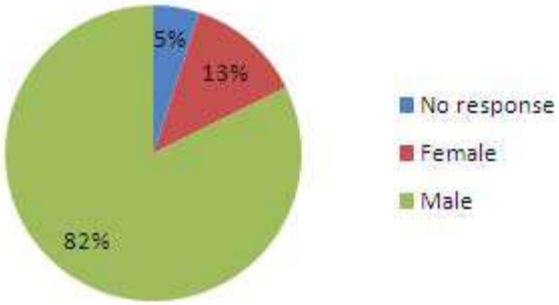
Client Literacy rates



Client educational levels, by gender



Main earning person in household (clients)



Yasiru

Organization overview

Name: Yasiru Mutual Provident Society Ltd.

Year established: 2000

No. of employees: 32

Areas of work: Insurance

Website: www.yasirumutual.net

Microinsurance Program

Name: Mutual Microinsurance

Date of creation: 2000

For profit/not-for-profit: Not-for-profit

Disaster Coverage: earthquake, floods, fire, cyclones, drought, lightening strikes, landslide; epidemics such as dengue, asthma, vector-borne diseases, etc.

Areas served: Hambanthota District, Kaluthara District, Moneragala District, Badulla District, Nuwaraeliya District, Mathale District

Terms:
The insurance covers death (natural/accidents), disability, and illness. For the latter, it covers hospitalization and ayurvedic treatment.

Underwriting: Eureka Re in the Netherlands.

Renewal: Yearly

Not for profit: Yes

Areas served by Yasiru's microinsurance program.

Clients

No. of clients: 8,151 (2001)
20,129 (2009)

Gender ratio: Female: 74 percent
Male: 26 percent

Target clients:

- Sri Lankan citizens
- Disaster affected and vulnerable households
- Income levels: Rs. 2000 to 4000 monthly
- Both, urban and rural disaster affected areas are targeted
- Education level: No bars
- Disaster prone – Yes
- Mostly Rural

Current clients:

- Various social groups, beggars, street children, war victims, tsunami victims

Premium

Premium: The premium and coverage was set after a detailed market survey in 2000 conducted by SLPSM staff and Rabobank Foundation. This has remained the same since.

Clients are divided into 4 different categories and can opt to pay a range of premium amounts. Accordingly, their coverage will be adjusted based on their payment level. Here is the basic monthly premium amounts:

1. Household without any children: LKR. 10, 20, 30, 50, 100, 120, 150, 180
2. One parent with children: LKR 10, 20, 30, 50, 100, 120, 150, 180
3. Household with children: LKR. 15, 30, 45, 75, 180, 225, 270
4. Other persons: LKR. 5, 10, 15, 25, 50, 60, 75, 90

Breakdown:

	Monthly	**Annually**
Premium per policyholder Ex: monthly premium Rs. 100/-	100*12	1200.00
Annual membership/renewal fees	0	0
Partner Organization fee 25% from Premium	25.00*12	300.00
PMU fee 25% from Premium	25.00*12	300.00
Yasiru Income 50%	50.00*12	600.00
Total Yasiru & PMU 75%	75.00*12	900.00
For Claims		550.00
For PMU		300.00
Annual Profit		**50.00**
Yearly Allocations		
50% on profit for Risk Fund		25.00
40% on profit for Members Account		20.00
10% on profit for Welfare Fund		5.00

Financials

Total amount collected (2009): 2,562,030 (75% of premium)

Total payout (2009): 1,710,218

Amount collected history:

Fin. Year	**No. of Beneficiaries**	**Premium amount**	**Total (75% collected)**
2004	23780	Varied	Rs. 1,847,440.00
2005	41416		Rs. 2,919,446.00
2006	66868		Rs. 5,306,375.75
2007	74445		Rs. 6,756,356.25
2008	24018		Rs. 3,761,033.25
2009	27503		Rs. 2,562,030.25
Total			**Rs. 23,152,681.50**

Claims

How claims are made: Claims are made via the partner organization that collects the documents and sends it to the Programme Management Unit (PMU) of Yasiru which settles the claim and issues a cheque to the Partner organization that in turn pay the member.

Who processes claims: Yasiru PMU

Where can people get help for claims: From the animators, partner organizations, and Yasiru Staff

Claims and payouts history:

Fin. Year	**No. of Claims**	**Payout**
2004	422	Rs. 827,292.50
2005	744	Rs. 1,193,980.00
2006	1368	Rs. 2,102,275.00
2007	1312	Rs. 2,293,400.00
2008	710	Rs. 1,811,248.00
2009	418	Rs. 1,710,218.32
Total	4880	**Rs. 9,950,863.82**

Disputed claims: 785

Other

Administration: Yasiru's microinsurance program is administered through 6 local partner organizations. It is an add-on through partners programming.

Is the scheme self-sustainable? It was for the first 7 years but has been struggling lately to be self reliant.

Micro-insurance regulated in Sri Lanka: No

Marketing strategy: There is no advertising; through partner network.

Noted Challenges

Newness of microinsurance: Slow growth of microinsurance in Sri Lanka can be attributed to the fear people have in giving money to outsiders, and the newness of the organization. At first, people fear that the organization may not be credible.

Leakage: The program is administered through partners and there is a problem of leakage with is estimated at 2-3 percent

Conflict: For many years, Yasiru's work was curtailed by the conflict in Sri Lanka. The organization had wanted to expand to the North East however could not because of lack of access due to the civil conflict.

How Yasiru started…

The prosperity of poor people in Sri Lanka is threatened by risks arising from accidents, injury and death of breadwinners and family members. Additionally, natural disasters damage can adversely affect the lives of the poor. Hence, Yasiru's insurance program was developed as a response to such risks and provides a basic risk mitigation tool for the poor.

Yasiru working to get micro-insurance regulated in Sri Lanka

Yasiru is not a formally regulated insurance institution due to the fact that there is no legislation governing micro-insurance in Sri Lanka. Therefore, it has neither the structure nor the legal mandate to act as an insurance company. As such, Yasiru has been operating as a network of local and regional self-help schemes for which the beneficiaries pay a contribution instead of a premium. Its mutual character is enhanced by the redistribution of annual surpluses to the same beneficiaries.
Yasiru is currently working to get micro-insurance regulated in Sri Lanka.

Yasiru and the Tsunami of 2004

During the tsunami, many Yasiru clients were affected. For 2-3 weeks, information was difficult to ascertain. One client died while 151 families were affected by damage to property, income, livelihood, or schooling. The tsunami medical claims were Rs. 4500 per family and disability claims were made as well. A 6 month grace period was given to families affected by the tsunami so that they may renew their policies.

Yasiru's "No Claim" Bonus!

Within Yasiru's scheme is a unique "bonus" which clients get if, for the duration of the year, they have not made a claim. Usually if people do not make claims, they may not be interested in renewing their policies the following year. This "bonus" is 40 % of the surplus made by Yasiru at the end of a financial year, if any, and goes back into the premium for the following year.

Survey Overview

Date of surveying: January 2009

No. of people involved surveying: 18

Language of survey: Sinhala, Tamil

Criteria used for randomizing survey clients:

Insured clients survey:

- Sex (Male/Female)
- Urban/Rural
- Pukka house/Kuccha house
- Under/above 40 years old
- Highly disaster prone/other areas
- Made claims/not made claims

Control group survey:

- Sex (Male/Female)
- Urban/Rural
- Pukka house/Kuccha house
- Under/above 40 years old
- Highly disaster prone/other areas

.

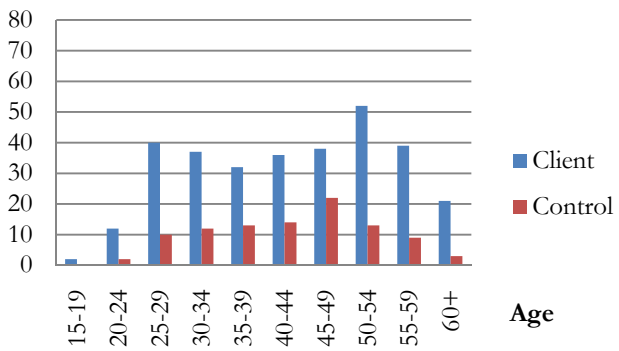
Survey results

No. of surveys completed: 406 (304 clients; 102 control)

Urban/rural:

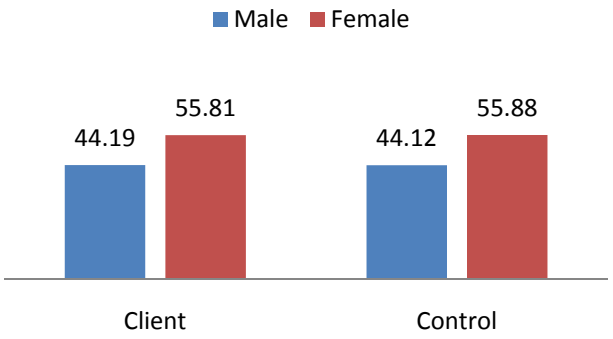
	Rural	Urban
Insured	304 (100%)	0 (0%)
Control	102 (100%)	0 (0%)

Age distribution



Survey results

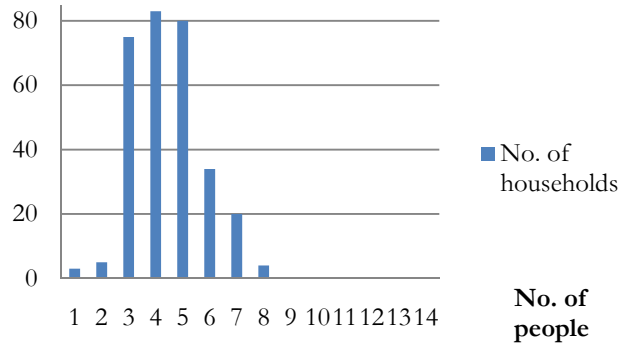
Gender distribution of people interviewed (%)



Client Household below Poverty Line*

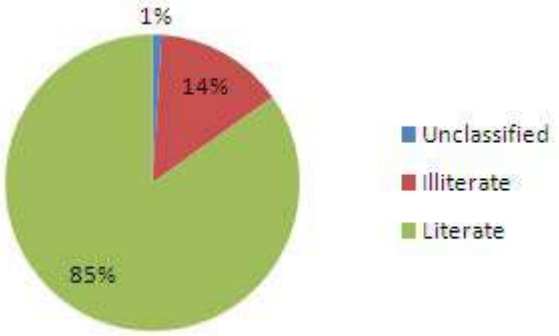
* Self-reported

Number of people in client household

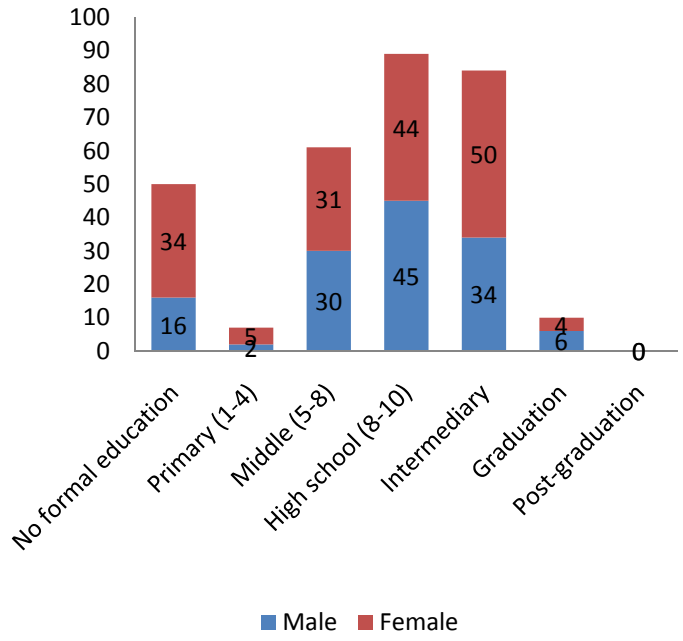


Survey results

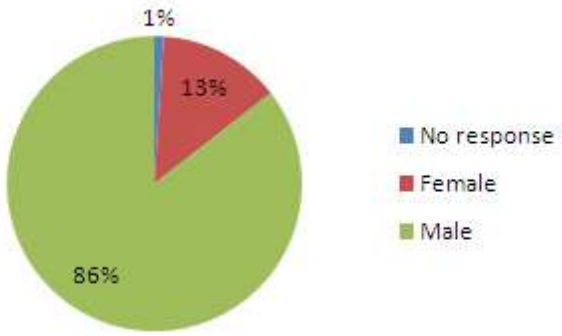
Client Literacy rates



Client educational levels, by gender



Main earning person in household (clients)



Conclusions & Recommendations

Conclusions

Overall, the results of this study show interest in and willingness to pay for disaster microinsurance programs in South Asia. The products are reaching poor clients, many who are below the poverty line, highly in debt, and employ limited and difficult coping mechanisms after disasters.

However, the findings have shown that funds are often late in finally reaching clients with reported difficulties with the claim process (with adequate help being provided by organizations) and inadequate total coverage with a number of individuals borrowing additional funds from money lenders, friends, and family. Clients usually have high existing levels of indebtedness which only get exacerbated after disasters which calls for a review of modification in product offerings and other risk managing financial services and safety nets in combination with disaster microinsurance. In addition, there is a need to review products and potential clients in communities to ensure that although "the poor" are being served, "poorer than the poor" are not being excluded due to costs and information barriers.

In terms of long-term risk reduction, a number of indicators tell us that the clients are aware of some of the risks they face and may be proactively engaging in decreasing some of the vulnerabilities themselves. This is not to say that there is awareness of all the risks they face as this study did not allow for a deeper probing of individual understandings of risk, however, disasters may be a "window of opportunity," bringing positive changes such as improvement in shelter and toilets for clients more than non-clients.

The importance of trust cannot be underestimated. Findings show the importance of trust and reputation of the organizations in clients signing up for such services but also renewing them year to year. Historically low levels of insurance penetration in the region can be attributed to the negative reputation of insurance companies and difficulties in getting money or completing claims. Rapport with the community, trust networks, and improved claims processes are essential for further development of disaster microinsurance in the region.

Finally, the key to everything seems to be awareness and information. The study signaled high demand for disaster microinsurance after non-insured clients had been given information showing the relevance and pricing of such products as well as the power of organizations to reach more clients simply through outreach. An overwhelming majority (80 percent) of clients feel that disaster microinsurance should be promoted to others while only a minority (2.3 percent) think it should not.

Recommendations

With disaster microinsurance in its infancy in the region, a number of things are required – many of which are beyond the scope of the study. Recommendations such as the promotion of regulatory systems in countries that do not have a legal apparatus for microinsurance, increasing reinsurance options, and diversifying delivery models, are some of the important areas outlined in academic literature and in policy arenas.

However, the aim of this study was to provide specific recommendations based on evidence and therefore, the recommendations that follow are based solely on the findings of data analyzed

through empirical review. And while they are limited to the thematic areas covered by the study, are extremely pertinent to the successful servicing of disaster microinsurance for the poor.

Therefore, the following 6 priority activities and interventions are recommended based on the findings of this study.

1. **Utilize the client community to increase awareness and grow.** Microinsurance organizations should work to create innovation ways to involve the community in outreach and awareness generation of disaster microinsurance. Client satisfaction is high and an overwhelming majority is ready to refer friends to the program.

2. **Microinsurance is not a panacea for disasters. There is a need to promote long-term disaster risk reduction in conjunction with microinsurance.** Use disaster microinsurance as an entry point for further risk reduction. Support existing microinsurance organization, with strong outreach and community linkages, to develop programs focused on risk education, structural mitigation (i.e. retrofitting), preparedness, and enhanced coping mechanisms.

3. **Promote the review of organizations' claims processes to ensure that money is getting to clients in the most effective and efficient way possible.** This includes examination of services to help with claims, support for timely review of claims, and information management of decisions.

4. **Promote increased participation by women in disaster microinsurance programs.** This includes a review of products and services and modifications based on the specific needs of women in the region.

5. **Look for the biggest critic.** The proof of impact of disaster microinsurance cannot be determined solely through surveys of clients but must be done through the survey of people who have dropped out the program, were rejected claims, and who will not renew membership in the future. With programs in their infancy in the region, a critical component for growth is being open to hear what has worked and what hasn't from perhaps our "biggest critics" and working to fix problems.

6. **The use of impact assessments for future product development.** Impact measurement is a critical component of research and development for microinsurance products in South Asia and other regions. There is a need to develop future product offerings based on rigorous empirical findings of impact assessments.

Annex 1: Summary of Findings

Questions	Results
I. Socio-economic Profile	.
Where are clients located?	80 percent of surveyed disaster microinsurance clients are in rural areas. This indicates that microinsurance organizations are operating in more rural than urban areas and/or that there is more demand for disaster microinsurance products in rural areas.
What is the average size of a household?	There are an average of 4 people and 2 children per household. This is the same for the control group.
Are there gender differences?	There is greater participation of women in disaster microinsurance programs. 45 percent of surveyed clients were male while 51 percent were female(4 percent missing values) as compared with 60 male and 40 female in the control group survey.
Who is the breadwinner?	Disaster microinsurance programs are targeting or gaining greater participation of women-headed households but only by a small margin (4 percent). For disaster microinsurance clients, 86 percent are male headed while 14 were female headed. For the control group, male headed households were 90 percent and 10 percent for women.
What are the literacy rates?	Participants of microinsurance schemes have the same self-reported literacy rates as their counterparts in the control group at 70 percent.
What are the education levels of clients?	31 percent were without formal education, all others had at least some kind of education but with substantial variance, only 0.5 percent had a post-graduation.
What caste and religion are clients?	Nearly 60 percent of the insured belonged to the general caste, and 30 percent to Other Backward Castes (OBC) which is the same as the control group. This question pertains only to India and Sri Lanka which have caste systems although they are different. Regarding religion, clients are more or less the same as their counterparts in the control group with 53 percent Hindu for clients and 52 percent for the control, 25 percent Muslim for both clients and control, and 16 percent Buddhists for clients

Questions	Results
	and 17 percent for control. The remainder comprised of other religions.
How many people have bank accounts?	For microinsurance clients, 54 percent said they had a bank account while in the control group, it was reported only slightly higher at 55 percent.
Are there important differences in rural vs. urban clients?	There are significant differences between urban and rural disaster microinsurance clients. In rural areas, more people (51 percent) in comparison to people from urban areas (40 percent) live below the poverty line.
Is disaster microinsurance taken by people in particular trades rather than others?	Farming, labour, and service jobs are the most widely reported sources of income for disaster microinsurance clients. For the control group, income came primarily from the trade/business sector compared to the insured group.
II. Poverty Linkages	
In most instances, the organizations interviewed stated that their programs were intended to reach the poor. Are the microinsurance programs really reaching the poor?	Since this question could not be answered through one variable, it has been divided and elaborated below through the following questions:
Average household income and expenditure	The average household income of disaster microinsurance clients is $105 per month, 17 percent below their neighbours in the control group at $126.[24] Household expenses amount to the major part of income use at $78 per month for clients (74.3 percent of income) and $88 (69.9 percent) for non-clients. With an average of 4 people (2 adults and 2 children) in each household, this means that incomes are being considerably stretched.
Average individual income	Average individual income of the microinsurance client group was $66 whereas the control group was $86 per month. The large difference of $20 is significant in showing that the target microinsurance population is, on the whole, poorer.
Are clients below the poverty line?	Self-reporting of being "under the poverty line" in the microinsurance group was at 45 percent, whereas for the

[24] While the data is very skewed and the median income level is nearly equal in both groups, $87, non-parametric tests including Mann- Whitney statistics showing significant mean differences.

Questions	Results
	control group it was 43 percent. According to the definition of poverty as under US$2 a day, the daily income of the surveyed insured population was $2.20 which is only marginally above the poverty line and for the control group it is $2.87.
What are levels of savings and debt?	Disaster microinsurance clients are more indebt than their counterparts. Indebtedness seems to be a big problem with an average debt rate of $301 for the microinsurance group and $268 for the control group. Microinsurance clients have savings of approximately $4 for the median and for the control group, it is around $9.
Is there a debt trap that clients are stuck in?	The results show that many clients may be in "debt traps." A total of 713 (74 percent) have borrowed money after a disaster, especially from money lenders (31 percent), and the community or local organizations (22 percent). The remainder borrowed from family and friends, with a small minority borrowing from employers or banks. The total amount of borrowing needed in percentage of yearly family income ranges between 0.77 percent and 5 percent (the median is 1.5 percent). The number of borrowers in the control group population is lower, i.e. in the control group a total of 117 (66 percent) have borrowed after a disaster and it seems that in the control group, there is higher reliance on informal networks with many borrowing from family or friends. From those where money was not sufficient or they did not receive any claim money (272 people), 58 percent had to seek additional money from other sources. The majority of them received help either from: - 29 percent from money lenders with the most common interest rate of 36 percent - 22 percent from community or an organization (22 percent) with an average interest rate of 12 percent - 12 percent from Banks with interest rates ranging between 2 and 6 percent in the majority of cases - 11 percent from friends with the most common interest rate of 3 percent - 5 percent from family (no interest rates could be

Questions	Results
	calculated) However, while many are borrowing to offset costs after a disaster, it cannot really be said that the claim payments are not adequate. In some cases, additional funds are required for financing other things such as previous loans, increased need for basic provisions such as food, medical care, shelter, or to fill the gap through loss of livelihood such as farming income. What does emerge is a sense of high risk of indebtedness over a long period of time and need for additional insurance coverage.
Is there a perception that insurance is a way to reduce the poverty?	There is an overall positive perception that insurance can help to reduce poverty. Nearly 90 percent of the insured group thinks that this is the case, and more than 80 percent in the control group, many of which do not have any type of insurance.
Is there a perception that insurance can help clients get out of the poverty trap following a disaster?	39 percent of disaster microinsurance clients believe that insurance can prevent or lessen the need to borrow money after a disaster at least a little, whereas for the control group this was the case for only 24 percent.
Can disaster microinsurance be said to help people in recovering faster in comparison with non-clients?	Analysis of one variable "number of days off" after a disaster did not reveal any significant differences. Number of working days lost due to a disaster event is on average 68 for the insured group and 66 days for the control group. The high level of days off may be correlated with when individuals finally receive claims money which has ranged from 1-3 months.
Over time, is there any difference in welfare for clients suffering from multiple disasters while they have microinsurance?	Analysis yielded no significant changes in welfare (as measured through savings and debt) for microinsurance clients suffering from multiple disasters while they were insured. However, the indebtedness level is very high in this group already and also savings are small, which indicates that they are very vulnerable against other losses not included in the insurance schemes.
What is the opportunity cost for	A reduction in consumption and livelihood-related spending

Questions	Results
microinsurance?	are the primary opportunity costs for disaster microinsurance. This includes spending on food (44 percent), livelihood-related expenses (30 percent), as well as savings (23 percent).
III. Features of Microinsurance Programs	
Is the premium that is being charged the right amount?	A large majority of people feel that they pay the right amount. Nearly 77 percent stated that the amount they pay is okay, and surprisingly 11 percent stated it is too little, whereas a little less than 7 percent indicated that the amount they pay is too much. This is indication that there is general willingness to pay for microinsurance services or that households of a certain income group are able to afford these products more than others. However, there still may be a large population of individuals poorer than the current clients which need to be served which could not afford the premium to join the program.
Is microinsurance being offered in disaster affected areas where there are other recovery mechanisms or are there cases where there is only insurance?	Disaster microinsurance clients reported slightly higher access to recovery aids such as cash and food in comparison with their counterparts in the control group. NGOs and the government were important providers of these aids for both clients and the control group.
At what stage after a disaster are people getting claims money? Is this influencing where they spend the money?	The earlier people get money, the more it will be spent on housing. However, food seems to be always important, while medical help is important in later stages along with livelihood expenses. This observation reiterates that of disaster literature in the importance of getting funding faster to disaster affected communities.
Is the claims money being spent primarily on what the claim was made for?	Most often, the money from claims were used for what they were insured for.
Is the amount received after a claim adequate?	Claim payments seem to not be adequate for a large portion of the disaster microinsurance group that received insurance money, and required addition funds from relatives/communities or money lenders. This may be because additional money is required for other things such as food and disaster-related expenses.

Questions	Results
Do clients like the programs but are there difficulties in the claims process?	Many people are satisfied with their microinsurance program however, reported less satisfaction with the claims process. The majority of people said that they would renew their disaster insurance policy mainly due to a good perception of the company (49 percent), security (41 percent) and also good service (35 percent). The claims process, however, is perceived as complicated, and nearly all clients needed help. However, because nearly all of them received help in the claims process the actual satisfaction level of the claim process was high.
Is money thought to be the right thing to be giving after a disaster?	Microinsurance clients, by far, prefer insurance than relief while less than expected in the control group. Furthermore, more than expected would prefer relief in the control group, with the opposite in the insured group. More than expected in the control group would prefer a combination while the opposite true for the insured.
If the insured wish to have additional coverage, can they afford it?	A few clients reported a need for crop insurance (15 percent), health insurance (9 percent), and medical insurance (7 percent). Analysis of whether it be afforded could not ascertained in the survey results.
Do clients feel the need to insure others in the family? What types of insurance?	Many responded that life and health insurance seemed especially important for all people in the family, followed by children.
Are the insured engaging in "investment" activities such as investment in business, farms, housing, etc. after disaster more than the control group? Are they involved in investment activities more than relief?	This could not be clearly determined however, microinsurance clients spend more on food and livelihood where the control group spent more on household items. This is consistent with questions on opportunity costs of paying for the disaster premium which indicates the core needs of clients is food and livelihood and for the control it is household items.
IV. Disaster Risk Reduction	
Do clients engage in other disaster risk reduction activities more than non-clients?	Microinsurance clients participated in disaster risk reduction activities much more than the control group. 24 percent said yes in the insured group while only 8 percent for the control group. Microfinance, revolving fund, and search and rescue training were named the most in the insured group.

Questions	Results
	For the types of disaster reduction activities undertaken in the last 10 years, reinforcing homes seems particularly important for the control group whereas keeping savings is important for the insured group. Furthermore, impact reduction seems more of an issue for the insured group if reinforcement is excluded. Structural mitigation therefore is seen as primary impact decreasing option for the non-insured and financial instruments (savings) more as an option for the insured.
Is there awareness of the root causes of vulnerability and what needs to be done to reduce risks?	Many microinsurance clients known what will make them safer. Of the clients that identified the need for reinforcing parts of their home, 68 percent also stated that they reinforced parts of their home in the last 10 years to reduce the impact of disasters. For the control group, a majority stated that migration is and was an option to reduce their vulnerability which was not for clients. Keeping savings was important for both but more advanced instruments like revolving funds were seen as important for clients and also applied in the past.
Are disasters causing any improvement in shelter?	Disasters are bringing positive changes in the type of homes for clients more than non-clients. About 38 percent with kuccha structures changed after the disaster to a more robust housing type such as semi-pukka or pukka. In terms of toilets, there are strong indications that improvements due to a disaster can be expected especially if the pre-disaster event structure/toilet is of lower quality. Hence, there seems to be an opportunity after a disaster event for improvement, also sometimes called the "disaster window" in the literature.
Do insured have to employ less coping mechanisms than the control group?	Based on information available from the survey, it does not seem to be the case that the insured are using less coping options than the non-insured.
V. Awareness	
Is there a general lack of awareness of insurance? Disaster insurance?	Many have heard of insurance but awareness of disaster insurance is low considering the large impact that disasters

Questions	Results
	have in everyday life of communities. The majority of people in the control group (69 percent) have heard about some type of insurance before, whereas 21 percent did not and another 10 percent have heard only a little bit. Half of the respondents (48 percent) know of something called "disaster insurance."
Do poorer people generally have less awareness of insurance?	Awareness can be correlated with poverty with many identifying themselves as below the poverty-line having less awareness of insurance.
If the lack of awareness is filled, are people interested in receiving more information or signing up for insurance?	At the end of the survey, a number of individuals (18 percent) in the control group expressed interest in joining the insurance scheme, 32 percent expressed interest in getting more information, and another 31 percent requested both. These are signs that information can be crucial.
Are the insured promoting insurance to others?	A large number of respondents (81 percent) think that insurance should be promoted to others, whereas only a minority (2.3 percent) thinks that it should not. Interestingly, another 11 percent are unsure if this is a good idea. This can be due to possible under information of the clients of how insurance is working, which was stated very often.

Table 32. Summary of findings.

Annex 2: Chapter 3 Statistical Tables

Part 1: Socio-Economic Profile

A) Insured Group

	Household Expenditure	Family income (month)	Income	Savings	Debt
Mean	78	105	66	106	301
Std. Dev.	44	80	75	376	717
Median	65	87	50	4	87
Skewness	2.966	3.811	4.613	5.871	9.320
Kurtosis	23.76	28.67	39.48	42.43	130.17

Selected Economic variables for the insured group (values in current USD)

		expend	Family income	savings	income	debt
N	Valid	299	290	300	300	300
	Missing	5	14	4	4	4
Mean		86.8411	94.0715	18.7141	62.7035	62.7763
Median		69.9360	69.9360	8.7420	43.7100	17.4840
Std. Deviation		42.7070 5	63.9463 3	28.0834 5	67.7557 5	98.1440 0
Skewness		1.945	1.783	2.737	3.934	2.328
Std. Error of Skewness		.141	.143	.141	.141	.141
Kurtosis		5.457	3.048	10.001	28.362	5.928
Std. Error of Kurtosis		.281	.285	.281	.281	.281

Selected Economic variables for the insured group in Sri Lanka (values in current USD)

		expend	Family income	savings	income	debt
N	Valid	892	888	744	886	766
	Missing	127	131	275	133	253
Mean		70.7233	104.995 7	53.8727	64.1568	422.167 0
Median		65.1000	86.8000	1.0850	43.4000	217.000 0
Std. Deviation		42.8837 3	90.3208 4	240.695 10	80.2141 5	874.217 91
Skewness		3.993	4.012	10.371	4.897	7.776
Std. Error of Skewness		.082	.082	.090	.082	.088
Kurtosis		39.963	27.782	151.025	41.246	88.747

Std. Error of Kurtosis		.164	.164	.179	.164	.176

Selected Economic variables for the insured group in India (values in current USD)

		expend	Family income	savings	income	debt
N	Valid	261	263	224	193	153
	Missing	50	48	87	118	158
Mean		94.7536	116.5798	397.3355	76.3686	164.6743
Median		86.8200	108.5250	64.1166	72.3500	101.2900
Std. Deviation		41.95529	51.65018	682.06188	55.43432	222.43670
Skewness		1.919	1.532	2.423	1.982	5.589
Std. Error of Skewness		.151	.150	.163	.175	.196
Kurtosis		7.792	5.510	5.989	9.035	44.840
Std. Error of Kurtosis		.300	.299	.324	.348	.390

Selected Economic variables for the insured group in Bangladesh (values in current USD)

B) Control

	Household Expenditure	Family income (month)	Income	Savings	Debt
Mean	88	126	86	233	268
Std. Dev.	47	111	102	761	789
Median	76	87	58	8.7	43
Skewness	1.359	3.309	2.989	6.009	8.521
Kurtosis	2.31	17.47	13.03	47.12	94.91

Selected Economic variables for the control group (values in current USD)

		expend	Family income	income	savings	debt
N	Valid	97	94	0	99	99
	Missing	5	8	102	3	3
Mean		96.4955	102.5093		26.0326	148.2343
Median		87.4200	87.4200		16.1727	87.4200
Std. Deviation		49.11299	61.17559		39.73057	194.96417
Skewness		1.422	1.991		2.690	2.765
Std. Error of Skewness		.245	.249		.243	.243
Kurtosis		2.248	4.257		7.685	12.089
Std. Error of Kurtosis		.485	.493		.481	.481

Selected Economic variables for the insured group in Sri Lanka (values in current USD)

		expend	Family income	income	savings	debt
N	Valid	278	278	277	259	268
	Missing	46	46	47	65	56
Mean		76.3793	120.1033	69.7471	182.7060	304.8931
Median		65.1000	75.9500	43.4000	.0000	.0000
Std. Deviation		42.38382	125.17325	98.47567	835.48221	915.74509
Skewness		1.890	3.495	3.518	6.815	7.716
Std. Error of Skewness		.146	.146	.146	.151	.149
Kurtosis		5.649	17.231	16.475	53.800	75.553
Std. Error of Kurtosis		.291	.291	.292	.302	.297

Selected Economic variables for the insured group in India (values in current USD)

		expend	Family income	income	savings	debt
N	Valid	89	89	85	75	34
	Missing	12	12	16	26	67
Mean		115.4348	167.8683	140.6995	682.6367	328.5541
Median		101.2900	144.7000	115.7600	361.7500	72.3500
Std. Deviation		45.29971	90.35314	96.70435	822.05875	765.56051
Skewness		.607	1.952	3.060	1.909	4.711
Std. Error of Skewness		.255	.255	.261	.277	.403
Kurtosis		-.606	5.800	15.231	3.121	24.321
Std. Error of Kurtosis		.506	.506	.517	.548	.788

Selected Economic variables for the insured group in Bangladesh (values in current USD)

Annex 3: Microinsurance Client Survey Form[25]

Surveyor ID	**Country**
Form No.	**State**
Surveyor Name	**District**
□ **Urban** □ **Rural**	**Community Name:**

1. Name _____ **2. Age** _____	**7. Religion** □ Hindu □ Muslim □ Christian □ Buddhist □ Jain □ Other
3. Gender □ Male □ Female	**8. Number of people in household** _____ **Male** _____ **Female** _____
4. Main earning person in household □ Male □ Female	**9. Number of children** _____ **Male** _____ **Female** _____
5. Caste (if applicable) □ General □ OBC □ Scheduled caste □ Schedule tribe	**10. Ages of children** _____
6. Is your household below Poverty Line? □ Yes □ No □ Don't know	**11. Literacy** □ Literate □ Illiterate
	12. Educational level □ No formal education □ Graduation □ Standard _____ □ Post-graduation

[25] This is the basic client survey form which was used for all organizations before it was translated into local language and specific information inputted on each organization's program (i.e. name of microinsurance scheme, etc). This survey was translated into Gujarati, Tamil, and Bangla.

Micro-insurance

13. Before joining this program, did you have insurance?

□ Yes □ No

If yes, then what type:

	Source: **1. Insurance agent 2. Bank 3.Govt 4. NGO 5. other**	**Annual Premium**	**Coverage**	**No. of years**	**Presently have policy**
Life					
Funeral					
Health					
House					
Assets					
Crop/live stock					
Accident					
Other					

14. How did you hear about this disaster insurance programme?

□ Read about it □ Through family/friend/neighbour
□ Village/community □ Visit from organization
□ Government □ Other _____

15. Does anyone else in your family have insurance?

□ Yes □ No

16. Why did you choose to take out a policy?

□ Compulsory □ Good service
□ Good company □ Friend recommended
□ Need □ Help get a loan
□ More disasters in future □ Other

17. What type of disasters are you covered against under your disaster insurance policy?

☐ Tsunami ☐ Drought ☐ Accident
☐ Earthquake ☐ Cyclone ☐ Epidemic
☐ Flood ☐ Fire ☐ Landslide
☐ Conflict/riots ☐ Technological disaster ☐ Other

18. How much is your annual disaster insurance premium?

_____ ☐ Don't know

19. How did you pay the premium last year?

☐ One-time payment
☐ ____ installments
☐ Don't know

20. What is the value of your coverage?

Amount _____ □ **Don't know**

21. Is the amount you pay

□ Okay □ Too much □ Too little

22. What do you think your disaster insurance covers?

□ Life □ Personal belongings □ House
□ Accident □ Livelihood/business □ Other

23. For how many years have you been associated with this organization?

_____

24. For how many years have you had disaster insurance?

_____

25. Are you going to renew your disaster insurance policy?

☐ Yes, why: ☐ No, why not:
☐ Good company ☐ Affordability
☐ Good service ☐ Misleading/bad experience
☐ Compulsory ☐ Not needed
☐ Needed ☐ Forced to take
☐ Security ☐ No money available
☐ Recommended ☐ Claim related problem
☐ Help get a loan ☐ Other
☐ More disasters in future
☐ Don't know

26. How satisfied are you with the following features of your disaster insurance policy?

	Somewhat satisfied	Satisfied	Somewhat dissatisfied	Dissatisfied	Not applicable/don't know
1. Information received on insurance					
2. Premium					
3. Coverage					
4. Premium payment schedule (lumpsum vs. installments)					
5. Connectivity to organization					
6. Process of renewing policy					

Claims

7. Simplicity of claim process					
8. Time to complete claim					
9. Feedback from organization					
10. Method of money transfer					
11. Time of claim settlement					

27. What else would you like to see covered in your insurance:

Type of coverage	Coverage	Premium

28. If people in your community are not purchasing disaster insurance, why not? More than one answer possible.

- ☐ Affordability
- ☐ Misleading/bad experience
- ☐ Not needed
- ☐ Don't know about it/understand
- ☐ No money available
- ☐ No providers
- ☐ No answer
- ☐ Other

29. To what extent do you think that your disaster insurance policy is covering your losses?

☐ Fully ☐ Half ☐ Little ☐ Nothing ☐ Don't know

30. If your disaster insurance company no longer offered insurance, would you try getting another insurance policy?

☐ Yes ☐ No ☐ Maybe ☐ Don't know

31. Who would you trust to provide you insurance? (Rank top 3 and read out-loud)

	Rank
Insurance Provider	
NGO	
G□vernment	
Community	
Other	

32. In addition to you, who in your family would you like to see have insurance and what type? Tick off relevant categories.

	Children	Elders	Spouse	Earners	All	None
Life						
Funeral						
Health						
House						
Assets						
Crop/livestock						
Other						

33. Should people in your community be encouraged to purchase disaster insurance?

☐ Yes ☐ No ☐ Don't know

34. What can be done to encourage people to purchase disaster insurance?

☐ Telling people

☐ Making it affordable

☐ More companies

☐ Better service

☐ Other

35. What is an important event in your community to tell you and your friends about disaster insurance?

_____

36. If you were not paying for your disaster insurance policy, what would you spend that money on:

☐ House ☐ Food

☐ Household items ☐ Livelihood-related

☐ Lending money ☐ Savings

☐ Medical ☐ Funeral

☐ Children education ☐ Marriage

☐ Repay previous loan ☐ Other

Disasters

37. Which events have you been affected by in the last 10 ten years? If none, skip to question 64 in Finance section.

	1. NO. OF TIMES
Tsunami	
Earthquake	
Flood	
Conflict/riot	
Drought	
Cyclone	
Fire	
Accident	
Epidemic	
Landslide	
Other	

38. Of these disaster, name any one that you have been affected by:

_____

39. What was affected in this disaster?

	Value (or 0 if did not have)	Damaged			Value of replace-ment/ repair
		Total	Partial	Not affected	
House					
Electrical appliances					
Furniture					
Kitchen utensils					
Food					
Official documents					
Jewelry					
Personal vehicle					
Agricultural tools					
Agricultural machinery					
Fodder					
Seeds					
Crops					
Livestock					
Land					
Trees					
Fishing equipment					
Fish pond					
House repair products					
Sewing machine					
Other equipment					
Vehicle					
Business stock					
Other:					

	Number in family
Death	
Injury	

40. What help did you receive in that disaster? Multiple answer acceptable.

- ☐ Cash
- ☐ Stove
- ☐ Tent
- ☐ Medical care
- ☐ Livelihood support
- ☐ Housing construction material
- ☐ Medicine
- ☐ Nothing
- ☐ Food
- ☐ Blankets
- ☐ Utensils
- ☐ Other

41. Who did you receive this help from?

☐ Family ☐ Community ☐ Government
☐ NGO ☐ Religious organization
☐ Political organization ☐ Other

42. Because of this disaster, how many days were you not working?
No. of days _____

43. If there was no help, how would you have to cope with the disaster?

☐ Sell land or home ☐ Sell household items
☐ Borrow money ☐ Migrate
☐ Salary advance ☐ Sell livelihood items
☐ Sell livestock ☐ Eat less
☐ Change profession ☐ Borrow food
☐ Begging ☐ Take money from savings
☐ Take kids out of school ☐ Send kids to work
☐ Send kids elsewhere ☐ Reduce expenditure
☐ Nothing

44. Is it easy for you to borrow money after a disaster?

☐ Yes ☐ No ☐ Don't know

45. From whom could you borrow money after a disaster?
More than one disaster possible.

Institution	Amount	Interest
Family		
Friend		
Employer		
Community/ organization		
Money lender		
Bank		

46. Actual amount borrowed after the disaster specified earlier:

Source	Amount	Annual Interest	---/--- Months complete/total
Family			
Friend			
Employer			
Community/ organization			
Money			

47. What did you spend this money on?

☐ House ☐ Food
☐ Household items ☐ Livelihood-related
☐ Repay previous loan ☐ Savings
☐ Medical ☐ Funeral
☐ Children education ☐ Marriage
☐ Other

48. Do you think having insurance can prevent or lessen your need to borrow money after a disaster?

☐ Yes ☐ No ☐ A little ☐ Don't know

49. In any of the disasters that happened in the last 10 years, did it cause a change in your type of housing?

Before	After
☐ Kuccha	☐ Kuccha
☐ Semi-Pukka	☐ Semi-Pukka
☐ Pukka	☐ Pukka

50. In any of the disasters that happened in the last 10 years, did it cause a change in your type of toilet?

Before	After
☐ Open defecation	☐ Open defecation
☐ Tube well	☐ Tube well
☐ Pit latrine	☐ Pit latrine
☐ Public toilet	☐ Public toilet

51. Have you ever participated in any of the following activities in the last 10 years?

☐ Yes ☐ No
☐ Search & rescue training ☐ First aid training
☐ Building construction ☐ Community-based training
☐ Microfinance ☐ Disaster knowledge-related
☐ Other ☐ Revolving fund

lender			
Bank			

52. What changes have been done by you or anyone over the last 10 years to reduce the impact of disasters?

- ☐ Reinforcing parts of home
- ☐ Keeping savings
- ☐ Moving to safer area
- ☐ Planning in advance
- ☐ Safeguarding belongings
- ☐ Explaining to kids
- ☐ Community infrastructure changes (i.e. water flow, roads)
- ☐ Advocating for disaster risk reduction
- ☐ Learning about your risks
- ☐ Insurance
- ☐ None of the above
- ☐ Revolving fund
- ☐ Other

53. What needs to be done to ensure that you are less affected in the future?

- ☐ Reinforcing parts of home
- ☐ Keeping savings
- ☐ Moving to safer area
- ☐ Planning in advance
- ☐ Safeguarding belongings
- ☐ Explaining to kids
- ☐ Community infrastructure changes (i.e. water flow, roads)
- ☐ Advocating for disaster risk reduction
- ☐ Learning about your risks
- ☐ Insurance
- ☐ None of the above
- ☐ Revolving fund
- ☐ Other

Claims

54. Have you ever made a claim?

☐ Yes ☐ No

If no, skip to question 64 in Finance section.

55. What types of claims have you made since having your disaster insurance policy? Did you receive money?

Year	Type of claim (life, accident, etc)	Claim amount filed	Amount received	Duration of claim settlement (months)

56. If you did not receive money or less than you had applied for, what was the reason?

- ☐ Documentation missing
- ☐ Documentation not right
- ☐ Documentation was right but still got less or no money
- ☐ Don't know

57. Did the insurance organization provide you adequate information on the claim and settlement?

☐ Yes ☐ No ☐ Partial

58. If you received money what did you spend it on?

- ☐ House
- ☐ Food
- ☐ Household items
- ☐ Livelihood-related
- ☐ Lending money
- ☐ Savings

59. In this case, if the money was not sufficient or you did not receive claim money, did you need to seek additional money from other sources?

☐ Yes ☐ No

60. If you borrowed money, provide the following information:

Source	Amount	Annual Interest	---/--- Months complete/total
Family			
Friend			
Employer			
Community/organization			
Money lender			
Bank			
Total			

61. Did you require help with the claim?

☐ Yes ☐ No

62. Did you receive the help you required?

☐ Yes ☐ No

63. How does the claim money come to you?

- ☐ Cheque
- ☐ Cash
- ☐ Bank transfer
- ☐ Don't know

☐ Medical	☐ Funeral	
☐ Children education	☐ Marriage	
☐ Repaying previous loan	☐ Other	

Finances

64. Sources of income in household

	Percentage
Remittances	
Animal husbandry/farming	
Casual wage labour	
Trade/business	
Regular service job	
Government programme	
Other	
Total	**100**

65. What is your monthly household expenditure?

66. What is your monthly family income?

67. What is your income?

68. What amount of savings does your household have:
Savings _____

69. What amount of debt does your household have:
Debt _____

70. Do you have a Bank account

☐ Yes ☐ No

71. After a disaster, would you prefer money through disaster relief or through insurance?

☐ Relief ☐ Insurance ☐ Both ☐ Other

72. How much do you agree or disagree that insurance is a way of helping people to move out of poverty?

☐ Strongly agree ☐ Agree ☐ Disagree

☐ Strongly Disagree ☐ Don't know; can't say

73. Mohammed recently purchased insurance for his bicycle. Do you think that now he will stop taking good care of his bicycle like he used to because he knows that it is insured and he may get money if something happens in the future?

☐ Strongly agree ☐ Agree ☐ Disagree

☐ Strongly Disagree ☐ Don't know; can't say

74. Other comments:

Annex 4: Control Group Survey Form[26]

Surveyor ID	**Country**
Form No.	**State**
Surveyor Name	**District**
☐ **Urban** ☐ **Rural**	**Community Name:**
1. Name _____ **2. Age** _____	**7. Religion** ☐ Hindu ☐ Muslim ☐ Christian ☐ Buddhist ☐ Jain ☐ Other
3. Gender ☐ Male ☐ Female	**8. Number of people in household** _____ Male _____ Female _____

[26] This is the basic client survey form which was used for all organizations before it was translated into local language and specific information inputted on each organization's program (i.e. name of microinsurance scheme, etc). This survey was translated into Gujarati, Tamil, and Bangla.

4. Main earning person in household ☐ Male ☐ Female	**9. Number of children** _____ Male _____ Female _____
5. Caste (if applicable) ☐ General ☐ OBC ☐ Scheduled caste ☐ Schedule tribe	**10. Ages of children** _____
6. Is your household below Poverty Line? ☐ Yes ☐ No ☐ Don't know	**11. Literacy** ☐ Literate ☐ Illiterate
	12. Educational level ☐ No formal education ☐ Graduation ☐ Standard _____ ☐ Post-graduation

Micro-insurance

13. Have you ever heard of insurance?

☐ Yes ☐ No ☐ Kind of/maybe

14. What kinds of insurance are you familiar with?

Types of insurance	Always knew about it	Read about it	Through family/friend	Village/ community	Visit from insurance representative	Government	Other
Life/Accident							
Funeral							
Health/ Crop/livelihood							
Shelter							
Assets							

15. Do you know that there is something called disaster insurance?

☐ Yes ☐ No

16. Have you heard of AIDMI's disaster insurance called Afat Vimo?

☐ Yes ☐ No ☐ Don't know

17. Has an attempt been made by anybody to sell any type of insurance to you or somebody in your family?

☐ Yes ☐ No ☐ Don't know

18. Do you currently have any form of insurance?

☐ Yes, go to 20

☐ No, complete Que. No. 19 and go to 31

19. If no, why do you not have insurance?

☐ Affordability ☐ Misleading/bad experience

☐ Not needed ☐ Don't know about it/understand

☐ No money available ☐ No providers

☐ No answer

20. What kind of insurance do you have?

	Source: 1. Insurance agent 2. Bank 3. Govt 4. NGO 5. other	Annual Premium	Coverage	No. of years	Presently have policy
Life					
Funeral					
Health					
Shelter					
Assets					
Crop/live stock					
Accident					
Other					

21. How do you generally pay your premiums?

☐ One-time payment ☐ ____ installments ☐ Don't know

22. Generally, do you think the amount you pay is:

☐ Okay ☐ Too much ☐ Too little

23. Why did you choose to take out a policy?

☐ Compulsory ☐ Good company ☐ Good service ☐ Friend recommended

☐ Need ☐ Security ☐ Help get a loan ☐ Other ☐ Don't know

24. How satisfied are you with the following features of your insurance policy?

	Somewhat satisfied	Satisfied	Somewhat dissatisfied	Dissatisfied	Not applicable/don't know
1. Information received on insurance					
2. Premium					
3. Coverage					
4. Premium payment schedule (lumpsum vs. installments)					
5. Connectivity to organization					
6. Process of renewing policy					

Claims

7. Simplicity of claim process					
8. Time to complete claim					
9. Feedback from organization					
10. Method of money transfer					
11. Time of claim settlement					

25. What else would you like to see covered in your insurance policy:

Type of coverage	Coverage	Premium

26. If your insurance company no longer offered insurance, would you try getting another insurance policy?

☐ Yes ☐ No ☐ Maybe ☐ Don't know

27. Are you covered against disasters?

☐ Yes, complete question No. 28 to 30 and go to No. 34

☐ No, go to question No. 31 ☐ Don't know

28. What type of disasters are you covered against?

☐ Tsunami ☐ Drought ☐ Accident

☐ Earthquake ☐ Cyclone ☐ Epidemic

☐ Flood ☐ Fire ☐ Landslide

☐ Conflict/riots ☐ Technological disaster

☐ Other ☐ All ☐ Don't know

29. Name of the company providing you insurance against disasters?

_____

30. To what extent do you think that your disaster insurance policy is covering your losses?

☐ Fully ☐ Half ☐ Little

☐ Nothing ☐ Don't know

31. If an organization offered you disaster insurance, do you think you would take it?

☐ Yes ☐ No

☐Maybe ☐ Don't know

32. If you were offered disaster insurance, what would you need to cover in order of priority?

	Rank:	Coverage:	Total annual premium:
Life			
Funeral			
Health			
Shelter			
Assets			
Crop/livestock			
Accident			
Other			

33. Who would you trust to provide you insurance. (Rank top 3 and read out-loud)

	Rank
Insurance Provider	
NGO	
Government	
Community	
Other	

34. In addition to you, who in your family would you like to see have insurance and what type? Tick off relevant categories.

	Children	**Elders**	**Spouse**	**Earners**	**All**	**None**
Life						
Funeral						
Health						
Shelter						
Assets						
Crop/livestock						
Other						

35. Should people in your community be encouraged to purchase disaster insurance?

☐ Yes ☐ No ☐ Don't know

36. If people in your community are not purchasing disaster insurance, why not? More than one answer possible.

☐ Affordability

☐ Misleading/bad experience

☐ Not needed

☐ Don't know about it/understand

☐ No money available

☐ No providers

☐ No answer

☐ Other

37. What can be done to encourage people to purchase disaster insurance?

☐ Telling people

☐ Making it affordable

☐ More companies

☐ Better service

☐ Other

38. What is an important event in your community to tell you and your friends about disaster insurance?

_____

39. What types of communication would be most appropriate for you to gain information on disaster insurance?

☐ Hearing from family/friend

☐ Hearing from somebody in community

☐ Visit from insurance company

☐ From employer

☐ From school

☐ Newspaper

☐ Other

Disasters

40. Which events have you been affected by in the last 10 ten years? If none, skip to question 67 in Finance section.

	2. NO. OF TIMES
Tsunami	
Earthquake	
Flood	
Conflict/riot	
Drought	
Cyclone	
Fire	
Accident	
Epidemic	
Landslide	
Other	

41. Of these disaster, name any one that you have been affected by:

_____

42. What was affected in this disaster?

	Value (or 0 if did not have)	Damaged			Value of replace-ment/ repair
		Total	Partial	Not affec ted	
House					
Electrical appliances					
Furniture					
Kitchen utensils					
Food					
Official documents					
Jewelry					
Personal vehicle					

	Value (or 0 if did not have)	Damaged			Value of replace ment/re pair
		Total	Partial	Affe cted	
Agricultural tools					
Agricultural machinery					
Fodder					
Seeds					
Crops					
Livestock					
Land					
Trees					
Fishing equipment					
Fish pond					
House repair products					
Sewing machine					
Other equipment					
Vehicle					
Business stock					
Other:					

	Number in family
Death	
Injury	

43. What help did you receive in that disaster? Multiple answer acceptable.

☐ Cash ☐ Stove
☐ Tent ☐ Medical care
☐ Livelihood support ☐ Housing construction material
☐ Medicine ☐ Nothing
☐ Food ☐ Blankets
☐ Utensils ☐ Other

44. Who did you receive this help from?

☐ Family ☐ Community ☐ Government
☐ NGO ☐ Religious organization
☐ Political organization ☐ Other

45. Because of this disaster, how many days were you not working?
No. of days _____

46. If there was no help, how would you have to cope with the disaster?

☐ Sell land or home ☐ Sell household items
☐ Borrow money ☐ Migrate
☐ Salary advance ☐ Sell livelihood items
☐ Sell livestock ☐ Eat less
☐ Change profession ☐ Borrow food
☐ Begging ☐ Take money from savings
☐ Take kids out of school ☐ Send kids to work
☐ Send kids elsewhere ☐ Reduce expenditure
☐ Nothing

47. Is it easy for you to borrow money after a disaster?
☐ Yes ☐ No ☐ Don't know

48. From whom could you borrow money after a disaster?
More than one disaster possible.

Institution	Amount	Interest
Family		
Friend		
Employer		
Community/ organization		
Money lender		
Bank		

49. Actual amount borrowed after the disaster specified earlier:

Source	Amount	Annual Interest	---/--- Months complete/total
Family			
Friend			
Employer			
Community/ organization			
Money lender			
Bank			

50. What did you spend this money on?

☐ House ☐ Food
☐ Household items ☐ Livelihood-related
☐ Repay previous loan ☐ Savings
☐ Medical ☐ Funeral
☐ Children education ☐ Marriage
☐ Other

51. Do you think having insurance can prevent or lessen your need to borrow money after a disaster?
☐ Yes ☐ No ☐ A little ☐ Don't know

52. In any of the disasters that happened in the last 10 years, did it cause a change in your type of housing?

Before	After
☐ Kuccha	☐ Kuccha
☐ Semi-Pukka	☐ Semi-Pukka
☐ Pukka	☐ Pukka

53. In any of the disasters that happened in the last 10 years, did it cause a change in your type of toilet?

Before	After
☐ Open defecation	☐ Open defecation
☐ Tube well	☐ Tube well
☐ Pit latrine	☐ Pit latrine
☐ Public toilet	☐ Public toilet

54. Have you ever participated in any of the following activities in the last 10 years?

☐ Yes ☐ No
☐ Search & rescue training ☐ First aid training
☐ Building construction ☐ Community-based training
☐ Microfinance ☐ Disaster knowledge-related
☐ Other ☐ Revolving fund

55. What changes have been done by you or anyone over the last 10 years to reduce the impact of disasters?

- ☐ Reinforcing parts of home
- ☐ Keeping savings
- ☐ Moving to safer area
- ☐ Planning in advance
- ☐ Safeguarding belongings
- ☐ Explaining to kids
- ☐ Community infrastructure changes (i.e. water flow, roads)
- ☐ Advocating for disaster risk reduction
- ☐ Learning about your risks
- ☐ Insurance
- ☐ None of the above
- ☐ Revolving fund
- ☐ Other

56. What needs to be done to ensure that you are less affected in the future?

- ☐ Reinforcing parts of home
- ☐ Keeping savings
- ☐ Moving to safer area
- ☐ Planning in advance
- ☐ Safeguarding belongings
- ☐ Explaining to kids
- ☐ Community infrastructure changes (i.e. water flow, roads)
- ☐ Advocating for disaster risk reduction
- ☐ Learning about your risks
- ☐ Insurance
- ☐ None of the above
- ☐ Revolving fund
- ☐ Other

Claims (skip if person has no insurance or has no claim)

57. Have you ever made a claim?

☐ Yes ☐ No

If No, skip to question 67 in Finance section.

58. What types of claims have you made since having your disaster insurance policy? Did you receive money?

Year	Type of claim (life, accident, etc)	Claim amount filed	Amount received	Duration of claim settlement (months)

59. If you did not receive money or less than you had applied for, what was the reason?

- ☐ Documentation missing
- ☐ Documentation not right
- ☐ Documentation was right but still got less or no money
- ☐ Don't know

60. Did the insurance organization provide you adequate information on the claim and settlement?

☐ Yes ☐ No ☐ Partial

61. If you received money what did you spend it on?

- ☐ House
- ☐ Food
- ☐ Household items
- ☐ Livelihood-related
- ☐ Lending money
- ☐ Savings
- ☐ Medical
- ☐ Funeral
- ☐ Children education
- ☐ Marriage

62. In this case, if the money was not sufficient or you did not receive claim money, did you need to seek additional money from other sources?

☐ Yes ☐ No

63. If you borrowed money, provide the following information:

Source	Amount	Annual Interest	---/--- Months complete/total
Family			
Friend			
Employer			
Community/organization			
Money lender			
Bank			
Total			

64. Did you require help with the claim?

☐ Yes ☐ No

65. Did you receive the help you required?

☐ Yes ☐ No

66. How does the claim money come to you?

- ☐ Cheque
- ☐ Cash
- ☐ Bank transfer
- ☐ Don't know

☐ Repaying previous loan ☐ Other

Finances

67. Sources of income in household

	Percentage
Remittances	
Animal husbandry/farming	
Casual wage labour	
Trade/business	
Regular service job	
Government programme	
Other	
Total	**100**

68. What is your monthly household expenditure?

69. What is your monthly family income?

70. What is your income?

71. What amount of savings does your household have:

Savings _____

72. What amount of debt does your household have:

Debt _____

73. Do you have a Bank account

☐ Yes ☐ No

74. After a disaster, would you prefer money through disaster relief or through insurance?

☐ Relief ☐ Insurance ☐ Both ☐ Other

75. How much do you agree or disagree that insurance is a way of helping people to move out of poverty?

☐ Strongly agree ☐ Agree ☐ Disagree

☐ Strongly Disagree ☐ Don't know; can't say

76. Mohammed recently purchased insurance for his bicycle. Do you think that now he will stop taking good care of his bicycle like he used to because he knows that it is insured and he may get money if something happens in the future?

☐ Strongly agree ☐ Agree ☐ Disagree

☐ Strongly Disagree ☐ Don't know; can't say

77. Other comments:

For Surveyor:

78. Did the person voluntarily request information on the program or express interest in joining?

☐ Information ☐ Joining ☐ Both ☐ None

Annex 5: Translated Questionnaire Sample (Gujarati)

લક્ષિત જૂથ – આફત વીમો ધરાવતા સભ્યોની પ્રશ્નાવલી

સર્વે કરનારનો ઓળખ નં. _____	દેશ
હોર્મ નં. _____	રાજ્ય
મુલાકાત લેનારનું નામ :	જિલ્લો
☐ શહેરી ☐ ગ્રામિણ	સમુદાય/વિસ્તારનું નામ :

વ્યક્તિગત માહિતી

1. નામ _____	7. ધર્મ ☐ હિંદુ ☐ મુસ્લિમ ☐ ક્રિશ્ચની ☐ બૌદ્ધ ☐ જૈન ☐ અન્ય : _____
2. ઉંમર _____	8. પરિવારનાં સભ્યોની સંખ્યા _____ પુરુષ _____ સ્ત્રી _____
3. લિંગ ☐ પુરુષ ☐ સ્ત્રી	9. બાળકોની સંખ્યા _____ પુરુષ _____ સ્ત્રી _____
4. મુખ્ય કમાનાર વ્યક્તિ ☐ પુરુષ ☐ સ્ત્રી	10. બાળકોની ઉંમર _____
5. જાતિ ☐ સામાન્ય ☐ ઓ.બી.સી. ☐ અનુસુચિત જાતિ ☐ અનુસુચિત જનજાતિ	11. સાક્ષરતા ☐ સાક્ષર ☐ નિરક્ષર
6. શું તમારો પરિવાર ગરીબીરેખાની નીચે આવે છે? ☐ હા ☐ ના ☐ ખબર નથી	12. શૈક્ષણિક લાયકાત ☐ પ્રાથમિકનું શિક્ષણ લીધું નથી ☐ ધોરણ _____ ☐ સ્નાતક ☐ અનુસ્નાતક

13. આ યોજનામાં જોડાયા પહેલાં તમે બીજી કોઈ વીમા યોજનામાં જોડાયેલાં હતાં?
☐ હા ☐ ના
જો હા, તો કેવા પ્રકારની?

	૧. વીમા એજન્ટ ૨. બેંક ૩. સરકાર ૪. સંસ્થા ૫. અન્ય :	વાર્ષિક પ્રીમિયમ	કવરેજ	કેટલાં વર્ષો સુધી તેને આ પોલીસી ચાલુ રાખી?	શું આ વીમો અત્યારે ચાલુ છે?
જીવન					
અંતિમ વિધી					
સ્વાસ્થ્ય					
મકાન					
મિલકત					
પાક/સાધનસરંજામ					
અકસ્માત					
અન્ય					

14. તમને "આકત વીમો" યોજના વિશે કઈ રીતે ખબર પડી?
☐ વાંચ્યું હતું ☐ પરિવાર/મિત્ર/પાડોશી દ્વારા
☐ ગામ/વિસ્તારનાં લોકો પાસેથી ☐ સંસ્થાના કાર્યકરો દ્વારા
☐ સરકાર દ્વારા ☐ અન્ય : _____

15. શું તમે કે તમારા પરિવારમાંથી કોઈ અન્ય સભ્ય વીમા યોજનામાં જોડાયેલું છે?
☐ હા ☐ ના

16. શા માટે તમે "આકત વીમા" યોજનામાં જોડાયા?
☐ કરજિયાત છે ☐ ભવિષ્યમાં આકતો આવશે તેથી
☐ મિત્રના સૂચનથી ☐ સર્વિસ સારી આપે છે
☐ લોન મેળવવામાં સરળતા રહે એટલે ☐ સલામતી છે
☐ સારી સંસ્થા છે ☐ અન્ય : _____
☐ જરૂર છે

17. તમારી આકત વીમા યોજના અંતર્ગત કઈ-કઈ આકતો સામે સલામતી મળે છે?
☐ સુનામી ☐ વાવાઝોડું ☐ રમખાણો/કોમી હુલ્લડ
☐ ભૂકંપ ☐ આગ ☐ ઔદ્યોગિક આકતો
☐ પૂર ☐ અકસ્માત ☐ ભૂ-સ્ખલન
☐ દુકાળ ☐ રોગચાળો ☐ અન્ય : _____

18. આકત વીમા યોજના અંતર્ગત વાર્ષિક પ્રીમિયમ કેટલું છે?
_____ ☐ ખબર નથી

19. છેલ્લા વર્ષના પ્રીમિયમની ચૂકવણી તમે કઈ રીતે કરી હતી?
☐ એક સાથે ☐ _____ હપ્તામાં ☐ ખબર નથી

20. આકત વીમા યોજનામાં કવરેજ કેટલું છે?
રકમ _____ ☐ ખબર નથી

21. તમે જે પ્રીમિયમની રકમ ભરો છો તે કવરેજના પ્રમાણમાં કેટલી છે?
☐ બરાબર છે ☐ ખૂબ વધુ છે ☐ ખૂબ ઓછી છે

22. આકત વીમા યોજનામાં શું શું કવર થાય છે?
☐ જીવન વીમો ☐ માલ-સામાન (ઘરનો)
☐ ઘર ☐ અકસ્માત
☐ રોજગારી/ધંધો-વ્યવસાયનું નુકસાન ☐ અન્ય : _____

23. તમે કેટલાં વર્ષોથી આકત વીમો આપતી સંસ્થા સાથે સંકળાયેલાં છો?
_____

24. છેલ્લાં કેટલાં વર્ષોથી તમો આકત વીમો ચાલુ કર્યો છે?

25. શું તમે આકત વીમો યોજના આવતા વર્ષે રીન્યુ કરાવશો? (એક કરતાં વધુ જવાબો શક્ય છે.)

હા, કયા કારણથી?	ના, કયા કારણથી
☐ સારી સંસ્થા છે	☐ પોષાય તેમ નથી
☐ સારી સર્વિસ આપે છે	☐ સર્વિસ સારી નથી
☐ જરૂર છે	☐ જરૂર નથી
☐ સલામતી આપે છે	☐ લેવાનું દબાણ થાય છે તેથી
☐ સૂચન કરે છે	☐ રૂપિયા નથી
☐ લોન મેળવવામાં સરળતા રહેશે	☐ ખોટા રસ્તે લઈ જાય છે
☐ ભવિષ્યમાં વધુ આકતો આવશે તેથી	☐ દાવા સમયે સમસ્યા ઊભી થાય છે
☐ ખબર નથી	☐ અન્ય : _____

26. સંતોષનું પ્રમાણ (ભાગ-૧)

	થોડાક અંશે સંતોષ	સંતોષ	થોડાક અંશે અસંતોષ	અસંતોષ	ખબર નથી
1. આકત વીમાની જાણકારી					
2. પ્રીમિયમ					
3. કવરેજની રકમ					
4. પ્રીમિયમ ચૂકવણીની વ્યવસ્થા (હપ્તા)					
5. સંસ્થા સાથેનું જોડાણ					
6. વીમા પોલિસી રીન્યુ કરવાની પદ્ધતિ					
સંતોષનું પ્રમાણ (ભાગ-૨) દાવા અંગે					
7. દાવા વ્યવસ્થાની સરળતા					
8. દાવાનો સમયગાળો					
9. સંસ્થા તરફથી ફીડબેક					
10. રૂપિયાના લેવડ-દેવડની પદ્ધતિ					
11. ક્લેઇમ સેટલમેન્ટનો સમય					

27. આફત વીમા યોજના કવરેજમાં હજુ શેનું કવરેજ ઉમેરવું જોઈએ?

કવરેજનો પ્રકાર	કવરેજની રકમ	પ્રીમિયમ

32. તમારા પરિવારમાં તમારા સિવાય બીજા કોનો અને કયા પ્રકારનો વીમો ઉતરાવવાનું પસંદ કરશો? (ટીક માર્ક કરો.)

	બાળકો	વડીલ સભ્યો	પતિ/પત્ની	કમાનાર સભ્ય	બધા	કોઈ નહીં
જીવન						
અંતિમ વિધીનો પ્રસંગ						
સ્વાસ્થ્ય						
મકાન						
મિલકત						
અકસ્માત						
પાક/સાધન સરંજામ						
અન્ય						

28. તમારા વિસ્તાર/સમુદાયનાં લોકો જો આફત વીમોમાં જોડાયેલા ન હોય તો તેનું કારણ શું છે? (એક થી વધુ જવાબો શક્ય છે.)
- ☐ પોષાતું નથી
- ☐ ખોટા રસ્તે દોરે છે/ખરાબ અનુભવ
- ☐ જરૂર નથી
- ☐ આ વિશે ખબર નથી/સમજણ નથી
- ☐ રૂપિયાની સગવડતા નથી
- ☐ પોલિસી આપનાર વ્યક્તિ નથી
- ☐ જવાબ નથી
- ☐ અન્ય

33. શું તમારા સમુદાયમાં લોકોને આફત વીમો લેવા પ્રોત્સાહીત કરવા જોઈએ?
☐ હા ☐ ના ☐ ખબર નથી

34. આફત વીમો લેવા માટે લોકોને પ્રોત્સાહન પુરું પાડવા શું કરી શકાય?
- ☐ લોકોને વાત કરવી
- ☐ પોલિસી સસ્તી બનાવવી
- ☐ વધારે કંપનીઓ
- ☐ વધુ સારી સર્વિસ
- ☐ અન્ય

35. સમુદાય/વિસ્તારમાં કયા અગત્યના દિવસો/પ્રસંગે લોકોને આફત વીમાની વાત કરવી જોઈએ?

29. તમારી આફત વીમા પોલીસી તમને આફતના નુકસાન સામે કેટલા અંશે કવરેજ અથવા સલામતી આપે છે?
☐ પૂરેપૂરુ ☐ અડધું ☐ થોડુંક ☐ બિલકુલ નહીં

36. જો તમારે આફત વીમાના પ્રીમિયમનો ખર્ચો ના હોત તો તમે પ્રીમિયમ જેટલી રકમનો ખર્ચો શેની પાછળ કરત?
- ☐ મકાન
- ☐ ખોરાક
- ☐ ઘરવખરીના સાધનો
- ☐ રોજગારી
- ☐ કોઈને ઉધારે આપવા
- ☐ બચત
- ☐ સ્વાસ્થ્ય
- ☐ અંતિમ વિધીના પ્રસંગમાં
- ☐ બાળકોના ભણતર
- ☐ લગ્ન પ્રસંગ
- ☐ પહેલાંની લોન ભરવા માટે
- ☐ ખબર નથી

30. આફત વીમા પોલીસી આપનાર સંસ્થા જો વીમો આપવાનું બંધ કરી તો શું તમે બીજી સંસ્થા પાસથી વીમા પોલિસી લેશો?
☐ હા ☐ ના ☐ કદાચ ☐ ખબર નથી

31. વીમો ઉતરાવતી સમયે તમે કોના ઉપર વિશ્વાસ રાખશો? (મોટેથી વાંચી સંભળાવો અને ત્રણ સુધી અગ્રતાક્રમ આપો.)

	રેન્ક - અગ્રતાક્રમ પ્રમાણે
વીમા એજન્ટ	
સંસ્થા	
સરકાર	
સમુદાય	
અન્ય	

આફતો વિશે

37. છેલ્લાં દસ વર્ષોમાં તમને કઈ-કઈ આફતોથી નુકસાન થયું?
જો ના તો, બીજા નાણાંકીય બાબતોના પ્રશ્ન નં. 64 પર જાઓ.

આફત	કેટલી વાર
☐ સુનામી	
☐ ભૂકંપ	
☐ પૂર	
☐ રમખાણો/કોમી હુલ્લડ	
☐ દુકાળ	
☐ વાવાઝોડું	
☐ આગ	
☐ અકસ્માત	
☐ રોગચાળો	
☐ ભૂ-સ્ખલન	
☐ અન્ય : _____	

38. છેલ્લાં દસ વર્ષોમાં તમને અસર થઈ હોય તેવી એક આફતનું નામ જણાવો.

_____

39. તમને થયેલા નુકસાનની વિગતો આપો.

	આફત પહેલાં જે હતુ તેની કિંમત (જો ના, તો 0)	નુકસાન			રીપેરીંગ/ બદલવાનો ખર્ચો
		સંપૂર્ણ	અંશતઃ	કોઈ અસર થઈ ન હતી	
ઘર/મકાન					
ઇલેક્ટ્રોનિક સાધનોની વ્યવસ્થા					
રસોડુ અને તેના સાધનો					
ખોરાક					
રોજગારી/ધંધાના દસ્તાવેજો					
ઘરેણા/આભુષણ					
વાહન					
અન્ય					

	આફત પહેલાં જે હતુ તેની કિંમત (જો ના, તો 0)	નુકસાન			રીપેરીંગ/ બદલવાનો ખર્ચો
		સંપૂર્ણ	અંશતઃ	કોઈ અસર થઈ ન હતી	
ખેતીનાં સાધનો					
ખેતીનાં મશીન					
પશુનો ખોરાક					
બીજ					
પાક					
પશુપાલન					
જમીન					
વૃક્ષો					
માછીમારીનાં સાધનો					
માછલીની તલાવડી					
મકાન રીપેરીંગની વસ્તુઓ					
સિલાઈમશીન					
વાહનો					
ધંધા-રોજગારીના માલનો જથ્થો					
અન્ય :					

	કુટુંબમાં સંખ્યા
મૃત્યુ	
ઈજા	

40. તે આફત બાદ તમને શેની મદદ મળી હતી? (એક થી વધુ જવાબો શક્ય છે.)

☐ રોકડ રકમ
☐ તંબુ
☐ રોજગારીની મદદ
☐ દવા
☐ ખોરાક
☐ વાસણો
☐ ચુલો
☐ મેડીકલ સારવાર
☐ મકાન બાંધકામનો માલ-સામાન
☐ કંઈ નહીં
☐ ધાબળા
☐ અન્ય : _____

41. આ મદદ તમને કોણે આપી હતી? (એક થી વધુ જવાબો શક્ય છે.)

☐ પરિવાર તરફથી
☐ સંસ્થા તરફથી
☐ રાજકીય પક્ષ/સંસ્થા તરફથી
☐ સમુદાય
☐ સરકાર
☐ ધાર્મિક સંસ્થા
☐ અન્ય : _____

42. આ આફતને કારણે, તમે કેટલા દિવસ કામ પર ન જઈ શક્યા?

_____

43. જો કોઈ મદદ ન મળી હોય તો તેવા સંજોગોમાં તમે આ આફતનો સામનો કઈ રીતે કર્યો હોત?

☐ જમીન/મકાનનું વેચાણ
☐ ઉધાર રકમ/લોન
☐ પગાર સમય કરતાં વહેલો લીધો
☐ ધંધો/રોજગાર બદલીને
☐ બીજા પાસેથી માંગીને
☐ બાળકોને શાળામાં જતાં બંધ કર્યા
☐ બાળકોને બીજી જગ્યાએ મોકલી દીધા
☐ ભિક્ષત વેચીને (ઘરવખરીના સાધનો)
☐ સ્થળાંતર કર્યું
☐ રોજગારીની વસ્તુના વેચાણથી
☐ ખોરાક ઘટાડીને
☐ ઉધાર ખોરાક લઈને
☐ બચત ઉપાડીને
☐ બાળકોને કમાણીમાં લગાવ્યા
☐ ખર્ચ ઘટાડીને
☐ આમાંથી એક પણ નહીં

44. આફત બાદ ઉધાર રકમ લેવી તમારા માટે સરળ છે?

☐ હા ☐ ના ☐ ખબર નથી

45. તમે કોની પાસેથી ઉધાર લઈ શકો? (એક થી વધુ જવાબો શક્ય છે.)

સ્રોત	રકમ	વાર્ષિક વ્યાજ
પરિવારના સભ્ય		
મિત્રો		
રોજગારી આપનાર		
સમુદાય/સંસ્થા		
ઉધાર આપનાર વેપારી		
બેંક		

46. આગળના પ્રશ્ન નં. 38 માં જણાવેલી આફત બાદ ઉધાર લીધેલી રકમ વિશે. (એક થી વધુ જવાબો શક્ય છે.)

સ્રોત	રકમ	વાર્ષિક વ્યાજ	કુલ મહિના ભરપાઈના/ ભરપાઈ થઈ ગઈ?
પરિવારના સભ્ય			
મિત્રો			
રોજગારી આપનાર			
સમુદાય/સંસ્થા			
ઉધાર આપનાર વેપારી			
બેંક			

47. આ પૈસાનો ઉપયોગ શેમાં કર્યો?
- ☐ મકાન
- ☐ ઘરવખરીના સાધનો
- ☐ પહેલાંની લોન ભરવા માટે
- ☐ સ્વાસ્થ્ય
- ☐ બાળકોના ભણતર
- ☐ અન્ય
- ☐ ખોરાક
- ☐ રોજગારી
- ☐ બચત
- ☐ અંતિમ વિધિ
- ☐ લગ્ન પ્રસંગ

48. શું તમને લાગે છે કે વીમો આફત બાદના સંજોગોમાં તમારી ઉધાર લેવાની જરૂરિયાત ઘટાડે છે અથવા તો ઉધાર અટકાવે છે?
☐ હા ☐ ના ☐ થોડાક અંશે ☐ ખબર નથી

49. છેલ્લાં દસ વર્ષોમાં આવેલી કોઈપણ આફતના કારણે શું તમારા ઘરના પ્રકારમાં ફેરફાર થયો છે?

પહેલાં	પછી
☐ કાચું મકાન	☐ કાચું મકાન
☐ કાચું-પાકું મકાન	☐ કાચું-પાકું મકાન
☐ પાકું મકાન	☐ પાકું મકાન

50. છેલ્લાં દસ વર્ષોમાં આવેલી કોઈપણ આફતના કારણે શું તમારા શૌચાલયના પ્રકારમાં ફેરફાર થયો છે?

પહેલાં	પછી
☐ ખુલ્લામાં	☐ ખુલ્લામાં
☐ દેશી શૌચાલય (ગટર લાઈન)	☐ દેશી શૌચાલય (ગટર લાઈન)
☐ ખાડ કૂવો (પાણી વગરની વ્યવસ્થા)	☐ ખાડ કૂવો (પાણી વગરની વ્યવસ્થા)
☐ જાહેર શૌચાલય	☐ જાહેર શૌચાલય

51. છેલ્લા ૧૦ વર્ષોમાં શું તમે નીચેનામાંથી કોઈ પણ પ્રવૃત્તિમાં ભાગ લીધો છે?
☐ હા ☐ ના
- ☐ શોધ અને બચાવની તાલીમ
- ☐ સલામત બાંધકામ
- ☐ માઈક્રો ફાઈનાન્સ (સૂક્ષ્મ ધિરાણ)
- ☐ રીવોલ્વીંગ ફંડ
- ☐ પ્રાથમિક સારવારની તાલીમ
- ☐ સમુદાય આધારિત તાલીમ
- ☐ શિક્ષણ/જાગૃતિ સંબંધિત
- ☐ અન્ય : _____

52. છેલ્લાં ૧૦ વર્ષોમાં આફતની અસરને ઘટાડવા તમે અથવા બીજાએ કયાં-કયાં પગલાંઓ લીધેલા છે? (એક થી વધુ જવાબો શક્ય છે.)
- ☐ ઘરની જગ્યાને મજબુત બનાવીએ
- ☐ સલામત વિસ્તારમાં સ્થળાંતર
- ☐ માલ-સામાનની સલામતી
- ☐ સમુદાય ઇન્ફાસ્ટ્રક્ચરમાં બદલાવ
- ☐ ભય/આફત વિશેનું જ્ઞાન
- ☐ બચત ચાલુ રાખી છે
- ☐ અગાઉથી આયોજન
- ☐ બાળકોને જાણકારી
- ☐ આફતનિવારણ માટે જરૂરી સલાહ-સૂચન
- ☐ વીમો
- ☐ રીવોલ્વીંગ ફંડ
- ☐ ઉપરોક્તમાંથી કોઈપણ નહીં

53. હજુ ભવિષ્યમાં શું-શું કરવાની જરૂર છે જેથી આફતની અસરને ઘટાડી શકાય?
- ☐ ઘરની જગ્યાને મજબુત બનાવીએ
- ☐ સલામત વિસ્તારમાં સ્થળાંતર
- ☐ માલ-સામાનની સલામતી
- ☐ સમુદાય ઇન્ફાસ્ટ્રક્ચરમાં બદલાવ
- ☐ ભય/આફત વિશેનું જ્ઞાન
- ☐ બચત ચાલુ રાખી છે
- ☐ અગાઉથી આયોજન
- ☐ બાળકોને જાણકારી
- ☐ આફતનિવારણ માટે જરૂરી સલાહ-સૂચન
- ☐ વીમો
- ☐ રીવોલ્વીંગ ફંડ
- ☐ ઉપરોક્તમાંથી કોઈપણ નહીં

દાવા વિશે

54. શું તમે ક્યારેય દાવો કર્યો છે?
☐ હા ☐ ના
જો ના, તો નાણાંકીય વિભાગના પ્રશ્ન નં. 64 પર જાઓ.

55. આફત વીમા યોજના અંતર્ગત કેવા પ્રકારનો દાવો કરેલો છે? શું તમને દાવાની રકમ મળી?

વર્ષ	દાવાનો પ્રકાર (જીવન, અકસ્માત વગેરે)	દાવાની રકમ, જે ન મળી	રકમ જે મળી	સમયગાળો (દાવાની વિધીમાં)

56. જો દાવાની રકમ ન મળી હોય કે ઓછી મળી હોય તો તેનું કારણ શું?
☐ જરૂરી દસ્તાવેજ ન હોવાથી ☐ દસ્તાવેજ યોગ્ય/સાચાં ન હોવાથી
☐ દસ્તાવેજ બરાબર હતા છતા ઓછા પૈસા મળ્યા ☐ ખબર નથી

57. દાવા અને તેની વિધી અંગે સંસ્થાએ તમને પૂરતી માહિતી આપી હતી?
☐ હા ☐ ના ☐ અંશત:

58. દાવાની મળેલી રકમનો ઉપયોગ શું કર્યો?
☐ ઘર ☐ ખોરાક
☐ ઘરના માલ-સામાનમાં ☐ રોજગારી/ધંધામાં
☐ ઉધાર રકમ આવી ☐ બચત
☐ મેડીકલ ☐ મરણોપરાંત વિધીમાં
☐ બાળકોના શિક્ષણમાં ☐ લગ્નમાં
☐ પહેલાંની લોન ભરવા માટે ☐ અન્ય : _____

59. જો તમને મળેલા દાવાની રકમ પૂરતી ન હતી અથવા કોઈ રકમ ન મળી હોય તેવા સંજોગોમાં તમારે વધારાની રકમ બીજેથી મેળવવી પડી હતી?
☐ હા ☐ ના

60. જો તમે ઉધાર લીધો હોય તો નીચેની જાણકારી આપો. (એક થી વધુ જવાબો શક્ય છે.)

સ્રોત	રકમ	વાર્ષિક વ્યાજ	કુલ મહિના/ભરપાઈ થઈ ગયા છે?
પરિવારનાં સભ્યો			
મિત્ર			
રોજગારી આપનાર			
સમુદાય/સંસ્થા			
વેપારી			
બેંક			
કુલ			

61. દાવાનું ફોર્મ અને વિધી માટે શું તમને મદદની જરૂર પડે છે?
☐ હા ☐ ના

62. શું તમને જરૂરી મદદ મળી ગઈ હતી?
☐ હા ☐ ના

63. દાવાની રકમ તમને કઈ રીતે મળી?
☐ ચેક ☐ રોકડ
☐ બેંક ખાતામાં ટ્રેરબદલ ☐ ખબર નથી

નાણાંકીય

64. ઘરમાં માસિક આવકનો સ્રોત

	ટકાવારી
કૃષિ / પશુપાલન	
રોજગારી	
રોજબરોજની મજૂરી	
ટ્રેડ / ધંધો	
પરદેશથી પૈસા આવે છે.	
નોકરી	
સરકારી કાર્યક્રમ	
અન્ય	
ટોટલ	

65. તમારા ઘરનો માસિક ખર્ચ કેટલો?

66. તમારા કુટુંબની માસિક આવક કેટલી?

67. તમારી આવક કેટલી?

68. તમારા પરિવારની કુલ બચત કેટલી છે?

69. તમારા પરિવારનું કુલ દેવું કેટલું છે?

70. શું તમારું બેંકમાં ખાતું છે?
☐ હા ☐ ના

71. આફત બાદ શું તમે રાહત લેવાનું પસંદ કરો કે વીમા સહાય?
☐ રાહત ☐ વીમો ☐ બંને ☐ અન્ય

72. શું તમે માનો છો કે વીમો હોવો એ લોકોની ગરીબીમાંથી બહાર લાવવાનો એક રસ્તો છે?
☐ ચોક્કસ પણે માનું છું ☐ માનું છું ☐ નથી માનતા
☐ બિલકુલ નથી માનતા ☐ કહી ના શકાય / ખબરનથી

73. મહોમ્મદભાઈએ હમણાં જ તેમની સાઈકલનો વીમો ઉતરાવ્યો છે. શું તમને લાગે છે કે તેમને હવે તેમની સાઈકલની પૂરતી કાળજી ન રાખવી જોઈએ? કેમકે તેમને ખબર છે કે નુકસાન કે ચોરીના સંજોગોમાં તેમને વીમા કંપનીમાંથી પૈસા મળશે?
☐ ચોક્કસ પણે માનું છું ☐ માનું છું ☐ નથી માનતા
☐ બિલકુલ નથી માનતા ☐ કહી ના શકાય / ખબરનથી

74. અન્ય માહિતી / વિચાર / સુચન :

Annex 6: Sample Organization Survey Plan Overview: Basix

Micro-finance Impact Evaluation Survey

Basix Survey

Oct 20-Oct 24, 2008

I. Introduction

A study is being led by the All India Disaster Mitigation Institute (AIDMI) to explore the potential of disaster insurance as a pro-poor risk management tool. It is concerned with the empirical impacts of disaster micro-insurance on the short and long-term economic wellbeing of clients. This review includes 8 intermediary-specific Client Impact Evaluations that will be conducted on existing disaster micro-insurance products that are currently offered in South Asia. Of these 8, Basix is one organization that will be surveyed.

II. Survey Questionnaires

There are two types of surveys to be conducted: i) beneficiary; ii) non-beneficiary. A total of approximately **400** surveys need to be conducted by each organization with 75 percent beneficiary surveys and 25 percent non-beneficiary surveys.

III. Training

Prior to conducting the survey, there will be a one-day training at the organization. The following are activities to be covered:

Monday, October 20

Time	Programme	Responsible	Remarks
TBD	Opening and introductions	Basix	▪ everybody introduces themselves ▪ notebooks, pens
	Objective and scope of the study	Basix, Rakhi	▪ purpose to get a general idea about the utility of the intervention ▪ helps to make higher level decisions based on data ▪ - social mapping
	Surveying plan	Rakhi	▪ Maps ▪ Discussion on area and projects ▪ Types of groups to be covered: control/beneficiary ▪ Workplan for each group ▪ Symbols for maps ▪ Random sampling technique ▪ - coverage of various issues
	Logistic	Rakhi, Basix	▪ Geographic location of teams

	arrangements		▪ Language of teams ▪ Group composition: leader, documentation, translator, ***camera*** ▪ Transportation and timing ▪ - Contact information sheet with mobiles, address, team photocopy and distribute
2:30-2.45	Tea break		
	Discussion on questionnaires	Rakhi, Basix	▪ Designation of corrector for translation ▪ IDs ▪ Approximate timing for reach questionnaire ▪ explain the cycle ▪ General dos and donts on surveying ▪ Etiquette and rights of community ▪ Facilitate discussion ▪ Encourage participation ▪ Do not teach or preach ▪ Do not raise expectations ▪ Make party comfortable and try to bridge gaps ▪ Make sure people are not conscious ▪ Not experts – just enumerators ▪ Given to individuals if they ask for it ▪ introduction before the questionnaire ▪ Add corrections ▪ Contact information sheet ▪ Problems that can occur ▪ Questions
	Inputting mechanism	Rakhi, Basix	▪ online site for input of results
	Pre-testing of questionnaire in the field	All	▪ Arrange transportation ▪ Groups of 2 – interviews ▪ Designate note taker for changes ▪ Designate time keeper
	Feedback from the group members after pre-testing	All	▪ Time for each survey ▪ Discussion ▪ Corrections
Whatever revisions will be provided		Rakhi,	

the next morning.	designated translator	

IV. Survey area

Based on discussion with the organization and location of beneficiaries, areas will be selected for the interview. The survey team will employ random sampling techniques to choose both the clients and non-clients/control group. In doing so, however, the following factors will be taken into consideration for greater representation:

For beneficiaries/clients:

- Male vs. Females
- Urban vs. Rural
- Pukka house vs. Kuccha house
- Under 40 years old vs. Above 40 years old
- Highly disaster prone vs. Other areas
- Pre-2007 joining vs. 2007-present
- Claims vs. Non-claims

For non-beneficiaries/control:

- Male vs. Females
- Urban vs. Rural
- Pukka house vs. Kuccha house
- Under 40 years old vs. Above 40 years old
- Highly disaster prone vs. Other areas

V. Responsibilities of organization

As part of the evaluation, the organization will be required to provide the following information prior to the study visit:

- Geographical breakdown of beneficiaries including a map of areas of work and location of insured members
- List of available volunteers including name, contact information, location (community, district)
- Tentative dates to conduct survey
- Number of days available for survey
- Documentation on the following: i) organization and historical background; ii) salient features of the insurance scheme; iii)
- Breakdown of insured members including: i) total number of beneficiaries; ii) year-to-year growth; iii) number of male/females; iv) urban/rural differentiation; v) other available information on beneficiaries
- Vulnerability maps for survey area
- Policy details and definitions
- Claims database details
- Information on any claim disputes

Translation and formatting:

- Translation of survey into local language beforehand; revision after discussion with Survey lead and teams
- Formatting of local language survey
- Translation of introduction letter and other relevant forms for use in field

Photocopies:

- The organization will be required to make photocopies of all relevant documentation involved in the study

Survey Staff:

- A minimum of 7 full-time staff to complete the survey during the study period or after (to be discussed and agreed upon)
- Coverage of costs of staff surveying including but not limited to the following:
    - Staff working time
    - Transportation to field
    - Accommodation
    - Communication
    - Other related expenditure

Inputting

- One day training of survey staff for inputting of results
- Designated staff for web-input of survey results by individuals or by organization
- Cross-checking of survey inputting

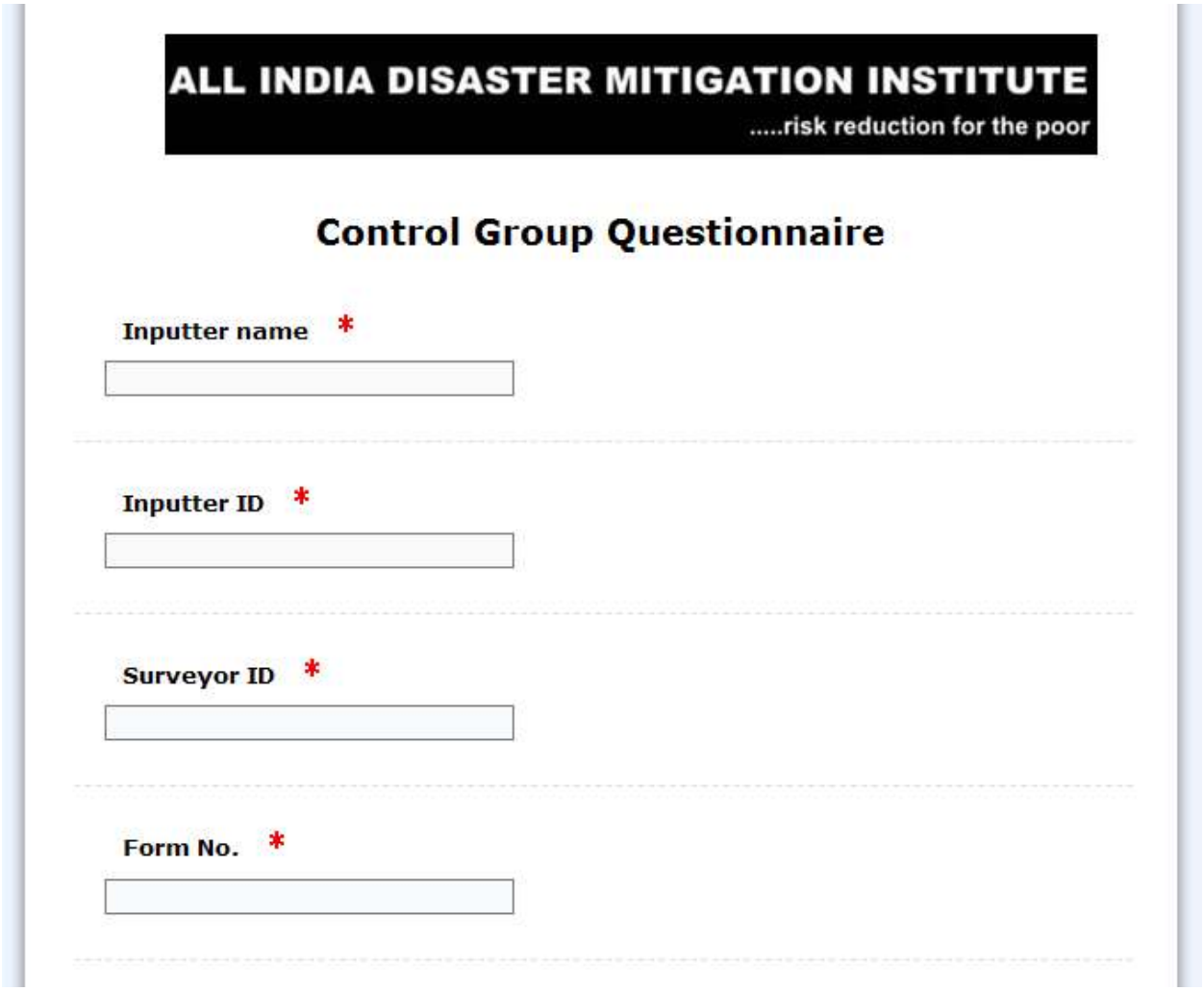
VI. Remuneration

For fulfilling the aforementioned responsibilities, the organization will be paid a lump sum amount of US$3000 disbursed upon the following schedule:

- 50 percent (US$1500) upon completion of the surveys and inputting on online system
- 50 percent (US$1500) upon completion of the evaluation (February 2008)

The following amount will be transferred to the organization's bank account upon receipt of details.

Annex 7: Online survey input form (excerpt)



ALL INDIA DISASTER MITIGATION INSTITUTE

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Control Group Questionnaire

Inputter name *

Inputter ID *

Surveyor ID *

Form No. *

Surveyor Name *

Urban or Rural *

- ○ Urban
- ○ Rural

Country *

State *

District *

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