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

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AIDMI</td>
<td>All India Disaster Mitigation Institute</td>
</tr>
<tr>
<td>BPL</td>
<td>Below the Poverty Line</td>
</tr>
<tr>
<td>DRR</td>
<td>Disaster Risk Reduction</td>
</tr>
<tr>
<td>DRM</td>
<td>Disaster Risk Management</td>
</tr>
<tr>
<td>GSDMA</td>
<td>Gujarat State Disaster Management Agency</td>
</tr>
<tr>
<td>IIASA</td>
<td>International Institute for Applied Systems Analysis</td>
</tr>
<tr>
<td>OBC</td>
<td>Other Backward Castes</td>
</tr>
<tr>
<td>RRTI</td>
<td>Regional Risk Transfer Initiative</td>
</tr>
<tr>
<td>SEWA</td>
<td>Self-Employment Women’s Association</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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</tbody>
</table>


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.
<table>
<thead>
<tr>
<th>Name</th>
<th>Risks covered</th>
<th>Pricing: premium to coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proshika Scheme 1</td>
<td>Savings</td>
<td>50%</td>
</tr>
<tr>
<td>Proshika Scheme 2</td>
<td>Loan</td>
<td>48%</td>
</tr>
<tr>
<td>AIDMI</td>
<td>Life, property and contents</td>
<td>&lt; 1%</td>
</tr>
<tr>
<td>Yasiru</td>
<td>Life</td>
<td>2%</td>
</tr>
<tr>
<td>BASIX Scheme 1</td>
<td>Property</td>
<td>1%</td>
</tr>
<tr>
<td>BASIX Scheme 2</td>
<td>Crops</td>
<td>9%</td>
</tr>
<tr>
<td>SEWA</td>
<td>Crops</td>
<td>10%</td>
</tr>
</tbody>
</table>

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.

![Premium as a percentage of coverage](image)

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.

![Premium in percentage of annual household income](image)

**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 (%)](image)

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. 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.

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.

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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. 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:
<table>
<thead>
<tr>
<th></th>
<th>1 month (60 respondents, 44%)</th>
<th>2 months (35 respondents, 26%)</th>
<th>3 months (40 respondents, 30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>65%</td>
<td>17%</td>
<td>45%</td>
</tr>
<tr>
<td>Housing</td>
<td>50%</td>
<td></td>
<td>12%</td>
</tr>
<tr>
<td>Livelihood</td>
<td>25%</td>
<td>17%</td>
<td>46%</td>
</tr>
<tr>
<td>Medical expenses</td>
<td>10%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td></td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td>24%</td>
</tr>
</tbody>
</table>

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

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](image)

**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. 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.

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.

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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 catastrphic events in South Asia to the amount of annual budgetary appropriations for emergencies in 2008-2009.

<table>
<thead>
<tr>
<th>Event</th>
<th>Economic Loss ($ millions)</th>
<th>Available disaster funding ($ millions)</th>
<th>Ratio of (1) to (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh Cyclone Sidr (2007)</td>
<td>1675</td>
<td>117</td>
<td>14.3</td>
</tr>
<tr>
<td>Pakistan Earthquake (2005)</td>
<td>5490</td>
<td>54.26</td>
<td>101.2</td>
</tr>
<tr>
<td>Gujarat Earthquake (2001)</td>
<td>3491</td>
<td>790</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Table 3. Economic Losses from Recent Catastrophic Events vs. Available Government Funding

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

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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

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 equally 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.

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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

<table>
<thead>
<tr>
<th>Security for loss of assets (households/businesses)</th>
<th>Food security for crops/livestock loss (farms)</th>
<th>Security for relief and reconstruction (governments)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-disaster (ex-post)</td>
<td>sale of productive assets, food aid</td>
<td>diversions; loans from World Bank and other IFIs</td>
</tr>
<tr>
<td>Pre-disaster (ex-ante)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-market</td>
<td>kinship arrangements</td>
<td>voluntary mutual arrangements</td>
</tr>
<tr>
<td>Inter-temporal</td>
<td>micro-savings</td>
<td>food storage</td>
</tr>
<tr>
<td>Market-based risk transfer</td>
<td>property and life insurance</td>
<td>crop and livestock insurance (also index based)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>insurance or catastrophe bonds (also index based)</td>
</tr>
</tbody>
</table>

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

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

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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.”

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<table>
<thead>
<tr>
<th>Box 4. Microinsurance, insurability and provider models</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Consultative Group to Assist the Poor (2003) defines microinsurance taking a demand side perspective:</td>
</tr>
<tr>
<td>“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.”</td>
</tr>
<tr>
<td>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).</td>
</tr>
<tr>
<td>From a supply-side, provider perspective, Brown and Churchill (2000) list the following conditions for insurability:</td>
</tr>
<tr>
<td>A large number of similar units exposed to the risk;</td>
</tr>
<tr>
<td>• Limited policy holder control over the insured event;</td>
</tr>
<tr>
<td>• Insurable interest;</td>
</tr>
<tr>
<td>• Losses are determinable and measurable;</td>
</tr>
<tr>
<td>• Losses should not be catastrophic;</td>
</tr>
<tr>
<td>• Chance of loss is calculable; and</td>
</tr>
<tr>
<td>• Premiums are economically affordable.</td>
</tr>
<tr>
<td>As identified by Cohen and McCord (2003), there are four institutional models for providing microinsurance.</td>
</tr>
<tr>
<td>▪ <strong>Community-based model:</strong> 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.</td>
</tr>
<tr>
<td>▪ <strong>Full service model:</strong> Commercial or public insurers provide the full range of insurance services.</td>
</tr>
<tr>
<td>▪ <strong>Provider model:</strong> 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.</td>
</tr>
<tr>
<td>▪ <strong>Partner-agent model:</strong> 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.</td>
</tr>
<tr>
<td>Source: Mechler, Linnerooth-Bayer and Peppiatt, 2006</td>
</tr>
</tbody>
</table>

**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.\textsuperscript{12}

\begin{center}
\includegraphics[width=\textwidth]{figure8.png}
\end{center}

\textbf{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.\textsuperscript{13}

\textsuperscript{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 loses. 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.  

**Protection vs. promotion**

Hess introduces an interesting distinction between protection and promotion models. 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.

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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

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


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, no changes in farming practice were reported, although higher-risk, higher-yield methods of farming were anticipated as a result of financial protection.

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.

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.

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).


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.”

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.

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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 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 don’t’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](http://www.surveygizmo.com/s/81267/control-group-questionnaire)

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, kurtosis, 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, lightning, 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

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

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

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

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

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

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.” 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.

---

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.

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Remittances</th>
<th>Husbandry/ Farming</th>
<th>Wage labour</th>
<th>Trade/ Business</th>
<th>Service job</th>
<th>Government programme</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>26.28</td>
<td>54.28</td>
<td>47.93</td>
<td>44.66</td>
<td>52.26</td>
<td>17.87</td>
<td>25.78</td>
</tr>
<tr>
<td>Median</td>
<td>20.00</td>
<td>50.00</td>
<td>50.00</td>
<td>50.00</td>
<td>50.00</td>
<td>10.00</td>
<td>25.00</td>
</tr>
<tr>
<td>Mode</td>
<td>10</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Skewness</td>
<td>1.345</td>
<td>.201</td>
<td>.124</td>
<td>.076</td>
<td>.078</td>
<td>2.434</td>
<td>.450</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.984</td>
<td>-1.336</td>
<td>-.973</td>
<td>-1.043</td>
<td>-1.018</td>
<td>6.396</td>
<td>-.930</td>
</tr>
</tbody>
</table>

Table 9. Main sources of income for clients in percentage
Table 10: Non-parametric tests between insured and control group regarding sources of income

<table>
<thead>
<tr>
<th></th>
<th>Remittances</th>
<th>Animal husbandry/farming</th>
<th>Wage Labour</th>
<th>Trade/Business</th>
<th>Service job</th>
<th>Government Programme</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mann-Whitney U</td>
<td>232,000</td>
<td>87582,000</td>
<td>77530,500</td>
<td>40032,000</td>
<td>9943,000</td>
<td>1475,500</td>
<td>730,500</td>
</tr>
<tr>
<td>Wilcoxon W</td>
<td>298,000</td>
<td>115785,000</td>
<td>100321,500</td>
<td>173935,000</td>
<td>40324,000</td>
<td>4103,500</td>
<td>961,500</td>
</tr>
<tr>
<td>Z</td>
<td>-2.137</td>
<td>-1.588</td>
<td>-1.071</td>
<td>-4.085</td>
<td>-5.26</td>
<td>-1.631</td>
<td>0.003</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>0.033</td>
<td>0.556</td>
<td>0.284</td>
<td>0.000</td>
<td>0.599</td>
<td>0.997</td>
<td>0.103</td>
</tr>
</tbody>
</table>

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.”

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.

<table>
<thead>
<tr>
<th></th>
<th>AIDMI</th>
<th>BASIX</th>
<th>YASIRU</th>
<th>PROSHIKA</th>
<th>SEWA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>65</td>
<td>65</td>
<td>70</td>
<td>87</td>
<td>60</td>
</tr>
<tr>
<td>Family Income</td>
<td>76</td>
<td>130</td>
<td>70</td>
<td>101</td>
<td>56</td>
</tr>
<tr>
<td>Income</td>
<td>54</td>
<td>76</td>
<td>44</td>
<td>72</td>
<td>11</td>
</tr>
<tr>
<td>Debt</td>
<td>46</td>
<td>434</td>
<td>17</td>
<td>101</td>
<td>109</td>
</tr>
<tr>
<td>Savings as</td>
<td>11</td>
<td>54</td>
<td>0</td>
<td>14</td>
<td>0</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th></th>
<th>Insured Group</th>
<th>Control Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean</strong></td>
<td>68</td>
<td>66</td>
</tr>
<tr>
<td><strong>Std. Deviation</strong></td>
<td>104</td>
<td>111</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>20</td>
<td>25</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Group</td>
<td>120</td>
<td>264</td>
<td>31649</td>
</tr>
<tr>
<td>Insured Group</td>
<td>424</td>
<td>275</td>
<td>116591</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>One Disaster experience (total number is 230)</th>
<th>More than one disaster experience (total number is 70)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Savings: Mean (std. Dev.)</strong></td>
<td>$79 ($360)</td>
<td>$13 ($20)</td>
</tr>
<tr>
<td><strong>Savings: Median</strong></td>
<td>$10</td>
<td>$4.37</td>
</tr>
<tr>
<td><strong>Debt: Mean</strong></td>
<td>$164 ($189)</td>
<td>$98 ($177)</td>
</tr>
<tr>
<td><strong>Debt: Median</strong></td>
<td>$87</td>
<td>$44</td>
</tr>
</tbody>
</table>
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).

<table>
<thead>
<tr>
<th>Item</th>
<th>Percentage (Yes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td>13</td>
</tr>
<tr>
<td><strong>Food</strong></td>
<td><strong>44</strong></td>
</tr>
<tr>
<td>Household items</td>
<td>18</td>
</tr>
<tr>
<td><strong>Livelihood-related</strong></td>
<td><strong>30</strong></td>
</tr>
<tr>
<td>Lending money</td>
<td>1</td>
</tr>
<tr>
<td><strong>Savings</strong></td>
<td><strong>23</strong></td>
</tr>
<tr>
<td>Medical</td>
<td>6</td>
</tr>
<tr>
<td>Funeral</td>
<td>0</td>
</tr>
<tr>
<td>Children education</td>
<td>12</td>
</tr>
<tr>
<td>Marriage</td>
<td>1</td>
</tr>
<tr>
<td>Repay previous loan</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Name</th>
<th>Risks covered</th>
<th>Pricing: premium to coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proshika Scheme 1</td>
<td>Savings</td>
<td>50%</td>
</tr>
<tr>
<td>Proshika Scheme 2</td>
<td>Loan</td>
<td>48%</td>
</tr>
<tr>
<td>AIDMI</td>
<td>Life, property and contents</td>
<td>&lt; 1%</td>
</tr>
<tr>
<td>Yasiru</td>
<td>Life</td>
<td>2%</td>
</tr>
<tr>
<td>BASIX Scheme 1</td>
<td>Property</td>
<td>1%</td>
</tr>
<tr>
<td>BASIX Scheme 2</td>
<td>Crops</td>
<td>9%</td>
</tr>
<tr>
<td>SEWA</td>
<td>Crops</td>
<td>10%</td>
</tr>
</tbody>
</table>

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.](image-url)
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.

<table>
<thead>
<tr>
<th></th>
<th>Insured Group</th>
<th>Control Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td>Tent</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Livelihood</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Medicine</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Food</td>
<td>24</td>
<td>19</td>
</tr>
<tr>
<td>Utensils</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Stove</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Medical care</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Housing</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Nothing</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Blankets</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Insured Group</th>
<th>Control Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>NGO</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>Political Organization</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Community</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Religious organization</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Government</td>
<td>26</td>
<td>23</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>1 month (60 respondents, 44%)</th>
<th>2 months (35 respondents, 26%)</th>
<th>3 months (40 respondents, 30%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>65%</td>
<td>17%</td>
<td>45%</td>
</tr>
<tr>
<td>Housing</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Livelihood</td>
<td>25%</td>
<td>17%</td>
<td>46%</td>
</tr>
<tr>
<td>Medical expenses</td>
<td>10%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td></td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td>24%</td>
</tr>
</tbody>
</table>

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

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.

<table>
<thead>
<tr>
<th>Yes</th>
<th>Good Company</th>
<th>49</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Service</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Compulsory</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Needed</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Recommended</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Help get a loan</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>More disaster in future</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Don’t know</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>No</strong></td>
<td>Affordability</td>
<td>1</td>
</tr>
<tr>
<td>Misleading</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td><strong>Not needed</strong></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Forced to take</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>No money</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>claim related</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>1. Information received on</th>
<th>Somewhat satisfied</th>
<th>Satisfied</th>
<th>Somewhat dissatisfied</th>
<th>Dissatisfied</th>
<th>Not applicable/don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10</td>
<td>79</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
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.

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 \( V = 0.146 \), \( p = 0.000 \).

**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.

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

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?**

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

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

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.

<table>
<thead>
<tr>
<th>Item</th>
<th>Insured Group (Yes percentage)</th>
<th>Control Group (Yes percentage)</th>
<th>Significance, p-value (Chi-Square test)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinforcing</td>
<td>24</td>
<td>57</td>
<td><strong>.000</strong></td>
</tr>
<tr>
<td>Moving</td>
<td>8</td>
<td>0</td>
<td><strong>.000</strong></td>
</tr>
<tr>
<td>Safeguarding</td>
<td>6</td>
<td>0</td>
<td><strong>.000</strong></td>
</tr>
<tr>
<td>Community changes</td>
<td>3</td>
<td>0</td>
<td><strong>.000</strong></td>
</tr>
<tr>
<td>Learning</td>
<td>5</td>
<td>0</td>
<td><strong>.000</strong></td>
</tr>
<tr>
<td>None of the above</td>
<td>4</td>
<td>0</td>
<td><strong>.000</strong></td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>.578</td>
</tr>
</tbody>
</table>
Table 27: What changes have been done by you or anyone over the last 10 years to reduce the impact of disasters?

<table>
<thead>
<tr>
<th>Keeping savings</th>
<th>25</th>
<th>14</th>
<th>.000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning in advance</td>
<td>8</td>
<td>0</td>
<td>.000</td>
</tr>
<tr>
<td>Explaining to kids</td>
<td>5</td>
<td>0</td>
<td>.000</td>
</tr>
<tr>
<td>Advocating</td>
<td>4</td>
<td>0</td>
<td>.000</td>
</tr>
<tr>
<td>Insurance</td>
<td>30</td>
<td>0</td>
<td>.000</td>
</tr>
<tr>
<td>Revolving fund</td>
<td>10</td>
<td>0</td>
<td>.000</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Insured Group</th>
<th>Control Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overlap</td>
<td>Overlap</td>
</tr>
<tr>
<td>Reinforcing parts of home</td>
<td>68</td>
</tr>
<tr>
<td>Moving to safer area</td>
<td>58</td>
</tr>
<tr>
<td>Safeguarding belongings</td>
<td>32</td>
</tr>
<tr>
<td>Community infrastructure changes</td>
<td>23</td>
</tr>
<tr>
<td>Learning about your risk</td>
<td>21</td>
</tr>
<tr>
<td>None of the above</td>
<td>79</td>
</tr>
<tr>
<td>Other</td>
<td>25</td>
</tr>
<tr>
<td>Keeping savings</td>
<td>76</td>
</tr>
<tr>
<td>Planning in advance</td>
<td>37</td>
</tr>
<tr>
<td>Explaining to kids</td>
<td>32</td>
</tr>
<tr>
<td>Advocating for disaster risk reduction</td>
<td>24</td>
</tr>
<tr>
<td>Insurance</td>
<td>88</td>
</tr>
<tr>
<td>Revolving fund</td>
<td>60</td>
</tr>
</tbody>
</table>
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 as 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.

<table>
<thead>
<tr>
<th>Before/After</th>
<th>Kuccha (total: 442)</th>
<th>Semi-Pukka (total: 170)</th>
<th>Pukka (total: 101)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuccha</td>
<td>62</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Semi-Pukka</td>
<td>18</td>
<td>66</td>
<td>3</td>
</tr>
<tr>
<td>Pukka</td>
<td>20</td>
<td>32</td>
<td>96</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Before/After</th>
<th>Open Defecation</th>
<th>Tube well</th>
<th>Pit latrine</th>
<th>Public toilet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Defecation (332)</td>
<td>51</td>
<td>9</td>
<td>35</td>
<td>4</td>
</tr>
<tr>
<td>Tube well (105)</td>
<td>1</td>
<td>84</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>Pit latrine (258)</td>
<td>0</td>
<td>4</td>
<td>95</td>
<td>1</td>
</tr>
<tr>
<td>Public toilet (3)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Before/After</th>
<th>Kuccha</th>
<th>Semi-Pukka</th>
<th>Pukka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuccha (total: 371)</td>
<td>62</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>Semi-Pukka (50)</td>
<td>0</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>Pukka (25)</td>
<td>4</td>
<td>96</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Before/After</th>
<th>Open Defecation</th>
<th>Tube well</th>
<th>Pit latrine</th>
<th>Public toilet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Defecation (65)</td>
<td>66</td>
<td>11</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>Tube well (36)</td>
<td>0</td>
<td>75</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td>Pit latrine (57)</td>
<td>2</td>
<td>2</td>
<td>97</td>
<td>0</td>
</tr>
<tr>
<td>Public toilet (1)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
</tr>
</tbody>
</table>

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:

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

Table 33: Involvement in disaster risk reduction activities.
### 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?”

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

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.

<table>
<thead>
<tr>
<th>Percent yes of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Kind of / maybe</td>
</tr>
<tr>
<td>No answer</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Always knew</td>
</tr>
<tr>
<td>Life/Acc</td>
<td>35</td>
</tr>
<tr>
<td>Funeral</td>
<td>4</td>
</tr>
<tr>
<td>Heath/Crop/livelihood</td>
<td>5</td>
</tr>
<tr>
<td>Shelter</td>
<td>3</td>
</tr>
<tr>
<td>Assets</td>
<td>2</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Expected Count</th>
<th>% within V24</th>
<th>% within V44</th>
<th>Count</th>
<th>Expected Count</th>
<th>% within V24</th>
<th>% within V44</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Poverty Line No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
<td>45</td>
<td>148</td>
<td>193</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31</td>
<td>185</td>
<td>216</td>
<td></td>
<td>40.1</td>
<td>175.9</td>
<td>216.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14.4%</td>
<td>85.6%</td>
<td>100.0%</td>
<td></td>
<td>40.8%</td>
<td>55.6%</td>
<td>52.8%</td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td>45</td>
<td>148</td>
<td>193</td>
<td></td>
<td>35.9</td>
<td>157.1</td>
<td>193.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>23.3%</td>
<td>76.7%</td>
<td>100.0%</td>
<td></td>
<td>59.2%</td>
<td>44.4%</td>
<td>47.2%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>76</td>
<td>333</td>
<td>409</td>
<td></td>
<td>76.0</td>
<td>333.0</td>
<td>409.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18.6%</td>
<td>81.4%</td>
<td>100.0%</td>
<td></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Table 30. Chi-square tests for poverty analysis.

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>5.414</td>
<td>1</td>
<td>.020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction²</td>
<td>4.837</td>
<td>1</td>
<td>.028</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>5.419</td>
<td>1</td>
<td>.020</td>
<td>.022</td>
<td>.014</td>
</tr>
<tr>
<td>Fisher’s Exact Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>409</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Computed only for a 2x2 table
b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 35.

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.

<table>
<thead>
<tr>
<th></th>
<th>Percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>31.9</td>
</tr>
<tr>
<td>Joining</td>
<td>17.5</td>
</tr>
<tr>
<td>Both</td>
<td>30.9</td>
</tr>
<tr>
<td>None</td>
<td>7.7</td>
</tr>
<tr>
<td>No Answer</td>
<td>12.2</td>
</tr>
</tbody>
</table>

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.

Coverage

Coverage: $1,560 (maximum)

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum liability for lost life</td>
<td>Rs. 20,000 ($416)</td>
</tr>
<tr>
<td>Maximum liability for damage to house</td>
<td>Rs 10,000 ($208)</td>
</tr>
<tr>
<td>Maximum liability for damage to house contents</td>
<td>Rs 10,000 ($208)</td>
</tr>
<tr>
<td>Maximum liability for stock-in-trade</td>
<td>Rs. 10,000 ($208)</td>
</tr>
<tr>
<td>Maximum liability for personal accident</td>
<td>Rs. 25,000 ($520)</td>
</tr>
<tr>
<td>Total Coverage</td>
<td>Rs. 75,000 ($1560)</td>
</tr>
</tbody>
</table>
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 business men (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:

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

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:

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

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.
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.

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.
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)

<table>
<thead>
<tr>
<th>Urban/rural</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured</td>
<td>90 (25.8%)</td>
<td>259 (74.2%)</td>
</tr>
<tr>
<td>Control</td>
<td>30 (26%)</td>
<td>85 (74%)</td>
</tr>
</tbody>
</table>

Age distribution

<table>
<thead>
<tr>
<th>Age range</th>
<th>Client</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-24</td>
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<td>25-29</td>
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<td>30-34</td>
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<td>40-44</td>
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<td>45-49</td>
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<td></td>
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</tr>
<tr>
<td>55-59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Gender distribution of people interviewed (%)

- Male:
  - Insured: 65.8%
  - Control: 78.8%

- Female:
  - Insured: 34.2%
  - Control: 21.2%

Caste distribution of people interviewed (%)

- General:
  - Insured: 55.6%
  - Control: 26%

- OBC:
  - Insured: 24.8%
  - Control: 4.1%

- Scheduled tribe:
  - Insured: 1.8%
  - Control: 14.3%

- Scheduled caste:
  - Insured: 8.8%
  - Control: 8.8%

Client Household below Poverty Line

- Yes
- No
- Unclassifiable
- Don't know

Number of people in client household

<table>
<thead>
<tr>
<th>Number of people in client household</th>
<th>No. of households</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td></td>
</tr>
<tr>
<td>3-4</td>
<td></td>
</tr>
<tr>
<td>5-6</td>
<td></td>
</tr>
<tr>
<td>7-8</td>
<td></td>
</tr>
<tr>
<td>9-10</td>
<td></td>
</tr>
<tr>
<td>11+</td>
<td></td>
</tr>
</tbody>
</table>

No. of households: 349, No. of people: 464
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, Maharasra, 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

---

**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 (US$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.
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 Mahahubnagar 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:

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured</td>
<td>261 (79%)</td>
<td>69 (21%)</td>
</tr>
<tr>
<td>Control</td>
<td>31 (22%)</td>
<td>64 (78%)</td>
</tr>
</tbody>
</table>

Age distribution

<table>
<thead>
<tr>
<th>Age Distribution</th>
<th>Client</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19</td>
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<td>20-24</td>
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<tr>
<td>55-59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.
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 through 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:

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured</td>
<td>307 (99.3%)</td>
<td>2 (0.7%)</td>
</tr>
<tr>
<td>Control</td>
<td>97 (100%)</td>
<td>0 (0%)</td>
</tr>
</tbody>
</table>

Age distribution

Client Household below Poverty Line*

Number of people in client household

* Self-reported
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](http://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 (*varsadivimo*). 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.

---

**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.
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.

### 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.
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:**

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured</td>
<td>338 (99.4%)</td>
<td>2 (0.6%)</td>
</tr>
<tr>
<td>Control</td>
<td>117 (99.2%)</td>
<td>1 (0.8%)</td>
</tr>
</tbody>
</table>

**Age distribution**

* 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](http://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:**

<table>
<thead>
<tr>
<th>Premium per policyholder</th>
<th>Monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex: monthly premium Rs. 100/-</td>
<td>100*12</td>
<td>1200.00</td>
</tr>
<tr>
<td>Annual membership/renewal fees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Partner Organization fee 25% from Premium</td>
<td>25.00*12</td>
<td>300.00</td>
</tr>
<tr>
<td>PMU fee 25% from Premium</td>
<td>25.00*12</td>
<td>300.00</td>
</tr>
<tr>
<td>Yasilu Income 50%</td>
<td>50.00*12</td>
<td>600.00</td>
</tr>
<tr>
<td>Total Yasilu &amp; PMU 75%</td>
<td>75.00*12</td>
<td>900.00</td>
</tr>
</tbody>
</table>

#### Financials

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

**Total payout (2009):** 1,710,218

**Amount collected history:**

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

#### 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 Yasilu which settles the claim and issues a cheque to the Partner organization that in turn pay the member.

**Who processes claims:** Yasilu PMU

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

**Claims and payouts history:**

<table>
<thead>
<tr>
<th>Fin. Year</th>
<th>No. of Claims</th>
<th>Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>422</td>
<td>Rs. 827,292.50</td>
</tr>
<tr>
<td>2005</td>
<td>744</td>
<td>Rs. 1,193,980.00</td>
</tr>
<tr>
<td>2006</td>
<td>1368</td>
<td>Rs. 2,102,275.00</td>
</tr>
<tr>
<td>2007</td>
<td>1312</td>
<td>Rs. 2,293,400.00</td>
</tr>
<tr>
<td>2008</td>
<td>710</td>
<td>Rs. 1,811,248.00</td>
</tr>
<tr>
<td>2009</td>
<td>418</td>
<td>Rs. 1,710,218.32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4880</strong></td>
<td><strong>Rs. 9,950,863.82</strong></td>
</tr>
</tbody>
</table>

**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:

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insured</td>
<td>304 (100%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Control</td>
<td>102 (100%)</td>
<td>0 (0%)</td>
</tr>
</tbody>
</table>

Age distribution

Number of people in client household

Gender distribution of people interviewed (%)

Client Household below Poverty Line*

* Self-reported
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

<table>
<thead>
<tr>
<th>Questions</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Socio-economic Profile</strong></td>
<td></td>
</tr>
<tr>
<td>Where are clients located?</td>
<td>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.</td>
</tr>
<tr>
<td>What is the average size of a household?</td>
<td>There are an average of 4 people and 2 children per household. This is the same for the control group.</td>
</tr>
<tr>
<td>Are there gender differences?</td>
<td>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.</td>
</tr>
<tr>
<td>Who is the breadwinner?</td>
<td>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.</td>
</tr>
<tr>
<td>What are the literacy rates?</td>
<td>Participants of microinsurance schemes have the same self-reported literacy rates as their counterparts in the control group at 70 percent.</td>
</tr>
<tr>
<td>What are the education levels of clients?</td>
<td>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.</td>
</tr>
<tr>
<td>What caste and religion are clients?</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>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</td>
</tr>
<tr>
<td>Questions</td>
<td>Results</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>How many people have bank accounts?</td>
<td>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.</td>
</tr>
<tr>
<td>Are there important differences in rural vs. urban clients?</td>
<td>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.</td>
</tr>
<tr>
<td>Is disaster microinsurance taken by people in particular trades rather than others?</td>
<td>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.</td>
</tr>
</tbody>
</table>

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

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

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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.
<table>
<thead>
<tr>
<th>Questions</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>control group it was 43 percent.</td>
<td>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.</td>
</tr>
<tr>
<td>What are levels of savings and debt?</td>
<td>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.</td>
</tr>
<tr>
<td>Microinsurance clients have savings of approximately $4 for the median and for the control group, it is around $9.</td>
<td></td>
</tr>
<tr>
<td>Is there a debt trap that clients are stuck in?</td>
<td>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).</td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>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:</td>
<td></td>
</tr>
<tr>
<td>- 29 percent from money lenders with the most common interest rate of 36 percent</td>
<td></td>
</tr>
<tr>
<td>- 22 percent from community or an organization (22 percent) with an average interest rate of 12 percent</td>
<td></td>
</tr>
<tr>
<td>- 12 percent from Banks with interest rates ranging between 2 and 6 percent in the majority of cases</td>
<td></td>
</tr>
<tr>
<td>- 11 percent from friends with the most common interest rate of 3 percent</td>
<td></td>
</tr>
<tr>
<td>- 5 percent from family (no interest rates could be</td>
<td></td>
</tr>
<tr>
<td>Questions</td>
<td>Results</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>calculated)</td>
<td>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.</td>
</tr>
<tr>
<td>Is there a perception that insurance is a way to reduce the poverty?</td>
<td>What does emerge is a sense of high risk of indebtedness over a long period of time and need for additional insurance coverage.</td>
</tr>
<tr>
<td>Is there a perception that insurance can help clients get out of the poverty trap following a disaster?</td>
<td>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.</td>
</tr>
<tr>
<td>Can disaster microinsurance be said to help people in recovering faster in comparison with non-clients?</td>
<td>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.</td>
</tr>
<tr>
<td>Can disaster microinsurance be said to help people in recovering faster in comparison with non-clients?</td>
<td>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.</td>
</tr>
<tr>
<td>Over time, is there any difference in welfare for clients suffering from multiple disasters while they have microinsurance?</td>
<td>The high level of days off may be correlated with when individuals finally receive claims money which has ranged from 1-3 months.</td>
</tr>
<tr>
<td>Over time, is there any difference in welfare for clients suffering from multiple disasters while they have microinsurance?</td>
<td>Analysis yielded no significant changes in welfare (as measured through savings and debt) for microinsurance clients suffering from multiple disasters while they were insured.</td>
</tr>
<tr>
<td>Over time, is there any difference in welfare for clients suffering from multiple disasters while they have microinsurance?</td>
<td>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.</td>
</tr>
<tr>
<td>What is the opportunity cost for A reduction in consumption and livelihood-related spending</td>
<td>A reduction in consumption and livelihood-related spending</td>
</tr>
<tr>
<td>Questions</td>
<td>Results</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>microinsurance?</td>
<td>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).</td>
</tr>
<tr>
<td><strong>III. Features of Microinsurance Programs</strong></td>
<td></td>
</tr>
<tr>
<td>Is the premium that is being charged the right amount?</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>Is microinsurance being offered in disaster affected areas where there are other recovery mechanisms or are there cases where there is only insurance?</td>
<td>Disaster microinsurance clients reported slightly higher access to recovery aids such as cash and food in comparison with their counterparts in the control group. NGO’s and the government were important providers of these aids for both clients and the control group.</td>
</tr>
<tr>
<td>At what stage after a disaster are people getting claims money? Is this influencing where they spend the money?</td>
<td>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.</td>
</tr>
<tr>
<td>Is the claims money being spent primarily on what the claim was made for?</td>
<td>Most often, the money from claims were used for what they were insured for.</td>
</tr>
<tr>
<td>Is the amount received after a claim adequate?</td>
<td>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.</td>
</tr>
<tr>
<td>Questions</td>
<td>Results</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Do clients like the programs but are there difficulties in the claims process?</td>
<td>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.</td>
</tr>
<tr>
<td>Is money thought to be the right thing to be giving after a disaster?</td>
<td>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.</td>
</tr>
<tr>
<td>If the insured wish to have additional coverage, can they afford it?</td>
<td>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.</td>
</tr>
<tr>
<td>Do clients feel the need to insure others in the family? What types of insurance?</td>
<td>Many responded that life and health insurance seemed especially important for all people in the family, followed by children.</td>
</tr>
<tr>
<td>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?</td>
<td>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.</td>
</tr>
<tr>
<td>IV. Disaster Risk Reduction</td>
<td>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.</td>
</tr>
<tr>
<td>Questions</td>
<td>Results</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Is there awareness of the root causes of vulnerability and what needs to be done to reduce risks?</td>
<td>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.</td>
</tr>
<tr>
<td>Are disasters causing any improvement in shelter?</td>
<td>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.</td>
</tr>
<tr>
<td>Do insured have to employ less coping mechanisms than the control group?</td>
<td>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.</td>
</tr>
</tbody>
</table>

### V. Awareness

<table>
<thead>
<tr>
<th>Questions</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there a general lack of awareness of insurance? Disaster insurance?</td>
<td>Many have heard of insurance but awareness of disaster insurance is low considering the large impact that disasters</td>
</tr>
</tbody>
</table>
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

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

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

<table>
<thead>
<tr>
<th></th>
<th>Family income</th>
<th>savings</th>
<th>income</th>
<th>debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>299</td>
<td>290</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Missing</td>
<td>5</td>
<td>14</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Mean</td>
<td>86.8411</td>
<td>94.0715</td>
<td>18.7141</td>
<td>62.7035</td>
</tr>
<tr>
<td>Median</td>
<td>69.9360</td>
<td>69.9360</td>
<td>8.7420</td>
<td>43.7100</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>42.7070</td>
<td>63.9463</td>
<td>28.0834</td>
<td>67.7557</td>
</tr>
<tr>
<td>Skewness</td>
<td>1.945</td>
<td>1.783</td>
<td>2.737</td>
<td>3.934</td>
</tr>
<tr>
<td>Std. Error of Skewness</td>
<td>.141</td>
<td>.143</td>
<td>.141</td>
<td>.141</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>5.457</td>
<td>3.048</td>
<td>10.001</td>
<td>28.362</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Family income</th>
<th>savings</th>
<th>income</th>
<th>debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>892</td>
<td>888</td>
<td>744</td>
<td>886</td>
</tr>
<tr>
<td>Missing</td>
<td>127</td>
<td>131</td>
<td>275</td>
<td>133</td>
</tr>
<tr>
<td>Mean</td>
<td>70.7233</td>
<td>104.995</td>
<td>53.8727</td>
<td>64.1568</td>
</tr>
<tr>
<td>Median</td>
<td>65.1000</td>
<td>86.8000</td>
<td>1.0850</td>
<td>43.4000</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>42.8837</td>
<td>90.3208</td>
<td>240.695</td>
<td>80.2141</td>
</tr>
<tr>
<td>Skewness</td>
<td>3.993</td>
<td>4.012</td>
<td>10.371</td>
<td>4.897</td>
</tr>
<tr>
<td>Std. Error of Skewness</td>
<td>.082</td>
<td>.082</td>
<td>.090</td>
<td>.082</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>39.963</td>
<td>27.782</td>
<td>151.025</td>
<td>41.246</td>
</tr>
</tbody>
</table>
Selected Economic variables for the insured group in India (values in current USD)

<table>
<thead>
<tr>
<th></th>
<th>expend</th>
<th>Family income</th>
<th>savings</th>
<th>income</th>
<th>debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>261</td>
<td>263</td>
<td>224</td>
<td>193</td>
<td>153</td>
</tr>
<tr>
<td>Missing</td>
<td>50</td>
<td>48</td>
<td>87</td>
<td>118</td>
<td>158</td>
</tr>
<tr>
<td>Mean</td>
<td>94.7536</td>
<td>116.5798</td>
<td>397.3355</td>
<td>76.3686</td>
<td>164.6743</td>
</tr>
<tr>
<td>Median</td>
<td>86.8200</td>
<td>108.5250</td>
<td>64.1166</td>
<td>72.3500</td>
<td>101.2900</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>41.9552</td>
<td>51.65018</td>
<td>682.0618</td>
<td>55.43432</td>
<td>222.4367</td>
</tr>
<tr>
<td>Skewness</td>
<td>1.919</td>
<td>1.532</td>
<td>2.423</td>
<td>1.982</td>
<td>5.589</td>
</tr>
<tr>
<td>Std. Error of Skewness</td>
<td>.151</td>
<td>.150</td>
<td>.163</td>
<td>.175</td>
<td>.196</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>7.792</td>
<td>5.510</td>
<td>5.989</td>
<td>9.035</td>
<td>44.840</td>
</tr>
<tr>
<td>Std. Error of Kurtosis</td>
<td>.300</td>
<td>.299</td>
<td>.324</td>
<td>.348</td>
<td>.390</td>
</tr>
</tbody>
</table>

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

B) Control

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

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

<table>
<thead>
<tr>
<th></th>
<th>expend</th>
<th>Family income</th>
<th>income</th>
<th>savings</th>
<th>debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>97</td>
<td>94</td>
<td>0</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td>Missing</td>
<td>5</td>
<td>8</td>
<td>102</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mean</td>
<td>96.4955</td>
<td>102.509</td>
<td>26.0326</td>
<td>148.234</td>
<td>3</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>87.4200</td>
<td>87.4200</td>
<td>16.1727</td>
<td>87.4200</td>
<td></td>
</tr>
<tr>
<td>Skewness</td>
<td>49.1129</td>
<td>61.1755</td>
<td>39.7305</td>
<td>194.964</td>
<td>9</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>1.422</td>
<td>1.991</td>
<td>2.690</td>
<td>2.765</td>
<td>7</td>
</tr>
<tr>
<td>Std. Error of Kurtosis</td>
<td>.245</td>
<td>.249</td>
<td>.243</td>
<td>.243</td>
<td></td>
</tr>
</tbody>
</table>

Selected Economic variables for the insured group in Sri Lanka (values in current USD)
<table>
<thead>
<tr>
<th></th>
<th>expend</th>
<th>Family income</th>
<th>income</th>
<th>savings</th>
<th>debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>278</td>
<td>278</td>
<td>277</td>
<td>259</td>
<td>268</td>
</tr>
<tr>
<td>Missing</td>
<td>46</td>
<td>46</td>
<td>47</td>
<td>65</td>
<td>56</td>
</tr>
<tr>
<td>Mean</td>
<td>76.3793</td>
<td>120.103</td>
<td>69.7471</td>
<td>182.706</td>
<td>304.893</td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td>3</td>
<td>0</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>42.3838</td>
<td>125.173</td>
<td>98.4756</td>
<td>835.482</td>
<td>915.745</td>
</tr>
<tr>
<td>Skewness</td>
<td>1.890</td>
<td>3.495</td>
<td>3.518</td>
<td>6.815</td>
<td>7.716</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>5.649</td>
<td>17.231</td>
<td>16.475</td>
<td>53.800</td>
<td>75.553</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>expend</th>
<th>Family income</th>
<th>income</th>
<th>savings</th>
<th>debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>89</td>
<td>89</td>
<td>85</td>
<td>75</td>
<td>34</td>
</tr>
<tr>
<td>Missing</td>
<td>12</td>
<td>12</td>
<td>16</td>
<td>26</td>
<td>67</td>
</tr>
<tr>
<td>Mean</td>
<td>115.434</td>
<td>167.868</td>
<td>140.699</td>
<td>682.636</td>
<td>328.554</td>
</tr>
<tr>
<td>Median</td>
<td></td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>45.2997</td>
<td>90.3531</td>
<td>96.7043</td>
<td>822.058</td>
<td>765.560</td>
</tr>
<tr>
<td>Skewness</td>
<td>.607</td>
<td>1.952</td>
<td>3.060</td>
<td>1.909</td>
<td>4.711</td>
</tr>
<tr>
<td>Kurtosis</td>
<td>-.606</td>
<td>5.800</td>
<td>15.231</td>
<td>3.121</td>
<td>24.321</td>
</tr>
</tbody>
</table>

Selected Economic variables for the insured group in Bangladesh (values in current USD)
Annex 3: Microinsurance Client Survey Form

<table>
<thead>
<tr>
<th>Surveyor ID</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form No.</td>
<td>State</td>
</tr>
<tr>
<td>Surveyor Name</td>
<td>District</td>
</tr>
</tbody>
</table>

- **□ Urban**  **□ Rural**

**Community Name:**

<table>
<thead>
<tr>
<th>1. Name</th>
<th>2. Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Gender</th>
<th>4. Main earning person in household</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Male</td>
<td>□ Male</td>
</tr>
<tr>
<td>□ Female</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Caste (if applicable)</th>
<th>6. Is your household below Poverty Line?</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ General</td>
<td>□ Yes   □ No □ Don’t know</td>
</tr>
<tr>
<td>□ OBC</td>
<td></td>
</tr>
<tr>
<td>□ Scheduled caste</td>
<td></td>
</tr>
<tr>
<td>□ Schedule tribe</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7. Religion</th>
<th>8. Number of people in household</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Hindu</td>
<td>□ Muslim □ Christian</td>
</tr>
<tr>
<td>□ Buddhist</td>
<td>□ Jain □ Other</td>
</tr>
<tr>
<td>□ Hindu</td>
<td>□ Muslim □ Christian</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9. Number of children</th>
<th>10. Ages of children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11. Literacy</th>
<th>12. Educational level</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Literate</td>
<td>□ Graduation</td>
</tr>
<tr>
<td>□ Illiterate</td>
<td>□ Standard □ Post-graduation</td>
</tr>
</tbody>
</table>

---

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:

<table>
<thead>
<tr>
<th>Source: 1. Insurance agent 2. Bank 3.Govt 4. NGO 5. other</th>
<th>Annual Premium</th>
<th>Coverage</th>
<th>No. of years</th>
<th>Presently have policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funeral</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crop/live stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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?

<table>
<thead>
<tr>
<th>Features</th>
<th>Somewhat satisfied</th>
<th>Satisfied</th>
<th>Somewhat dissatisfied</th>
<th>Dissatisfied</th>
<th>Not applicable/don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Information received on insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Premium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Coverage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Premium payment schedule (lumpsum vs. installments)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Connectivity to organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Process of renewing policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Claims**

<table>
<thead>
<tr>
<th>Features</th>
<th>Somewhat satisfied</th>
<th>Satisfied</th>
<th>Somewhat dissatisfied</th>
<th>Dissatisfied</th>
<th>Not applicable/don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Simplicity of claim process</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Time to complete claim</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Feedback from organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Method of money transfer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Time of claim settlement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Type of coverage</th>
<th>Coverage</th>
<th>Premium</th>
</tr>
</thead>
</table>

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)

<table>
<thead>
<tr>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Provider</td>
</tr>
<tr>
<td>NGO</td>
</tr>
<tr>
<td>Government</td>
</tr>
<tr>
<td>Community</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>
32. In addition to you, who in your family would you like to see have insurance and what type? Tick off relevant categories.

<table>
<thead>
<tr>
<th>Children</th>
<th>Elders</th>
<th>Spouse</th>
<th>Earners</th>
<th>All</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funeral</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crop/livestock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 years? If none, skip to question 64 in Finance section.

<table>
<thead>
<tr>
<th>Event</th>
<th>Value (or 0 if did not have)</th>
<th>Damaged</th>
<th>Value of replacement/repair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsunami</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earthquake</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flood</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conflict/riot</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drought</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyclone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accident</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Epidemic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landslide</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

______________________

39. What was affected in this disaster?

<table>
<thead>
<tr>
<th>Item</th>
<th>Value (or 0 if did not have)</th>
<th>Damaged</th>
<th>Value of replacement/repair</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical appliances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kitchen utensils</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Official documents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jewelry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal vehicle</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

- Cash
- Tent
- Medical care
- Livelihood support
- Medicine
- 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.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community/organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money lender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

46. Actual amount borrowed after the disaster specified earlier:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Annual Interest</th>
<th>---/--- Months complete/total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friend</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community/organization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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?

<table>
<thead>
<tr>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuccha</td>
<td>Kuccha</td>
</tr>
<tr>
<td>Semi-Pukka</td>
<td>Semi-Pukka</td>
</tr>
<tr>
<td>Pukka</td>
<td>Pukka</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open defecation</td>
<td>Open defecation</td>
</tr>
<tr>
<td>Tube well</td>
<td>Tube well</td>
</tr>
<tr>
<td>Pit latrine</td>
<td>Pit latrine</td>
</tr>
<tr>
<td>Public toilet</td>
<td>Public toilet</td>
</tr>
</tbody>
</table>

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
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?

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of claim (life, accident, etc)</th>
<th>Claim amount filed</th>
<th>Amount received</th>
<th>Duration of claim settlement (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Annual Interest</th>
<th>Months complete/total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friend</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community/organization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money lender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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
<table>
<thead>
<tr>
<th>Medical</th>
<th>Funeral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children education</td>
<td>Marriage</td>
</tr>
<tr>
<td>Repaying previous loan</td>
<td>Other</td>
</tr>
</tbody>
</table>
**Finances**

64. **Sources of income in household**

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittances</td>
<td></td>
</tr>
<tr>
<td>Animal husbandry/farming</td>
<td></td>
</tr>
<tr>
<td>Casual wage labour</td>
<td></td>
</tr>
<tr>
<td>Trade/business</td>
<td></td>
</tr>
<tr>
<td>Regular service job</td>
<td></td>
</tr>
<tr>
<td>Government programme</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Surveyor ID</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form No.</td>
<td>State</td>
</tr>
<tr>
<td>Surveyor Name</td>
<td>District</td>
</tr>
</tbody>
</table>

- □ Urban  □ Rural

<table>
<thead>
<tr>
<th>Community Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Name ________________</td>
</tr>
<tr>
<td>2. Age ________________</td>
</tr>
<tr>
<td>3. Gender</td>
</tr>
<tr>
<td>□ Male    □ Female</td>
</tr>
<tr>
<td>7. Religion</td>
</tr>
<tr>
<td>□ Hindu  □ Muslim □ Christian</td>
</tr>
<tr>
<td>□ Buddhist □ Jain □ Other</td>
</tr>
<tr>
<td>8. Number of people in household ____________ Male ____________  Female ____________</td>
</tr>
</tbody>
</table>

---

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.
<table>
<thead>
<tr>
<th><strong>4. Main earning person in household</strong></th>
<th>□ Male □ Female</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9. Number of children______________</strong></td>
<td>Male __________ Female __________</td>
</tr>
<tr>
<td><strong>5. Caste (if applicable)</strong></td>
<td>□ General □ OBC □ Scheduled caste □ Schedule tribe</td>
</tr>
<tr>
<td><strong>10. Ages of children</strong></td>
<td>__________</td>
</tr>
<tr>
<td><strong>6. Is your household below Poverty Line?</strong></td>
<td>□ Yes □ No □ Don’t know</td>
</tr>
<tr>
<td><strong>11. Literacy</strong></td>
<td>□ Literate □ Illiterate</td>
</tr>
<tr>
<td><strong>12. Educational level</strong></td>
<td>□ No formal education □ Graduation □ Standard __________ □ Post-graduation</td>
</tr>
</tbody>
</table>
Micro-insurance

13. Have you ever heard of insurance?
   □ Yes  □ No  □ Kind of/maybe

14. What kinds of insurance are you familiar with?

<table>
<thead>
<tr>
<th>Types of insurance</th>
<th>Always knew about it</th>
<th>Read about it</th>
<th>Through family/friend</th>
<th>Village/community</th>
<th>Visit from insurance representative</th>
<th>Government</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life/Accident</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Funeral</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health/Crop/livelihood</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Shelter</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

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 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funeral</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shelter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crop/live stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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?

<table>
<thead>
<tr>
<th>Feature</th>
<th>Somewhat satisfied</th>
<th>Satisfied</th>
<th>Somewhat dissatisfied</th>
<th>Dissatisfied</th>
<th>Not applicable/don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Information received on insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Premium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Coverage</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Premium payment schedule (lumpsum vs. installments)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Connectivity to organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Process of renewing policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Claims

| Feature                                                                 |                    |           |                       |              |                          |
|-------------------------------------------------------------------------|                    |           |                       |              |                          |
| 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:

<table>
<thead>
<tr>
<th>Type of coverage</th>
<th>Coverage</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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?

<table>
<thead>
<tr>
<th>Rank</th>
<th>Coverage:</th>
<th>Total annual premium:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funeral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shelter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crop/livestock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accident</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Rank</th>
<th>Insurance Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NGO</td>
</tr>
<tr>
<td></td>
<td>Government</td>
</tr>
<tr>
<td></td>
<td>Community</td>
</tr>
<tr>
<td></td>
<td>Other</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Children</th>
<th>Elders</th>
<th>Spouse</th>
<th>Earners</th>
<th>All</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funeral</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
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</tr>
<tr>
<td>Shelter</td>
<td></td>
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</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crop/livestock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Event</th>
<th>Value (or 0 if did not have)</th>
<th>Damaged Value of replacement/repair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsunami</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earthquake</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flood</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conflict/riot</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drought</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyclone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accident</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Epidemic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landslide</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. NO. OF TIMES

<table>
<thead>
<tr>
<th>Event</th>
<th>Value (or 0 if did not have)</th>
<th>Damaged Value of replacement/repair</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tsunami</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earthquake</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flood</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conflict/riot</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drought</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyclone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accident</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Epidemic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landslide</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

______________________

42. What was affected in this disaster?

<table>
<thead>
<tr>
<th>Item</th>
<th>Value (or 0 if did not have)</th>
<th>Damaged Value of replacement/repair</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical appliances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kitchen utensils</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Official documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jewelry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal vehicle</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community/organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money lender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

49. Actual amount borrowed after the disaster specified earlier:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Annual Interest</th>
<th>---/--- Months complete/total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friend</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community/organization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money lender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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?

<table>
<thead>
<tr>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kuccha</td>
<td>Kuccha</td>
</tr>
<tr>
<td>Semi-Pukka</td>
<td>Semi-Pukka</td>
</tr>
<tr>
<td>Pukka</td>
<td>Pukka</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open defecation</td>
<td>Open defecation</td>
</tr>
<tr>
<td>Tube well</td>
<td>Tube well</td>
</tr>
<tr>
<td>Pit latrine</td>
<td>Pit latrine</td>
</tr>
<tr>
<td>Public toilet</td>
<td>Public toilet</td>
</tr>
</tbody>
</table>

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)
- Risk reduction
- Learning about your risks
- Insurance
- None of the above
- 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)
- Risk reduction
- Learning about your risks
- Insurance
- None of the above
- Revolving fund
- Other

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?

<table>
<thead>
<tr>
<th>Year</th>
<th>Type of claim (life, accident, etc)</th>
<th>Claim amount filed</th>
<th>Amount received</th>
<th>Duration of claim settlement (months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Annual Interest</th>
<th>---/--- Months complete/total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friend</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community/organization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money lender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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
Finances
67. Sources of income in household

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittances</td>
<td></td>
</tr>
<tr>
<td>Animal husbandry/farming</td>
<td></td>
</tr>
<tr>
<td>Casual wage labour</td>
<td></td>
</tr>
<tr>
<td>Trade/business</td>
<td></td>
</tr>
<tr>
<td>Regular service job</td>
<td></td>
</tr>
<tr>
<td>Government programme</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

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
<table>
<thead>
<tr>
<th>Annex 5: Translated Questionnaire Sample (Gujarati)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>阎તિત પ્રશ્ન – આત્મક વીભાગના સાધનોની પ્રક્રિયાશીલ</strong></td>
</tr>
<tr>
<td><strong>સામે કાઢાય આંખે ન._________</strong></td>
</tr>
<tr>
<td><strong>લેખ ન._________</strong></td>
</tr>
<tr>
<td><strong>મુલાકાત લેવાતનું નામ :</strong></td>
</tr>
<tr>
<td><strong>☐ સ્ત્રી / ☐ સદાપતા નામ :</strong></td>
</tr>
<tr>
<td><strong>ફાળતવા સાધની</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1. નામ _______________________________</th>
<th>7. પ્રસ્ન</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. લેખ ___________________________</td>
<td>☐ ક્રિયા / ☐ મુલાકાત / ☐ લેખ</td>
</tr>
<tr>
<td>3. કાલ</td>
<td></td>
</tr>
<tr>
<td>☐ પૂર્ણ / ☐ લીફ</td>
<td></td>
</tr>
<tr>
<td>4. મુખ્ય કમાના યાત્રા</td>
<td>☐ પૂર્ણ / ☐ લીફ</td>
</tr>
<tr>
<td>5. આકસ</td>
<td></td>
</tr>
<tr>
<td>☐ સામાન / ☐ પ્રતિયોગિતાના યાત્રા / ☐ અનુભવિત આકસ</td>
<td></td>
</tr>
<tr>
<td>☐ અનુભવક આકસ</td>
<td></td>
</tr>
<tr>
<td>6. જે તમારા સામાન પરિચ્યનાં નીચે આવે છે?</td>
<td></td>
</tr>
<tr>
<td>☐ કાટ / ☐ ના / ☐ મધ્ય</td>
<td></td>
</tr>
<tr>
<td>8. પરિવારના સામાની સેલા ______________</td>
<td></td>
</tr>
<tr>
<td>9. પ્રાચી સેલા ______________</td>
<td></td>
</tr>
<tr>
<td>10. ભારતીય ઉમર ______________</td>
<td></td>
</tr>
<tr>
<td>11. સાહાય</td>
<td></td>
</tr>
<tr>
<td>☐ સાહાય / ☐ નિસાબurate</td>
<td></td>
</tr>
<tr>
<td>12. શોધિત સમાચાર</td>
<td></td>
</tr>
<tr>
<td>☐ પ્રથમિક સંખા વિસ્ત નથી</td>
<td>☐ પ્રથમિક</td>
</tr>
<tr>
<td>☐ લેખાક્ષર / ☐ અનુભવિત લેખાક્ષર</td>
<td></td>
</tr>
</tbody>
</table>

| 13. |
| 14. |
13. आवश्यक दस्तावेज पाएंगा तो भी फेंक डूंगरी फैसले को संबंधित हुआ?
   □ ठीक, भी फेंक दूंगरी?

| विवरण | नोटसी | अवस्था | विवरण | क्रिया | क्रम वर्ग पर आवश्यक दस्तावेज | संबंधित फैसले फेंककर आप की आवश्यकता का नेतृत्व रखते?
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>नया अंतर</td>
<td>धोया</td>
<td>स्वास्थ्य</td>
<td>नया अंतर</td>
<td>धोया</td>
<td>स्वास्थ्य</td>
<td>नया अंतर</td>
</tr>
</tbody>
</table>

14. तमाें का पालन का दर्शन को कहीं भी पहुँच पाया?
   □ संयोजन के पालन के लिए प्राप्त 
   □ माफ्फिक 
   □ सेवा का लिए दर्शन 
   □ संयोजन के कारण 
   □ अ-योजन 

15. अपनी जिंदगी के नैसर्गिक विधि को जी लिए समय का पालन का नियम किया गया?
   □ ठीक 
   □ अ-पर योग्य 

16. यह मारे जो कॉलोनियॉल फैसला किया?
   □ धोया 
   □ गलत 
   □ संयोजन 
   □ स्वास्थ्य 
   □ अ-योजन

17. तमाें का पालन का दर्शन को जी लिए समय का पालन का नियम किया गया?
   □ संयोजन 
   □ धोया 
   □ गलत 
   □ संयोजन 
   □ अ-योजन

18. आवश्यक दस्तावेज पाएं तो फेंक दूंगरी को संबंधित हुआ?
   □ ठीक, भी फेंक दूंगरी?

19. दस्तावेज पर अप्राप्त की तथ्यों के कहीं भी पहुँच पाया?
   □ ठीक, भी पहुँच पाया?

20. आवश्यक दस्तावेज फेंक दूंगरी को संबंधित हुआ?
   □ ठीक, भी पहुँच पाया?

21. दस्तावेज पर अप्राप्त की तथ्यों के कहीं भी पहुँच पाया?
   □ ठीक, भी पहुँच पाया?

22. आवश्यक दस्तावेज को कहीं भी पहुँच पाया?
   □ ठीक, भी पहुँच पाया?

23. अपनी जिंदगी के नैसर्गिक विधि को जी लिए समय का पालन का नियम किया गया?
   □ ठीक, भी पहुँच पाया?

24. अपनी जिंदगी के नैसर्गिक विधि को जी लिए समय का पालन का नियम किया गया?

26. अवस्थान (भाग-1)

<table>
<thead>
<tr>
<th>अवस्थान</th>
<th>संस्थान</th>
<th>संस्थान</th>
<th>संस्थान</th>
<th>संस्थान</th>
<th>संस्थान</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. आवश्यक दस्तावेज पूरा</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
<tr>
<td>2. फैसले</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
<tr>
<td>3. संयोजन का अनुसूची</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
<tr>
<td>4. अवस्थान (भाग-2)</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
<tr>
<td>5. संयोजन का अनुसूची</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
<tr>
<td>6. संयोजन का अनुसूची (विशेष)</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
</tbody>
</table>

26. अवस्थान (भाग-2)

<table>
<thead>
<tr>
<th>अवस्थान</th>
<th>संस्थान</th>
<th>संस्थान</th>
<th>संस्थान</th>
<th>संस्थान</th>
<th>संस्थान</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. अवस्थान (भाग-3)</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
<tr>
<td>8. अवस्थान (भाग-4)</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
<tr>
<td>9. अवस्थान (भाग-5)</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
<tr>
<td>10. अवस्थान (भाग-6)</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
<tr>
<td>11. अवस्थान (भाग-7)</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
<td>संस्थान</td>
</tr>
</tbody>
</table>
38. તેણા દવ વરસાદમાં તમને અતર બદ હતો તેવી એક આખતું નામ જાણવો.

39. તમને વધુમાં નુકસાની વિગતો આપો.

<table>
<thead>
<tr>
<th>આખત પહોંચાય પહોંચાય અનુકંપા</th>
<th>નુકસાન</th>
<th>રેપેપી/ મહત્વની પ્રશ્નો</th>
</tr>
</thead>
<tbody>
<tr>
<td>વસ્તુતના સારવાર</td>
<td>ઘટના અને પરામાર્શ</td>
<td>આખત પહોંચાય પહોંચાય અનુકંપા</td>
</tr>
<tr>
<td>ઘટના</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

40. તે આખત બાદ તમને કરી મફત મળી હતી? (એક બી દવ જીવાનના સમય દર્શવે કે)

<table>
<thead>
<tr>
<th>રવર રકમ</th>
<th>જન જમ્બાર</th>
<th>મેડિકલ સમય</th>
<th>રાજ્યના વર્ધન કલા</th>
<th>સફળતા</th>
</tr>
</thead>
</table>

41. આ મફત તમને કોલો આપી હતી? (એક બી દવ જીવાનના સમય દર્શવે કે)

<table>
<thead>
<tr>
<th>પાર્કિંગ તરીકે</th>
<th>સ્વસ્થાપક તરીકે</th>
<th>પાલ્લ તરીકે</th>
</tr>
</thead>
</table>

42. આ આવાને કરીને, તમે એક વિસ્તારકતા કલ ખાતે નવી સમાજો?

43. શે કોણ મફત ન મળી હતી તો તેના સંદર્થોમાં તમે આ આખતની સમાચારી કે કેટલાક લાલી પ્રશ્ન?

<table>
<thead>
<tr>
<th>જની-સ્વસ્થાપક બૈનલ</th>
<th>ઉપર રકમનામ વચ્ચે</th>
<th>પગપ સમય ખરાબ દેવી હોયા</th>
<th>પાપા ટ્રિકનગર વચ્ચે</th>
</tr>
</thead>
</table>

44. આખત બાદ ઉપર રકમ કયેક મહિના માટે વધુ થત હતા?

| હ || ન || 

45. તમે ટીવી પણથી ઉપર કયેક લાલ લોન્ટ?

<table>
<thead>
<tr>
<th>શાકા</th>
<th>લાલમાં</th>
</tr>
</thead>
</table>

46. આવાના પ્રાણ નાટ, 38 માં જીયાં કે આખત બાદ ઉપર લાલખી રકમ દીધી?

<table>
<thead>
<tr>
<th>શાકા</th>
<th>લાલમાં</th>
</tr>
</thead>
</table>

47. એક બી દવ જીવાનના સમય દર્શવે કે?

<table>
<thead>
<tr>
<th>પાર્કિંગ તરીકે</th>
</tr>
</thead>
</table>

48. આવાના પ્રાણ નાટ, 38 માં જીયાં કે આખત બાદ ઉપર લાલખી રકમ દીધી?

<table>
<thead>
<tr>
<th>શાકા</th>
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</thead>
</table>

49. એક બી દવ જીવાનના સમય દર્શવે કે?

<table>
<thead>
<tr>
<th>પાર્કિંગ તરીકે</th>
</tr>
</thead>
</table>

50. આવાના પ્રાણ નાટ, 38 માં જીયાં કે આખત બાદ ઉપર લાલખી રકમ દીધી?

<table>
<thead>
<tr>
<th>શાકા</th>
</tr>
</thead>
</table>
47. आपेन्द्री उपश्रेष्ठ कौन्ह सी? 
- मैत्री
- परमपौरशी सत्यमी
- पवन-पौरशी जान मदया पाट
- स्तवन
- भाषाशास्त्र सभीतार
- अन्य

48. अग्रें खाने पहुंचे हैं के वीमे आँग भक्त-साधकों तथाकथन उपराय लेखनी जीवित किए हैं। आपका तो त्यादेश नहीं किए हैं? 
- दाः
- ना
- पोस्ट अग्रें
- फर्रार-नहीं

49. छल्ला १० स्त्रीरूपों आदेशी कोई स्थान क्षस्म करने हैं सुं तराई पर-ना प्रकल्पकों हेल्पर जीवित छ? 
- पहली
- कृपया मदया
- कृपया पूछ
- पौर समय

50. छल्ला १० स्त्रीरूपों आदेशी कोई स्थान क्षस्म करने हैं सुं तराई सेवको क्षस्म प्रकल्पकों हेल्पर जीवित छ? 
- पहली
- पुलिमां
- देमा सौगाय (दठू लाईन)
- पर मैत्री
- पहेली बूट-नी बाबस्का
- जेब्रेल श्रीमाण्य

51. छल्ला १० स्त्रीरूपों सुं तमे नीचेनमी अंक पत्र प्रयोगी भाग सीवों?
- दाः
- ना
- श्रीमान अनु सत्यमी ताथा
- त्यागम बांधकाम
- पहुँचा अंतनारम (अच्छा विश्वास)
- पयोवोन्ही दाः
- वाचनम नामापती सत्यमी
- सहयोग अनुसरित सत्यमी
- विख्यात/वत्ताही संपीडीन
- अन्य : ________

52. छल्ला १० स्त्रीरूपों आलगी अशावत तमे अब्झा भीलाने श्रव-शाः वह्यां प्रकाशितों सीविल है?
- (संक ही अद्धु भवणों शाख)
- पर-नी कर्नामे धूगुमुन अन्यादेशी
- त्यागम विशेषणो समान्त
- त्यागम नामापती सत्यमी
- पहुँचा अंतनारम पर-ना त्यागम
- पयोवोन्ही दाः
- सय तरी रची छ
- अनुवारी अभियोजन
- पवेल्यांस भास्करी
- अल्लानिवासां मार्छ जुटको सेवा-शुपन
- पहेली
- त्यागम दाः
- उपरालमी कॉरिडोर नहीं

53. अश्वमविषयम छुं-छुं कुटारी जुटे हैं बेही आलगी अशावत करती केश?
- पर-नी कर्नामे धूगुमुन अन्यादेशी
- त्यागम विशेषणो समान्त
- त्यागम नामापती सत्यमी
- पहुँचा अंतनारम पर-ना त्यागम
- पयोवोन्ही दाः
- सय तरी रची छ
- अनुवारी अभियोजन
- पवेल्यांस भास्करी
- अल्लानिवासां मार्छ जुटको सेवा-शुपन
- पहेली
- त्यागम दाः
- उपरालमी कॉरिडोर नहीं
54. मग तोम्हांच्या पायलत कामाचे अंतिम असे आहे का?
   - ना
   - याचे नाही, तो नाहीतर किंवा किती कारणे चाचा 64 पर. जनाव.

55. ज्ञात करा की प्राप्त क्रमांक देखील दयावन म्हणजेच कसे केल्या गेली?

<table>
<thead>
<tr>
<th>वर्ग</th>
<th>दयावनाची प्राप्त क्रम (प्राप्त, अपेक्षेपत देखील)</th>
<th>दयावनाचा प्राप्त क्रम, जे न म्हणून</th>
<th>प्राप्त क्रम म्हणून (दयावनी विविधता)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

56. ज्ञात करा की दयावनाच्या प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना
   - ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना
   - ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

57. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना
   - ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

58. दयावनाच्या प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना
   - ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

59. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

60. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

61. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

62. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

63. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

64. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

65. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

66. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

67. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

68. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

69. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

70. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

71. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

72. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

73. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना

74. ज्ञात करा की प्राप्त क्रमांक म्हणजेच किंवा होणार क्रमांक ज्ञात करा की?
   - हां
   - ना
Annex 6: Sample Organization Survey Plan Overview: Basix

Micro-finance Impact Evaluation Survey

Basix Survey


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

<table>
<thead>
<tr>
<th>Time</th>
<th>Programme</th>
<th>Responsible</th>
<th>Remarks</th>
</tr>
</thead>
</table>
| 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
<table>
<thead>
<tr>
<th>2:30-2.45</th>
<th>Tea break</th>
</tr>
</thead>
</table>

**Discussions on questionnaires**

- **Rakhi, Basix**

- Language of teams
- Group composition: leader, documentation, translator, *camera*
- Transportation and timing
- Contact information sheet with mobiles, address, team photocopy and distribute

<table>
<thead>
<tr>
<th>2:30-2.45</th>
<th>Tea break</th>
</tr>
</thead>
</table>

**Inputting mechanism**

- **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

<table>
<thead>
<tr>
<th>Pre-testing of questionnaire in the field</th>
<th>All</th>
</tr>
</thead>
</table>

- **Rakhi, Basix**

- Arrange transportation
- Groups of 2 – interviews
- Designate note taker for changes
- Designate time keeper

<table>
<thead>
<tr>
<th>Feedback from the group members after pre-testing</th>
<th>All</th>
</tr>
</thead>
</table>

- **Rakhi, Basix**

- Time for each survey
- Discussion
- Corrections

| Whatever revisions will be provided | Rakhi, |
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)

Control Group Questionnaire

Inputter name *

Inputter ID *

Surveyor ID *

Form No. *
Surveyor Name *

Urban or Rural *
- Urban
- Rural

Country *

State *

District *
References


