

Deutsche Gesellschaft für Internationale Zusammenarbeit and microinsurance

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INSURANCE FORUM

THE Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) (German Corp. for International Cooperation) is a German public development-aid agency that is at the forefront of microinsurance development in the Philippines through its Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI) Program. It is focused on promoting effective insurance coverage

for the poor. It has partnered with the Insurance Commission on this program. The RFPI was started in 2013, and is being implemented in several Asian countries, such as Indonesia, Thailand, Nepal and Vietnam. Previously, the German Technical Cooperation Agency, GIZ's predecessor, launched the four-year Microinsurance Innovations Program for Social Security (MIPSS, 2009-2012), with a grant of €3 million, to draft a national microinsurance strategy. RFPI resources are available at inclusiveinsuranceasia.com.

The GIZ is an entity dedicated to development aid and international development. It is a company owned solely by the German Federal Government through the Federal Ministry for Economic Cooperation and Development and the Federal Ministry of Finance. Its headquarters are in Bonn and Eschborn, Germany. GIZ was established in 2011, when three German organizations were merged, namely, the Deutscher Entwicklungsdienst, the Deutsche Gesellschaft für Technische Zusammenarbeit and the Internationale Weiterbildung und Entwicklung.

GIZ also operates with financing from other financing institutions such as the European Union, the World Bank, the United Nations and other private-sector entities, such as the Bill & Melinda Gates Foundation. It operates in about 130 countries. In Germany itself GIZ is in partnership with German government-owned bank Kreditanstalt für Wiederaufbau. In 2014 its business volume exceeded €2 billion.

Its operations are akin to the Australian Agency for International Development and the American USAID. It is a member of the European Network of Implementing Development Agencies.

In many parts of the world, GIZ has supported various initiatives, from training 26,000 police officers in Afghanistan to development of coconut fiber in India.

From sustainable port development in Indonesia to cooperation with the UN International Strategy for Disaster Reduction and the Pacific Asia Travel Association on disaster preparedness for hotels and holiday resorts, called Hotel Resilient Program.

In the Philippines it has several projects among them the promotion of insurance coverage for the poor.

The RFPI seeks to improve the regulatory and supervisory framework to promote insurance coverage and insurance access, specifically microinsurance, for the low-income population. In other words, it seeks the financial inclusion of the low-income households in the country.

Among the programs included is the Access to Insurance Initiative, using the tools of the International Association of Insurance Supervisors.

The program director in the Philippines is Dr. Antonis Malagardis. Today microinsurance provides various forms of insurance protection to around 31 million Filipinos (as of end of 2015), from a figure of 2.9 million in 2009. It generated about P3.81 billion in net premiums written by end of 2014.

There are now 63 insurance companies engaged in microinsurance, from a mere nine in 2006. In November 2015 GIZ published the Regulatory Impact Assessment in Microinsurance Philippines, which is a study on the effects of policy and regulation on the development of microinsurance.

The study found that a) The participation of insurers in microinsurance has been growing, from 52 in 2012 to 63 in 2014. It also found that microinsurance premiums amount to 1.9 percent of the total premiums; b) Mutual benefit associations engaged in microinsurance have become the dominant players, with a 55-percent share of the total P3.01-billion microinsurance premiums; c) There is a strong participation from the life and nonlife insurance companies, life insurers contributed 37 percent of the total microinsurance premium and nonlife insurers contributed 6 percent, as of end of 2014.

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