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SELLING MORE, SELLING BETTER: A  
MICROINSURANCE SALES FORCE  
DEVELOPMENT STUDY

Serena Guarnaschelli, Gill Cassar, Aparna Dalal

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## 1 > INTRODUCTION

Selling microinsurance is not easy; convincing low-income clients of the value of insurance is difficult. The challenge is compounded when sellers have no previous insurance experience or have other responsibilities in addition to selling insurance.

The vulnerability of the target clients and their limited exposure to insurance makes it crucial to get the sale right. When insurance is not explained properly or mis-sold, clients may not understand what they are buying and have inaccurate expectations on the policy, leading to dissatisfaction and reputational risks not only for the insurer and distribution channel, but for the entire concept of insurance. Mis-sales also have financial consequences for the insurer as they lead to policies being cancelled or not renewed.

However, when a sale is done right, clients are more likely to recognize the benefits of the protection, understand when and how to claim, and renew their policy. A positive experience with the sales process and a better understanding of how insurance works can contribute to creating a culture of insurance in low-income communities.

Adequate training, incentives, and monitoring of the sales force are indispensable for selling microinsurance effectively, and ultimately extending insurance care to millions of vulnerable households. A properly trained and motivated sales force is needed to reach scale, and cost-efficient sales methods can enable microinsurance programmes to be viable.

The objective of this study is to recommend strategies and tools to microinsurance providers on how to improve the performance of their sales force. This report reviews sales force development methods and processes related to recruitment, training, incentives, and monitoring. The study profiles recommended practices through in-depth case studies, and references useful tools. For a list of tools available on the Microinsurance Innovation Facility website, see Annex 1.

The study builds on findings from interviews with 18 microinsurance practitioners from 13 organizations. The interviews focused on voluntary products and included individual, household and group sales. The organizations were selected to cover a variety of countries, products and sales methods. See Annex 2 for descriptions of organizations interviewed.

For the purposes of this study, the act of selling includes: determining eligibility and screening candidates, providing premium and policy information and advice, and enrolling new clients. Sales activities, as defined in this report, do not involve marketing campaigns or post sales services, such as claims processing.

As a result, the study focuses on improving the performance of staff that sell directly to clients, both to individuals and groups. These staff are referred to as “sales staff” or “sellers” in the report. The report does not focus on senior coordinators or managers of sales teams, or an insurer’s sales team that might be responsible for selling to partner organizations. Based on the study’s definition, sales staff are frontline staff, involved in microinsurance sales. The level of time allocation to microinsurance sales ranges from less than 10 to 100 per cent.

## 1.1 ORGANIZATIONS REVIEWED IN THE STUDY

Following is a brief overview of the organizations reviewed in the study. Appendix 7.2 provides more details of each organization.

**Alternative Insurance Company (AIC)** is a multiline company offering a broad range of insurance products and services in Haiti. AIC started its operations in December 2001 and quickly became one of the leaders in the local insurance industry. AIC introduced microinsurance in 2007, being the first traditional insurer in Haiti to do so, thanks to a partnership with the largest microfinance institution (MFI) in Haiti (FONKOZE).

**Allianz Life Indonesia (Allianz Indonesia)** started microinsurance activity in 2006. It has sold over 750,000 microinsurance policies, mostly credit life, personal accident, and - in collaboration with its sister company Allianz General Indonesia - business interruption. By the end of 2009, microinsurance clients represented over 20 per cent of its total number of insured clients.

**CARE Foundation (CARE)** is a non-governmental organization (NGO) in India with the mandate to make quality health care affordable and accessible to all through the appropriate use of technology. To increase access to health in rural areas, CARE relies on local capacity building and technology solutions, implements solutions to create a more efficient supply chain. In 2010 CARE launched a self-insured, voluntary outpatient health insurance scheme, delivered through a network of health care workers.

**Groupe de Recherche et d'Echanges Technologiques (GRET)** is a French NGO which has been active in Cambodia since the late 1980s. GRET launched an experimental rural health insurance programme in 1998 to enable families to cover health care costs without risking impoverishment. GRET has successfully reached scale with 73,000 policies and 80 community-based insurance agents.

**Hollard Insurance (Hollard)**, a family-owned group, is South Africa's largest private insurance company. Active for 27 years, it has 1,300 brokers providing short-term and life insurance services to more than 6 million policyholders in South Africa and abroad.

**ICICI Prudential Life Insurance Co. Ltd (ICICI Prudential)** is a joint venture between ICICI Bank and Prudential PLC. It started its operations in 2000 and is the largest private life insurance company in India with a distribution network of more than 2000 branches. ICICI Prudential has partnered with tea producer McLeod Russel India Limited to sell a unit-linked investment plan with life insurance cover. The programme targets migrant workers employed by the tea company in its tea estate in Assam.

**La Positiva Seguros y Reaseguros S.A. (La Positiva)**, a general insurance company, founded 69 years ago, is one of the most prominent insurers in Peru with two million clients and brokers covering most of the country. It is active in the provision of health, asset, and accident insurance. La Positiva introduced its first microinsurance product in 1988.

**Liberty Seguros, S.A. (Liberty)** ranks among the top insurance companies in Colombia. Its largest line of business is automobile insurance, but it also provides life, health, property, bonds, and workers compensation products.

**MicroEnsure** is an insurance intermediary dedicated to serving the poor throughout the developing world with an affordable and appropriate range of microinsurance products. MicroEnsure works in partnership with organizations that are currently serving the poor such as MFIs, mobile phone companies, rural banks, retailers, co-operatives, and faith-based and humanitarian organizations.

**Old Mutual** is a leading international long-term savings group, established in 1845 in South Africa and now operating in 38 countries. Old Mutual operates the largest financial services business in South Africa providing wealth management, investment products, retirement savings, life, disability, and health insurance to individuals and groups.

**Palmyrah Workers' Development Society (PWDS)** is an NGO founded in 1977 that implements community development projects in Tamil Nadu, India. PWDS seeks to improve the socioeconomic condition of low-income communities by promoting community organization, building competencies, linking with mainstream resources and services, and influencing local and national policies.

**ParaLife** is a management company and service provider that partners with organizations seeking to provide better financial protection and savings products to the low-income market in Latin America. ParaLife develops markets and administers insurance products for its partners. ParaLife partners include insurers and distribution channels such as microfinance institutions, retailers, and banks.

**Table 1: Organizations reviewed in the study**

Name	Type of organization	Participation in microinsurance	Distribution channel	Product
Alternative Insurance Company, Haiti	Insurance company	Risk carrier	Bank, MFI	Life - funeral
Allianz Life Indonesia, Indonesia	Insurance company	Risk carrier	MFI	Life - endowment
CARE Foundation, India	NGO	Risk carrier	Healthcare centre	Health - primary care
Groupe de Recherche et d'Echanges Technologiques, Cambodia	NGO	Risk carrier	Healthcare centre	Health - primary care
Hollard Insurance, South Africa	Insurance company	Risk carrier	Bank, retailer	Property
ICICI Prudential Life Insurance, India	Insurance company	Risk carrier	Employer	Life - endowment
La Positiva Seguros y Reaseguros S.A., Peru	Insurance company	Risk carrier	Utility company	Life - term life
Liberty Seguros, S.A., Colombia	Insurance company	Risk carrier	Utility company	Life and health
MicroEnsure, Ghana	Insurance intermediary	Intermediary	Mobile phone company	Life
MicroEnsure, Tanzania	Insurance intermediary	Intermediary	Farming co-op, faith-based channel	Health
Old Mutual, South Africa	Insurance company	Risk carrier	Bank, mutual and community-based organization, NGO	Life
Palmyrah Workers' Development Society, India	NGO	Distribution channel	Mutual and community-based organization, NGO	Health - in-patient
ParaLife, Mexico	Insurance intermediary	Intermediary	MFI, retailer, bank, pawn shops, direct sales, pharmacy, mom and pop shops, government social programs	Life, health, robbery, savings, funeral, disability, property, automobile

## 1.2 SALES FORCE MODELS

Four models characterize the sales force development practices among the organizations reviewed in this report. The models are differentiated based on whether sales staff are employed by the insurer<sup>1</sup> (outsourced or in-house) and their focus on microinsurance sales activities (primary or auxiliary):

- **Outsourced and primary:** Sampled microinsurance organizations use outsourced sales staff located in call centres. Sales staff dedicate 100 per cent of their time to selling microinsurance. The organizations that characterize the model are Hollard, Liberty and MicroEnsure Ghana (working with a mobile phone company). This model does not include examples of full-time sales staff that are direct employees of the insurer. Where employees of insurers were responsible for sales, they were also responsible for other activities, such as post-sales servicing, and are hence reviewed in the in-house and primary model below.
- **Outsourced and auxiliary:** Sales staff are employees of the distribution channel, dedicating less than 10 per cent of their time to microinsurance sales. The rest of the time is spent on activities not related to microinsurance. In the organizations reviewed in this study, sales staff were based at MFIs, banks and water boards. The organizations that are classified under this model are Allianz Indonesia, La Positiva and Paralife.
- **In-house and primary:** Sales staff are employees of insurers and fully dedicated to microinsurance. They spend between 40-70 per cent of their time on selling microinsurance products, and the remainder on their time on related activities such as premium collection and client servicing. The organizations classified under this model are ICICI Prudential, Old Mutual and AIC.<sup>2</sup>
- **In-house and auxiliary:** Sales staff are employees of non-governmental organizations (NGOs) that deliver microinsurance through self-insured schemes. Sales staff spend only part of their time on microinsurance related sales or servicing, and the remainder on activities that are unrelated to microinsurance, but related to the core business of the organization. The organizations that are classified under this model are CARE, GRET, and MicroEnsure Tanzania (working with coffee cooperatives). PWDS is included in this model as its practices match the other three organizations, even though PWDS' insurance scheme is not self-insured.

**Table 2: Sales force models**

	Outsource	In-house
Primary	Hollard Liberty MicroEnsure Ghana	AIC ICICI Prudential Old Mutual
Auxiliary	Allianz Indonesia La Positiva Paralife	CARE Foundation GRET MicroEnsure Tanzania PWDS

The study uses a sales force value chain approach that includes four steps: recruit, train, incentivize and monitor. These steps are used to characterize the models and segment lessons in the report. The report includes five detailed case studies that

<sup>1</sup> In this paper, the term "insurer" includes licensed insurance companies as well as other organizations such as NGOs or a community based health schemes that self-insure (bear financial risk).

<sup>2</sup> The study is not a comprehensive overview of all strategies possible for insurance providers. Findings have been generated and categorized based on the sample of the organizations interviewed. For instance, the study does not include organization that employ in-house sales staff that are 100% dedicated to microinsurance sales, a sales model that is still uncommon in microinsurance. The "In-house and primary" model includes organizations where sales staff spend 40 to 70 per cent of their time on microinsurance sales.



illustrate key experiences and lessons. Cases highlight: ICICI Prudential's incentive scheme, GRET's integration of monitoring and training, Liberty's monitoring system, AIC's move to dedicated sellers, and CARE's training programme.

The rest of the report is structured as follows:

- Section 2 highlights lessons along the sales force value chain that are applicable across all sales force models.
- Sections 3 to 5 are dedicated to a specific sales force model. Each section starts by outlining similarities within the model, and then describes lessons specifically for practitioners who have or are considering a similar sales force model. Given the commonalities in the in-house primary and auxiliary models, Section 5 consolidates practices for both models.
- Section 6 concludes with key lessons for each step of the sales force development value chain.

## 2 > CROSS-CUTTING THEMES

This section consolidates good practices relevant for all insurers, irrespective of their sales force model. Figure 1 highlights the lessons learned from each stage of the value chain.

Figure 1 : Lessons for each step of the value chain



### 2.1 RECRUIT

Organizations select candidates based on the structure of the programme, the seller's job description (which can include non-sales related activities), and governing regulation. The selection pool often consists of candidates with a basic education, little experience of selling, and limited prior exposure to insurance,<sup>3</sup> making it difficult for organizations to use past experience to select candidates.

For organizations using community-based sales staff, like CARE and ICICI Prudential, trustworthiness is a critical selection criterion. Both organizations rely on community leaders to nominate candidates. CARE requires local leaders to nominate married women who can read and write in local languages. It is important for these women to be articulate, responsible, and active in the community in order to be effective health workers and sales staff. CARE believes that active participation and commitment to the community leads to lower attrition rates. ICICI Prudential also uses input from a community leader such as a trade union leader, priest, or headmaster to short list candidates. All candidates must be members of the tea workers community so that they can empathize with the circumstances of the clients.

Other programmes such as Hollard's require a higher level of education, since local regulation requires that sellers complete a structured training and accreditation process. MicroEnsure Ghana's partners hire candidates that have completed some form of tertiary education. For candidates to be successful they need to be articulate and detail-oriented. Successful candidates must demonstrate an ability to balance quality and quantity of sales. Sales staff have to complete the sale in an average of eight minutes, so they must establish rapport quickly, explain benefits thoroughly but concisely, and confirm the purchase only after a client has full understanding of the product. After the sale, they must ensure accuracy in data entry, so they need to

<sup>3</sup> The study focuses on improving the performance of direct contact sellers. The sales staff reviewed in the study do not include insurers' sales force that might sell to partners, or coordinators or managers.

demonstrate attention to detail. The most successful sellers have the ability to sell at high volume (35-40 sales per day), and provide high quality information so clients are well educated about the product.

Table 3 provides an overview of selection criteria used by the organizations reviewed. It is interesting to note that no organization listed previous experience with insurance sales as a selection criterion, highlighting the limited insurance-related knowledge of the typical candidate.

*Table 3: Selection criteria for sales staff*

Name	Selection criteria
AIC	College attendees or graduates, trustworthy, confident, local community members
CARE	Local community member, active in community, ability to read/write, woman, trustworthy, articulate
GRET	Ability to read/write, primary education, performance in training programme
Hollard	Degree of accreditation
ICICI Prudential	Local community members, high school graduates (college graduates preferred)
La Positiva	High school graduates with technical training, credibility in community, previously worked with distribution channel (water boards)
Liberty	Primary education, 20-30 years old, women
MicroEnsure Ghana	Tertiary education, articulate, detail-oriented, previous mobile money agents
MicroEnsure Tanzania	College graduates, articulate
Old Mutual	High school graduates, local community members, employees from other OM departments, 80% pass rate on training final exam
PWDS	10 years of school, member of self help group, local community member, active in community, ability to travel, women, articulate, trustworthy

Finding a cost-effective way to identify successful candidates is necessary given the low-cost imperatives of the microinsurance business model. The first step is to determine the characteristics of effective sales staff for a given programme and then to develop screening processes to identify suitable candidates. The majority of organizations surveyed used individual interviews to screen candidates. It is possible to augment individual interviews with methods such as group interviews using role-play. Organizations can also use psychometric tests that assess candidates' personality and aptitude against the desired characteristics. Using such tests can standardize the selection process and make it easier and less expensive to replicate programmes as they achieve scale.

For employees with basic education, integrating recruitment with upfront staff training is an innovative and broadly replicable practice. GRET, working in Cambodia, only requires a minimum of reading and writing ability, and uses a weeklong initial training process to narrow the pool of candidates. From a pool of 20-25 candidates for sales jobs, GRET hires the top 15 performers. The training focuses on all tasks associated with the job, such as providing product information and conducting enrolment. Trainers assess candidates based on their performance in exercises that test, for instance, their knowledge of the product, their sales skills, and their understanding of the claims process (see case study 2 for more details).

## 2.2 TRAIN

Training becomes an even more critical function when considering the relative inexperience of new sales staff. Even sales staff with previous selling experience (like loan officers of MFIs) might not have the required knowledge or skills to sell insurance, as the products are different.

Before developing the knowledge and skills necessary to sell, organizations might need to create a belief in the value of insurance amongst the sellers. One way to inculcate this belief is to stress the social and economic benefits of insurance for clients. For example, Paralife begins all sales force trainings with singing and dancing to get sales staff energized and motivated. Clients' video testimonies help sellers understand the importance of their job in helping and protecting the poor. Videos highlight the benefits of insurance, for example by sharing the experience of a wife who lost her husband and now relies on income from his life insurance. ICICI Prudential trains its sales staff on its standard HR business and IT Training, plus modules on poverty alleviation and financial inclusion. The modules train sellers on the importance of insurance and align their thinking with the project objectives.

Many insurers train staff using passive learning methods, such as presentations or lectures. This approach may work when training staff with a college background, since they are accustomed to a more academic learning experience. Presentations are more difficult to digest for sellers with basic levels of education and little prior exposure to sales or insurance.

Alternatively, experiential training is an interactive approach where sellers learn by doing. The most basic form of experiential training is setting up role plays and games to give sellers a safe space in which to understand concepts, practice selling, obtain targeted feedback and build confidence. Experiential training gives trainers the opportunity to assess common challenges early and to design additional training as required. The approach can be cost-effective as trainees experience the sales process and obtain early guidance, thus potentially reducing mis-sales in the longer term. For example, MicroEnsure Ghana uses an interactive training approach that takes two trainees through a conversation. Trainees role-play the conversation by reading the script aloud; they get immediate feedback from trainers. In Tanzania, MicroEnsure conducts a weeklong training programme that involves an interactive "risky business" game, which provides insurance literacy training. The game gives players a first-hand experience of the costs and benefits of insurance, helping them understand the value of insurance in environments characterized by risk. For more information on this game, see Annex 7.1.

Insurers can also encourage sales staff to experience the product personally, for example by providing a discount to them. By purchasing and using the product, sellers are equipped with a better understanding of the product's costs and benefits. Buying the product before selling it also reinforces the sales message: "I liked the product so much, that I bought it myself." For example, CARE gives its sales staff a 25 per cent discount to help them understand the product through first-hand usage. All its sellers have purchased the insurance.

Allianz Indonesia goes a step further. Trainees sell the product to each other during the training programme. Trainees benefit not only from a first-hand experience of the product, but also from conducting a sale in a controlled environment where trainers can provide direct feedback. On average, around 50 per cent of trainees purchase the product during the training session. Trainers supervise the sales and provide feedback. Allianz Indonesia uses a multiple-choice test at the end of the training to ensure that processes were understood. Strong achievers are awarded prizes like coffee mugs.

Training can be extended to the field where experienced sales staff mentors new sellers. For example, AIC in Haiti conducts two to three weeks of training in the field, during which an experienced staff member mentors a new seller. Similarly, Old Mutual finds on-the-job learning particularly valuable, where regional managers support new sales staff after the basic initial HR training.

Training is an on-going process and sellers need an opportunity to participate in refresher sessions. AIC, for instance, touches base with its sales staff on a quarterly basis and offers refresher sessions based on needs. Old Mutual offers two-day refresher sessions, twice a year to reinforce basic concepts.

## 2.3 INCENTIVIZE

To promote desired behaviour, employees need to have intrinsic and extrinsic motivation. Intrinsic motivation refers to motivation that exists within the employee and is driven by an interest, enjoyment or belief in the task. This type of motivation is not dependent on an external reward or incentive. Extrinsic motivation is dependent on the receipt of an external reward for performing a task. Extrinsic motivation relies on the use of financial and non-financial incentives.

As outlined in Table 4, each type of incentive has pros and cons, with some potentially leading to negative behaviour. Incentives, hence, need to be carefully designed and monitored. Selecting which incentive is most suitable depends on the type of organization, maturity of the programme, profile of sales staff and the ability to monitor staff actions and measure client satisfaction.

### *Extrinsic motivators: Financial Incentives*

Insurers traditionally incentivize staff through financial commissions linked to sales volumes. Many interviewed organizations use this technique to motivate staff, as commissions are objective, relatively easy to design, and valued by sales staff.

For microinsurance, however, volume-based financial incentives may be ineffective for two reasons. Firstly, microinsurance premiums are, by definition, small, and might have little influence on sales staff, especially for part-time sales staff who need to balance their insurance selling responsibilities with competing functions. Secondly, the incentive may have unintended consequences as it only rewards sales. Sales staff often deal with clients who are unfamiliar with insurance, may not understand the product, or may require consultation with others before making a decision. A financial incentive model linked to sales volumes alone can encourage sellers to mis-sell, that is, to force a sale without the full consent of the client or without a clear understanding of the terms and conditions of a product. Mis-sales reduce the available income of clients without providing the associated risk protection for which the product was developed, because the client does not understand how and when to claim. Mis-sales frequently lead to product cancellation or a failure to renew the product.

One interviewee reported that financial commissions motivated call centre sellers to mis-sell. The organization was forced to void a significant number of policies. As a result, the organization has updated its sales manual and client script, and undertaken re-training of sellers, including exams. In addition, it is introducing new non-financial incentives to counter mis-sales.

To be successful beyond the short term, organizations must optimize both for the number and the quality of sales. In its Staff Incentive Scheme Manual, MicroSave makes a case for combining volume-based financial incentives with other kinds of incentives to enhance both volume and quality.<sup>4</sup> The success of microinsurance schemes depends on nurturing a network of trust-based client relationships. Sales staff can be rewarded on the basis of how trustworthy they are and on how they develop and apply their interpersonal skills. Such client service skills can be measured quantitatively and qualitatively. Quantitative techniques include, for example transaction speed, number of errors that may have a negative impact on the clients' trust, or results from an assessment of clients' understanding of a product. Qualitative performance measurement techniques can help gauge the clients' perception of the quality of service, including results from client satisfaction surveys or a supervisor's assessment.

Volume or sales-based financial incentives can be complemented by other financial incentives to diminish mis-sales and enhance renewals. For instance, GRET has piloted a new approach in two districts that incentivizes staff based on new registrations as well as retention of clients. Sales staff get additional incentives if clients buy longer duration policies and renew them. Initial results suggest that dropout rates are lower in these districts. MicroEnsure Ghana implemented a financial incentive to encourage renewals. After three consecutive months of client payment, the seller gets an additional bonus. Penalties can also be used to reduce rewards for poor behaviours. ICICI Prudential pays a lower bonus to sales staff who have received negative supervisor or client feedback, or who have been associated with poor policy renewals for causes related to their behaviour.

<sup>4</sup> Participants' Manual, Designing and Implementing Staff, Incentive Schemes' can be found at [www.microsave.org](http://www.microsave.org)

MicroSave argues that the phase of growth of a business can affect the ideal mix of incentives. For schemes that are in a pilot phase or those that have not financially broken even, team-based financial incentives can be effective in promoting teamwork and encouraging sales staff to work together. For example, CARE gives a group financial incentive, to be equally divided among a team of sales staff, if the team reaches a predefined benchmark.

**Extrinsic Motivators: Non-financial incentives**

Non-financial incentives may also improve sales quality and align sales force incentives with an organization’s long-term objectives. They can be designed to reduce mis-sales and to provide additional incentives when financial incentives are considered too small or when the insurer has little control over the distribution of financial incentives.

Non-financial incentives give sales staff recognition or a tangible reward for their work. Effective examples cited by interviewees include:

- Publishing a ‘top seller’ in each edition of an internal magazine or newsletter, based on strong sales volumes and renewal rates. Selected sellers can be asked to give a list of their top tips to inspire and train other sellers.
- Offering promotions to a supervisory role. Promotion decisions take into account the knowledge and expertise of sales staff and the strength of their portfolio. By including sales into the supervisor’s role, a microinsurer can avoid promoting strong sales staff out of their area of expertise.
- Offering periodic prizes to strong performers. Prizes cited included coffee mugs, domestic appliances, sports tickets, and grocery vouchers. One company offered strong performers a visit to the insurer’s head offices to meet senior staff.
- Providing additional professional development to top performers to help further their careers.

AIC stressed that while incentives motivate sellers, the opportunity for career advancement through promotion to supervisors is often more important. AIC calls this the “nursery approach,” and plans to create more levels in the company. An alternative to offering promotions, as not everyone can be a supervisor, is to offer job enrichment. Sellers get the opportunity (and additional compensation) to perform functions that might be more fulfilling, such as participating in product development committees or serving as a mentor for new sales staff.

**Intrinsic motivators**

Organizations can also use intrinsic motivators to help sales force staff feel part of a broader movement that protects the poor and benefits society. By reinforcing the social and economic benefit of microinsurance, sales staff develop a sense of purpose. ICICI Prudential emphasizes poverty alleviation and financial inclusion objectives when training its sales staff. As another example, Allianz Indonesia’s most successful seller said that her drive came from providing a valuable product to her constituents. If sales staff do not see value in the product, they will have difficulty convincing others (see Box 1).

**Table 4: Range of incentives**

Incentive	Type	Indicators	Pros-cons
Sales commission	Extrinsic, financial (individual-based)	Number of sales	Most common type of incentive <b>Pros:</b> Promotes sales, easy to measure and design <b>Cons:</b> Ineffective if too small, potential for mis-sales if not balanced with other incentives or monitored carefully
	Extrinsic, financial (team-based)	Number of sales per team	<b>Pros:</b> Promotes team work and team building <b>Cons:</b> Effort and reward might not match
Renewal commission	Extrinsic, financial	Renewal rate, persistency	Linked to quality of sales <b>Pros:</b> Encourage appropriate sales <b>Cons:</b> Reward delayed for long-term policies
Quality-based commission	Extrinsic, financial	Quantitative: renewals, transaction speed, errors Qualitative: client satisfaction	Incentive based on assessment of staff performance in promoting product understanding and appropriate sales. Qualitative or quantitative.

		surveys, client understanding of product, supervisor assessments.	<b>Pros:</b> Promotes desired behaviour in staff <b>Cons:</b> Difficult and more expensive to measure, subjective, need to capture client feedback
Promotions, professional development opportunities	Extrinsic, non-financial (with financial consequences)	Indicators used for financial incentives (listed above), manager input	<b>Pros:</b> Improves staff retention <b>Cons:</b> Usually limited to a relatively small number of opportunities
Awards, recognition	Extrinsic, non-financial	Indicators used for financial incentives (listed above), team/client nominations	<b>Pros:</b> Improves staff retention, non-financial focus to, can be low cost), <b>Cons:</b> Maybe less motivating than financial incentives, can take time to set up and implement
Support higher purpose	Intrinsic	Supervisory/peer assessment of drive/motivation	<b>Pros:</b> Reinforce social objective/higher purpose, promotes staff retention <b>Cons:</b> Subjective

In instances where sales staff perform tasks other than selling, it becomes important to incentivize those activities as well. For example, when sales staff are responsible sales and servicing (policy administration) as in the case of Old Mutual, the incentive structure needs to consider both functions, and should be designed in a way that the priority for the individual matches the priority for the organization, and is aligned with the organization's strategic goals. Old Mutual had an issue because its incentive structure only factored sales, even though sellers were spending considerable amounts of time servicing existing clients, which was important for the product to be profitable. One approach considered by Old Mutual was to separate the sales and servicing functions and assign sales staff to each function, rather than have the same seller perform both functions.

**Box 1: Seguros Futuro: using range of incentives to motivate staff**

Seguros Futuro is a cooperative insurer in El Salvador offering insurance products to members of savings and loans cooperatives. In 2007 Seguros Futuro introduced a repatriation and remittance insurance product to cooperative members who had family members living as migrants abroad. Cooperative staff (mostly cashiers) offered the product to migrant's families when they come to collect remittances.

Seguros Futuro's experience working with diverse cooperatives revealed that all components of an incentive scheme are important. One motivating factor for cooperative staff was their conviction about the value of the insurance for their members, which was generated by training in the product and its benefits. When staff did not perceive a product's value, they did not offer it to clients. On the other hand, one cashier at a cooperative sold over 80 policies, because she thought the insurance offered a "nice benefit" to her clients, despite the fact that her cooperative did not distribute the sales commissions to her.

As sales commissions tended to form a small percentage of the overall compensation to cooperative staff, Seguros Futuro combined commissions with other types of incentives, like vacations, coupons, and raffles, and with recognition through plaques or certificates, to promote sales and make staff feel more gratified.

*Source: Microinsurance Innovation Facility Learning Journey on Seguros Futuro*

Case study 1 on ICICI Prudential illustrates its efforts to motivate staff and promote correct selling. ICICI Prudential's incentives hinge on the social bond between the sales staff and the local communities. By selecting people with an established network of personal relationships with the community, ICICI Prudential believes that social pressure and trust will be disincentives for poor conduct. Incentives are aligned with the aim to guarantee a good quality of service, and create a financially disciplined client population. From the beginning ICICI Prudential has based both performance evaluations and financial incentives on policy renewals and service quality measures, in addition to sales.

### *Case study 1: ICICI Prudential's incentive scheme*

#### CONTEXT

ICICI Prudential in India has partnered with tea producer McLeod Russel India Limited to sell a product called Anmol Nivesh, a unit-linked investment plan with life insurance cover. The programme targets migrant workers employed by the tea company in its tea estate in Assam.

The product is a savings scheme designed according to the needs and the cash flow of this client segment. The policy requires a monthly investment US\$ 2-11, which affords a life coverage of US\$ 130-660 respectively.

Between January and July 2010 ICICI Prudential sold a total of 2,700 individual policies among a population of 4,000-5,000 permanent workers. In August 2010 Anmol Nivesh was discontinued due to changes in the regulatory guidelines for unit-linked products. While no new sales are being made, policies sold in 2010 are still valid. A new product has been filed for approval and will be released in the second half of 2011.

#### SALES FORCE VALUE CHAIN POSITIONING

**Role:** A dedicated full-time staff member called a Corporate Processing Agent (CPA) is assigned to each tea estate covered by the scheme. CPAs are responsible for carrying out all client-facing and insurance-related activities, not just sales. These cover pre-sales marketing of the product, financial literacy and scheme-specific education, sales and enrolment, and policy administration, which includes tasks of premium collection and claims settlement. Initially, CPAs focus primarily on sales. Through time as the tea estate nears saturation CPAs focus on policy renewals and claims processing.

**Recruitment:** CPAs for each tea estate are systematically hired from pools of local candidates. CPAs are expected to have at least 12 years of school education. Preference is given to holders of college degrees. Most CPAs are former teachers with limited financial, marketing or computer training.

**Training:** ICICI Prudential offers CPAs an induction package combining the HR department's standard business training with training on IT, poverty alleviation, and financial inclusion. The latter two modules train CPAs on the importance of insurance and align their thinking with the project objectives.

**Incentives:** By hiring staff locally, ICICI Prudential relies on the social bonds between the CPAs and their communities to encourage good performance. In addition, ICICI Prudential trains CPAs about the importance of financial inclusion and poverty alleviation, which gives them a sense of purpose. CPAs are awarded bonuses based on the volume of sales and renewals obtained.

**Monitoring:** Every cluster of five or six tea estates, along with their CPAs, is under the supervision of a Financial Services Consultant (FSC). The management style is based on honesty and trust, factors that ICICI Prudential believes critical to success. Staff performance is measured through key performance indicators that include number of sales, as well as outcomes linked to consumer education, mass awareness, outreach, policy renewals, claims settlement, and feedback from clients.

#### GOOD PRACTICES

Since its initial market research and interactions with the local community, ICICI Prudential has tried to find an effective way to manage and motivate CPAs. After pilot testing, the incentive model is ready to roll out on a large scale through a planned expansion of the scheme across new tea estates in Assam and West Bengal.

ICICI Prudential motivates CPAs by encouraging them in trainings to focus beyond simply making sales to the overarching purpose of the insurance and mission of the project. It envisions that its sales force will become ambassadors of the



financial inclusion programme, think long-term, and act in the interest of their communities, thereby helping to build the financial discipline of their clients.

The process starts by identifying and recruiting young men and women who are role models, and have a passion for serving their communities. By selecting people with an established social network, existing trust and social pressure help reduce poor conduct.

Compensation includes a fixed salary, plus monetary incentives that are awarded based on a long-term view and in the interest of the community becoming more financially disciplined. CPAs receive vouchers and a potential promotion to FSC depending on their performance and the success of the project. In 2010 FSC's annual bonus was 80 per cent of the annual base salary, and quarterly bonuses based on sales and renewals represented an additional 50-80 per cent. The incentive to base salary ratio for CPAs is small, as of now.

Since tea estates are clusters that offer limited pools of potential clients, financial incentives cannot be based on sales volumes alone. ICICI Prudential uses non-financial incentives and emphasizes that by delivering valuable services to clients, CPAs will be rewarded with social recognition in their community. From the beginning, it has based performance evaluations and financial incentives on policy renewals and service quality measures, in addition to sales. During the sales period ICICI Prudential launched a contest that awarded CPAs based on sales volume, renewal and service. Lower bonus amounts are paid out to CPAs who have received negative supervisor or client feedback, or who have been associated with poor policy renewals for causes related to their behaviour.

Incentives are aligned with the aim to guarantee a good quality of service, and create a financially disciplined client population. CPAs have an incentive to help clients to learn to pay their policy premium and ensure the good performance of the scheme as a whole. This approach has, to date, resulted in no mis-sales and no policy contract lapses.

Retaining sales staff is a major challenge for organizations, especially in competitive environments where sellers have other insurance or non-insurance options. Selling insurance is difficult and can be frustrating, hence keeping them motivated is constant challenge. AIC's biggest challenge is supervising its sellers and keeping them motivated, to prevent high turnover. The case of SINAF Seguros in Brazil, outlined in Box 2, highlights the retention challenge and describes how SINAF is tackling it.

### **Box 2: Addressing staff retention**

SINAF Seguros is a life insurance company based in Rio de Janeiro, dedicated to the low-income market. It offers a composite product that includes funeral, personal accident, and term life insurance. SINAF uses an in-house sales force to sell its voluntary product using a door-to-door marketing and sales approach.

Retaining staff is a challenge for SINAF, as reflected in its retention numbers: 60 per cent of the sales staff leave within six months of employment, 75 per cent in 12 months and 80 per cent in 18 months. The main reasons for sales staff leaving are the outdoor nature of the work, easy transferability of skills to other jobs, and the competitive employment market in Brazil.

SINAF uses different strategies to counter low retention. First, it tries to make the job easier for new sellers. It provides a standard selling methodology to make selling easier for beginners and to create a better work environment. SINAF believes that it is easier to convince sellers that they can succeed if they know exactly what needs to be done. Second, SINAF has designed its rewards scheme to promote longevity. Beginners start with a guaranteed salary. Initial increases in salary are based on time with SINAF and performance. Third, SINAF uses non-financial incentives to recognize achievement, using every possible opportunity to celebrate staff performance.

SINAF's reward and retention policies are based on Herzberg's two-factor theory. The theory states that two types of factors influence staff satisfaction in a workplace, those that cause dissatisfaction (hygiene factors such as salary, quality of supervisor, working conditions) and those that provide satisfaction (motivator factors such as status, recognition, sense of achievement). To build a committed team and retain staff, an employer needs to address both factors, and this is what SINAF tries to do.

*Source: Presentations during the Microinsurance Annual Conference, November 2011 in Rio de Janeiro and webinar on The Viability of Microinsurance, March 2012*

## **2.4 MONITOR**

Monitoring is critical for microinsurance for a number of reasons. Given clients' limited experience with insurance and the low demand for microinsurance, sales staff have to push sales. Monitoring allows organizations to track whether sales are accurate and the cover is appropriate and understood by the client. Having the right client profile covered is important from the company's perspective as well. Further, monitoring enables organizations to learn and innovate, allowing organizations to adapt quickly; this is particularly important as many microinsurance schemes are still evolving.

Many insurers interviewed for this study report using systematic monitoring systems to assess staff and product performance. Organizations that further integrate this feedback into staff training schedules are better able to diagnose issues and promptly equip staff with the tools they need to be successful. Integrated monitoring may save costs in the long run by accurately targeting specific individual and group training needs over time. In small organizations, the process involves one-on-one feedback and mentoring. Among programmes that aim to reach scale, the process needs to be more systematic as one-on-one feedback mechanisms may not be cost-efficient. Case study 2 focuses on how systematic monitoring and training can be integrated at scale, profiling the practices of GRET in Cambodia.

In addition to monitoring the effect of staff behaviour on existing clients, organization can conduct "lost client" analysis by gathering feedback on clients who did not renew or those that heard the sales pitch but did not buy the product. Such analysis can be disaggregated using socioeconomic demographics (such as income, gender, employment type) to assess the effectiveness of sales staff on different target groups.

While most insurers interviewed had an IT system to monitor performance, other monitoring options could be investigated. For instance, ParaLife uses hidden cameras to film sales staff on the job.<sup>5</sup> Training sessions use these videos to highlight successful sales techniques and to provide constructive feedback in a fun and interactive format.

### **Case study 2: GRET's integration of monitoring and training**

#### CONTEXT

GRET, a French non-governmental organization, has been offering microfinance products in Cambodia since 1991. In 2000 it launched the SKY health insurance programme that aims to protect vulnerable Cambodian households from financial consequences of health-related incidents such as indebtedness and loss of land. The product costs US\$ 5.5 per person per year and relies on registration by households rather than individuals. It provides access to primary health clinics and public hospitals.

SKY currently covers 73,000 policies sold by around 80 community-based insurance sales staff across Cambodia with nine field coordinators. For more information, see <http://www.gret.org/>

#### SALES FORCE VALUE CHAIN POSITIONING

**Role:** Locally based sales staff spend around 70 per cent of their time on sales and 30 per cent on premium collection, administration and patient follow-ups. Coordinators spend around 10 per cent of their time on sales - principally to monitor sellers and organize additional training for them.

**Recruitment:** Minimum recruitment requirements include the ability to read and write and a primary education. GRET advertises posts in newspapers and on its website. Qualified candidates attend a one-week training to assess their performance. GRET only hires candidates that perform well on exercises given to them during the week of training.

**Training:** In addition to the sellers' training programme, field coordinators undergo additional training on management, supervision, IT processes and organizational procedures. The training provides all attendees with a list of frequently-asked questions and simplified operating procedures.

**Incentives:** Sellers receive 10 per cent of the premium collected as well as US\$ 1.5 per newly recruited family. GRET has set up a system in two of its nine districts to incentivize sellers based on retention of clients. Drop-out rates have diminished in these districts, and a more comprehensive comparison will be done by GRET once it has sufficient data on the two systems.

**Monitoring:** GRET has a comprehensive system of monitoring financial and sales force performance using its IT system, surveys and a hotline that members can call with questions. Using these systems it has reduced mis-sales to around five per cent.

#### GOOD PRACTICES

GRET's monitoring system is unique in its use of a diverse range of channels for feedback, which is integrated into on-going training schedules of its sales staff. GRET monitors financial performance, sales performance, client knowledge, and sales force knowledge systematically.

Every month, GRET calculates the number of new registrations, dropouts and total income earned. Management look at the evolution of sellers on a quarterly basis and field coordinators build a quarterly training plan based on the needs of individual sellers.

GRET tests sales staff annually during the SKY annual meeting to assess their knowledge of the product, benefits, IT systems etc. In addition, field coordinators have a set of questionnaires to do spot checks of sellers in the field. Field coordinators

<sup>5</sup> Sellers are aware of the cameras during the interaction. Clients are asked for permission to use the material for training purposes.

observe sellers and assess whether they are following standard operating procedures.

In a further effort to assess performance, GRET conducts a door-to-door member satisfaction survey periodically to assess the level of understanding of members and non-members about the SKY programme. The survey collects data about the characteristic of the respondent, their knowledge of the product and procedures, their satisfaction with sales force staff and hospital hostess services. Based on this survey, field staff follow-up with members who do not have a clear understanding of their policy – currently around 5 per cent of sales.

In an effort to provide direct access to members with questions, and assess the quality of information provided by sales staff, GRET set up a hot line that members can call with queries. This platform is also used to ascertain whether there are misunderstandings. The most common form of misunderstandings that GRET has found relates to procedures for claims and the terms of care provided under the policy.

Finally, GRET uses an online compliance system to register client complaints in hospitals. These issues are reviewed periodically by the management team and action is taken as required.

GRET has kindly shared its monitoring tools. See Annex 7.1 for a full list of the tools available on the Microinsurance Innovation Facility website.

### 3 > OUTSOURCED SALES STAFF WITH PRIMARY FOCUS ON MICROINSURANCE SALES

This model is characterized by sales staff that dedicate 100 per cent of their time to selling microinsurance products. The organizations classified under this model are Hollard, Liberty, and MicroEnsure Ghana. All organizations use outsourced sales staff located in call centres. Liberty also uses external contractors for door-to-door sales. The organizations reviewed do not include examples of full-time sales staff that are direct employees of the insurer. Where employees of insurers were responsible for sales, they were also responsible for other activities, such as post-sales servicing, and are hence reviewed in Section 5.

The three cases show similarities in all the sales force development steps. Sales staff are employees of the outsource partner and not insurers; hence recruitment and day-to-day activities are not managed by the insurers. For this reason, training tends to be need-based, and incentives for the call centres and the sellers are only financial. In all cases, the distribution partner generates leads for the call centres. Hollard, for instance, provides selection criteria such as income, age and number of leads to its distribution partner and then passes on the extracted client information to its outsource partner that manages the sales staff. MicroEnsure Ghana relies on its mobile phone company partner and Liberty relies on utility companies for leads.

Hollard's and Liberty's outsource partners hire, manage, and pay sales staff. These partners also define and manage the incentive schemes. MicroEnsure Ghana's outsource partner hires sellers, while the distribution partner, a mobile phone company, hosts and manages the sellers. The outsource hiring partner also supports other client service functions of the mobile phone company, and is thus motivated to provide strong candidates.

As the sales force is fully outsourced, organizations implement strong monitoring systems and clearly outline targets, both for conversion rates and quality standards, in order to assess the performance of the sellers. As an example, Hollard's quality assurance team listens to sellers' calls to ensure compliance with South African regulation and with Hollard's rules. Each call centre is evaluated based on its sellers' performance on sales calls. Liberty audits every sale through an external audit company. After each sale, the audit company calls clients to welcome them to the company, and checks their understanding of the product. This information is used to assess the sellers' performance in each sale. Case study 3 provides more detail on the benefits of Liberty's monitoring system.

#### *Case study 3: Liberty's monitoring system*

##### CONTEXT

Liberty is the Colombian affiliate of Liberty Mutual Group and has operations in 24 countries. Liberty began operations in Colombia in 1997, and since 2004 has offered a variety of life microinsurance options to clients of utility companies in Colombia. Liberty offers the insurance through information packaged with monthly utility bills, complemented by a contracted sales force of over 250 door-to-door salesmen and telemarketers. The product is tailored to the needs of the low-income segment and covers basic life (plus health or accident expenses for comprehensive policies) for a monthly premium between US\$ 1.70 and US\$ 3.60.

##### SALES FORCE VALUE CHAIN POSITIONING

**Role:** Liberty outsources its sales force to external telemarketing companies and door-to-door sales staff. These sellers dedicate 100 per cent of their time to selling microinsurance. Each seller chooses to focus on two or three products, based on the needs of their target clients.

**Recruitment:** Liberty's outsource partner hires, manages, and pays its staff. Some outsource partners suffer high staff turnover, and Liberty is currently investigating how to mitigate this.

**Training:** Most sales staff are middle class or poor women in their 20s and 30s, with primary education. To ensure they fully understand the products, Liberty provides induction training for the sales staff. In the future, Liberty plans to supplement this initial training with refresher classes and experiential training. It trains sellers in all characteristics of the product: premiums, benefits, and processes.

**Incentives:** The incentives are defined by each outsource partner. Typically the base salary is minimum wage, plus a small variable percentage of premium revenues generated. Since premiums are small, the financial motivation to sell each policy is low. Liberty sees this as an advantage, as it helps to avoid mis-sales and keep cancellations low. Sales staff are more motivated by sales competitions, which give them personal recognition among their peers, in addition to prizes.

**Monitoring:** Liberty contracts an external auditing company, which calls each client after the sale. The call is explained as a “Welcome to Liberty” follow up, but in reality the auditors check that the sales staff provided all necessary information to the client. The system then generates a report for each client, and a summary report for each sales staff. Liberty also receives recordings of each sale. Although costly, this detailed system helps to avoid mis-sales and fraud. For door-to-door sales, a field supervisor visits the client post-sale, to confirm that all information collected is correct and in order.

#### GOOD PRACTICES

Liberty’s thorough monitoring processes stand out among the microinsurance schemes reviewed in this report. Initially Liberty observed unusually high rates of cancellation and mis-sales for its life microinsurance scheme, in particular among lower social strata. Clients reported that sales staff lied to them, or failed to explain the policy fully.

In this context, the auditing process serves several purposes. First, it dissuades sellers from dishonest or fraudulent conduct. Liberty reports that sales staff do not see the system as a threat. They understand its importance in protecting the business. Second, it ensures client satisfaction. Most clients feel comfortable and connected to Liberty after the “welcome” call. Meanwhile those who regret their purchase can cancel as soon as possible, to avoid complaints or lost premiums further down the road. In addition, the scheme saves Liberty money in the long term. By reducing the number of cancellations, Liberty pays the same recruitment fee to sales staff, but gets longer term payment from clients.

## 4 > OUTSOURCED SALES STAFF WITH AUXILIARY FOCUS ON MICROINSURANCE SALES

In this model, sales staff are based at distribution partners such as MFIs or banks. In the organizations reviewed under this model, sales staff spend less than 10 per cent of their time selling microinsurance. The organizations reviewed are Allianz Indonesia, La Positiva, and Paralife.

In all cases, sales staff are sourced from the distribution partner: Allianz Indonesia partners with MFIs, La Positiva partners with rural water boards,<sup>6</sup> and Paralife partners with both MFIs and retailers. All sales staff have the option to sell the insurance, and selling is largely voluntary. Training includes an induction component, and is need-based thereafter, with some variance in on-going training. All organizations implement systematic monitoring systems.

The insurers experienced similar challenges with this model. First, distribution partners do not necessarily have the same priorities as the insurer. Second, the insurer does not control incentives. Insurers give commissions to the distribution partner for accessing its clients and using its sales force. The distribution partner, not the insurer, has control over the amount and structure of the incentives that are ultimately offered to the sales staff.

These factors combined can lead to poor engagement of the sales staff. Out of 120 registered sellers for La Positiva, only 24 are actively selling. Allianz Indonesia's experience is similar. As of June 2011, only 15 field officers out of 40 made a closing sale since inception in November 2010. As a result, two of the organizations stated that they are moving towards a model of sales staff with higher dedication to microinsurance sales.

Organizations shared the following insights:

- *Choose the right partner.* At the start, getting buy-in from the partner's CEO and senior management is essential. The distribution partner needs to include the product as an integral part of its offering, for example by emphasizing the intrinsic benefits for the community.
- *Offer a very simple product.* Ensure that the product is easy to understand without lengthy terms and conditions. Use visual, colourful marketing materials and light-hearted cartoons.
- *Use numerous channels for both sales staff and clients to access information about the product.* Provide additional support for example through call centres to answer clients' and sellers' questions on the product, terms and conditions. Offer sellers a frequently updated FAQ guide with detailed answers in response to client questions.
- *Hold regular meetings to share experiences and to train.* Encourage top sellers to explain their methods to other sales staff.
- *Use very clear, prescriptive guidelines for selling, including a sales script.* Outline a conversation flow for sales staff, including a logic tree that outlines all possible answers and follow up questions. As an example, the script gives the seller ideas on what to say in case of both "yes" and "no" answers to the question 'Have you thought about what would happen to you and your family if you were to fall ill?'
- *Sell the product to the sellers first.* This ensures a good understanding of the product, and the conviction that it will benefit clients. Product discounts are a useful additional incentive to encourage the sales force to buy the product.
- *Encourage the distribution partner to give financial incentives directly to the sales staff.* Agree beforehand on the level of financial incentives distributed to sales staff. Use a monitoring system to track the progress of each seller, and

<sup>6</sup> A water board is charged with managing the water barriers, waterways, water levels, and water quality in a region. Water boards typically form part of government infrastructure.

check whether the partner has shared its financial incentives according to the agreement. Conduct in-person checks if necessary.

Case study 4 illustrates how AIC, a private insurer in Haiti, has adapted its model to improve sales and renewal rates. Over time, AIC moved from a reliance on MFI and bank staff with a minimal focus on microinsurance sales, to using in-house sales staff placed within the branches of the MFIs and banks. This change increased sales dramatically: in a month and with only half the sales points, dedicated sellers reached 80 per cent of the sales that the banks' staff was able to reach in a year and a half. In-house sellers also boosted renewal rates, by maintaining closer relationships with clients.

#### **Case study 4: AIC's move to dedicated sales staff**

##### CONTEXT

AIC is a private insurer operating in Haiti that aims to offer insurance products with integrity to every sector of the population. AIC sells its microinsurance products through the government bank BNC (Banque Nationale de Crédit), two MFIs (FONKOZE and Sogesol), and funeral societies. Between its bank and MFI partners, AIC has 11 points of sale in Port-au-Prince and 15 points of sale outside the capital, in major cities.

AIC has offered microinsurance since 2007, when it began to offer credit life insurance to clients of FONKOZE, Haiti's largest MFI. AIC's flagship microinsurance product PROTECTA provides funeral cover through a nationwide network of service providers for an annual premium of approximately US \$10. The product is the result of three years of research and over 7,000 interviews about Haitians needs and desires for funeral coverage. AIC projects it will have 10,000 policies by the end of 2011.

In 2008 AIC began with a cross-selling model involving all BNC staff. It conducted lengthy training on various insurance products such as life, home, and auto. Sogesol staff also received comprehensive training in life and funeral microinsurance with the launch of Protecta. All BNC and Sogesol staff dedicated less than 10 per cent of their time to selling microinsurance. Within a year, AIC noticed disappointing results due to staff's lack of time or interest in the insurance incentives. They also had little incentive to maintain a portfolio of clients, renewing year-by-year. The dedicated seller approach spun from AIC's desire to make a dramatic impression with Protecta. "The need was there, now we needed to sensitize the people."

##### SALES FORCE VALUE CHAIN POSITIONING

**Role:** Initially AIC sold funeral cover through BNC branches, with sellers spending less than 10 per cent of their time on these sales. After experiencing disappointing results in the launch of other traditional products, AIC discovered that sending its own sales staff to BNC branches resulted in a large increase in sales. AIC currently has 26 sales staff nationwide, and four supervisors. The sellers spend all their time selling insurance, servicing existing policies, and providing microinsurance education, in line with the model explained in Section 5. AIC refers to its microinsurance sellers not only as sales staff, but also "helpers" and "educators." The sales supervisors, usually promoted from the sales staff, continue to sell and also monitor their sellers by region. They are also responsible for keeping their portfolio in good standing.

**Recruitment:** AIC recruited most of its current sales staff at an open house event. Department chiefs screen candidates, and HR staff later evaluates and approve candidates. Sellers have a variety of backgrounds and level of work experience. Typically they have no experience with insurance. AIC usually seeks college students or graduates from each community where they work, rather than recruiting exclusively in Port-au-Prince. AIC hires extra sales staff as "back-ups," to ensure that every point of sale always has a dedicated seller.

**Training:** AIC's first three-week induction training to newly hired sales staff was extensive, covering:

- Insurance basics (what are premiums, claims, etc.)
- The importance of educating clients
- Creating client loyalty



- The funeral insurance product, PROTECTA
- Selling techniques
- Sales and monitoring software

The education component was particularly important, as it enabled sellers to raise prevention culture and awareness about the product among Haitians. Since the first training, AIC has expanded initial courses to four to five weeks, plus two to three weeks of shadowing with sales staff already in the field. Throughout the month-long training, AIC uses verbal and written tests to evaluate sellers' grasp of the product. AIC follows up with sellers quarterly, and offers refresher courses if needed.

**Incentives:** Under its previous cross-selling strategy, AIC found that microinsurance commissions of 2.5 per cent were unattractive compared to commissions for loans. Under the sales staff strategy, sellers earn on average US\$ 270 in base salary, which accounts for approximately 86 per cent of their compensation. In addition, sellers earn the 2.5 per cent commission on all new policies and renewals. In addition, AIC offers bracketed lump-sum incentives for selling more than 20 policies in a month. Non-financial incentives are offered at year-end, and vary each year—for example dinner for two, movie tickets or gift cards. AIC stressed that while these incentives motivate sellers, the opportunity for career advancement through promotion to supervisors is often more important. AIC calls this the “nursery approach.”

**Monitoring:** AIC has a well-defined, systematic monitoring system. Sellers use real-time software to register leads, sales, renewals, and other processes, allowing supervisors to appraise the status of the portfolio at any moment. Sellers are issued email, Skype, and fixed landlines to facilitate constant communication. AIC also contacts sellers to identify their needs, which feed into refresher trainings or mobilizing resources such as additional flyers and marketing. In addition, sellers undergo probation evaluations and annual assessments. AIC emphasizes that its system is not intended to punish underperformers, rather to pre-empt major problems and cater to sellers' needs. The system also allows sellers to compare their results with their peers, creating further intrinsic motivation through friendly competition.

#### GOOD PRACTICES

AIC's dedicated insurance seller model is in contrast to the commonly held view that cross-selling is an efficient strategy to deliver microinsurance at low cost. Despite the high cost of maintaining its own sales force, AIC believes the increased sales and proximity to the client will allow it to reach the break-even point ahead of schedule. The strategy has also resulted in drastically increased sales, retention, and awareness about insurance. AIC puts a strong focus on educating the low-income population about insurance, as the concept is relatively new to Haitians.

The new dedicated sales strategy confers numerous benefits. First, AIC contends that awareness built by sellers is invaluable for creating the market. Second, investing in properly trained and motivated staff led to an increase in sales compared to the cross-selling model. At Sogesol, AIC sales staff sold in one quarter 40 per cent of what was sold the entire previous year. Furthermore, AIC has reached its ambitious retention target of close to 80 per cent. Finally, AIC's sales staff have already achieved trust with their clients. AIC has observed that clients initially choose to pay month-to-month. After becoming comfortable with the product and the company, however, clients often switch to less frequent payments.

AIC believes that these benefits greatly outweigh the additional operating costs such as training and monitoring. AIC also agreed to offer BNC the same commission as before, in exchange for providing insurance sellers a space to work, supervision, and access to clients.

AIC's biggest challenge is supervising its sales staff and keeping them motivated, to prevent high turnover. To achieve this, AIC will create additional levels of seniority among the sales staff, refresh the training, and expand opportunities for advancement within the company.

AIC maintains its BNC model to sell traditional insurance products. For microinsurance, however, it believes there is no substitute for the comprehensive education and orientation that its own sellers can provide.

## 5 > IN-HOUSE SALES STAFF

This section reviews lessons from seven organizations in which in-house sales staff dedicate 40-70 per cent of their time to selling microinsurance products. Most schemes reviewed in this study are delivered by insurers in collaboration with community-based organizations. Due to strong similarities in the sales force development practices and lessons learned, this section encompasses two sales force models:

- *In-house and primary:* Sales staff are fully dedicated to microinsurance, with 40-70 per cent spent on selling. The sales staff are employees of an insurance company. When not selling microinsurance, sales staff spend their time on other microinsurance activities such as post sales service and client relationships, including renewals (ICICI Prudential), managing claims settlements (Old Mutual), and providing microinsurance education (AIC).<sup>7</sup>
- *In-house and auxiliary:* Sales staff spend 40-70 per cent of their time selling microinsurance, but also spend time on non-microinsurance activities. Sellers are employees of community-based organizations and NGOs that deliver insurance under self-insured schemes. Sales staff for CARE, GRET, PWDS<sup>8</sup> and MicroEnsure Tanzania's community-based partners spend a substantial percentage of their time on activities that are unrelated to microinsurance. For instance, sales staff for CARE and GRET provide health care services.

Of the programmes reviewed, two have reached scale. GRET's programme has run for 11 years and reached scale with 73,000 persons covered. Old Mutual has sold its main product (Burial Society Support Plan) since 2003 and has close to 250,000 persons covered.

Other programmes are pilots or are revising their structure to improve uptake. As illustrated in case study 5, AIC's new dedicated seller strategy led to an increase in sales compared to the cross-selling model, and the programme is projected to break-even by the end of 2011. As another example, PWDS started selling microinsurance using locally recruited sellers, and later changed its model to allow NGO staff working in the field to sell insurance. PWDS changed its model because locally recruited sellers required intensive management. NGO staff were already used to manage these sellers, and were hence given the opportunity to sell insurance directly. Their understanding of the product was good and they had a strong rapport with the communities.

This model is characterized by systematic recruitment and training. The monitoring system is also systematic and used for additional training; though smaller programmes such as PWDS have less formal systems.

In instances where the sales staff live and work in the community, organizations use community members to source and screen sellers. ICICI Prudential conducts a structured recruiting process sharing lists of candidates with the community as a screening process. CARE preselects sales staff based on nominations from community, and later conducts focus group discussions to analyse the candidates' ability to speak and understand. Finally, the project manager conducts a second round assessment to check skills.

All organizations strongly emphasize training. For example, Old Mutual complements the initial weeklong basic HR training with on-the-job learning with the support of regional managers, and with two-day refresher trainings twice a year. It finds informal, on-the-job learning to be valuable and is in the process of streamlining its methodology to ensure more consistent performance. Case study 2 above illustrates how GRET fully integrates monitoring into on-going staff training schedules. Additionally, GRET uses the induction-training week to assess performance of candidates and to recruit sales staff. It also uses the training week to establish which candidates are most appropriate for different roles, such as sellers or coordinators. CARE

<sup>7</sup> These activities are not covered by our definition of sales, as outlined in the introduction.

<sup>8</sup> PWDS has been included in this model as its practices match the other three organizations, even though PWDS' scheme is not self-insured.

implements comprehensive training programmes, and provides on-going support to its sales staff based on their performance. See case study 5 for more details and Appendix 7.1 for a list of training tools provided by organizations.

Training tends to be interactive, through games and practical exercises, and builds on local traditions. For example, MicroEnsure Tanzania conducts a weeklong training that involves interactive games about insurance (see Section 2.2 for details). The training includes role-play with two trainees playing buyer and seller, and the buyer offering objections and questions to train the seller. CARE, GRET and PWDS use a document to outline and practice frequently asked questions and appropriate responses. PWDS also developed flow charts to explain to a trainee who plays which role at different stages of the process. PWDS teaches sales staff to use locally accepted traditions to illustrate the concept of insurance, and to explain that insurance is not a new concept for the community. As an example, it uses a traditional Indian practice called a "hand full of rice," which is a form of insurance that has been practiced in rural communities for many years.<sup>9</sup>

### Case study 5: CARE's training programme

#### CONTEXT

CARE is a NGO operating in India with the mandate to make quality health care affordable and accessible to all. Since November 2010 CARE has piloted a self-insured, voluntary outpatient health insurance scheme, delivered through a network of health care workers, present in every village reached by the scheme. These workers, known as Village Health Champions (VHCs), are trained to sell the insurance policies, perform health checks, and provide doorstep basic primary care services aided by handheld devices, which link them to a doctor and medical information. The policy cover includes general medical consultation, up to nine blood tests, and medication for all common primary healthcare problems. The policy costs US\$ 6 per year and covers US\$ 53 per year per family. As of June 2011 the programme covered 45 villages in one district of India, with an enrolment of approximately 600 families covering around 3,000 lives from low-income tribal groups. CARE aims to enrol 6,000 families over two years for the programme to break-even.

In sales and training CARE has preferred to do away with the word insurance, and to call the product 'health card', focusing on the benefits and features of the scheme without using the typical insurance terminology. This serves the dual purpose of overcoming the widespread suspicion towards insurance given clients' past experience with fraudulent salesmen, and also to avoid some of the challenges posed by the insurance regulatory environment in India.

#### SALES FORCE VALUE CHAIN POSITIONING

**Role:** The VHCs have the dual role of insurance sales staff and health care providers. The health related activities comprise consultation for outpatient care, counselling, education, and referring the patient to a city hospital if required. A VHC may spend between 40 to 50 per cent of her time on microinsurance sales, and the balance carrying out health care related activities.

**Recruitment:** In each village the VHC is selected among candidates shortlisted by a group of local leaders and school heads. For a woman to be eligible to become a VHC she should be married, literate in the local languages, committed to work for the benefit of her community and not have political affiliations. The VHC is finally selected through a dual stage focus group discussion to assess literacy and communication skills.

**Training:** VHCs are given training on health care and on community engagement. They are only trained in microinsurance components of the scheme after they have gained the trust of their communities, a deep understanding of the local context, and sufficient practice in delivering health services (conducting basic health checks and provision of household medication).

**Incentives:** VHCs receive a fixed monthly compensation of US\$ 11 for health care services as well as volume-based financial incentives for insurance sales. To encourage workers to become skilled through training programmes, CARE offers permanent salary hikes upon successful completion of training modules: US\$ 1 for completing the health care and clinic training, and US\$ 2

<sup>9</sup> In rural areas wealthier people contribute a hand full of rice when someone is suffering or hungry. As a traditional practice, when people cook rice, they take a handful and put it aside so they can give it to a person in need later.

for completing the microinsurance-related programme. In addition to individual incentives, CARE has implemented a group incentive for reaching a targeted sales goal that is divided by all sales staff. The group incentive helps in building teamwork and spirit of achievement amongst all members as they meet the targets.

**Monitoring:** VHCs are monitored on the number of enrolments, patients treated and educational meetings held. Over time CARE noticed that microinsurance sales are cyclical. In the rainy season the demand for the product is higher due to greater incidence of disease. Conversely, during the wedding season demand is weaker as more villagers are short of cash. CARE believes that the product's success is linked closely with the financial well being of the communities. In response, it developed a system to allow villagers to save instalments towards the annual premium. The policy is only issued once all instalments have been paid. CARE also found that group meetings are more effective than door-to-door sales.

## GOOD PRACTICES

VHC candidates are often uneducated and have to be trained from scratch to deliver services to the standards required by the scheme. CARE has addressed this challenge through a rigorous selection process (outlined above) combined with a comprehensive training programme. Before offering insurance, VHCs are trained to deliver basic health care services, health diagnostics and outpatient treatment. Only after they are confident health care workers are trained in microinsurance; this process can take up to six months.

The two-day microinsurance training programme is delivered through a series of brief and focused sessions. Meetings are conducted in the local language and in a participatory and interactive manner, including practical exercises and role-plays. The training relies heavily on the use of images and graphics more than text, and also includes a [seven-minute animated video](#). Trainers developed frequently asked questions, which are updated regularly with new questions and answers based on queries received during training. VHCs are trained on the basics of insurance and risk management, the health card features and benefits, sales strategies, premium collection, enrolment processes, documentation, and staff compensation.

After launching the pilot, trainers found that VHCs experienced two difficulties in selling the product. First, VHCs provided incomplete information to interested villagers. In response, CARE developed a detailed checklist for VHCs to consult when promoting the product. The checklist covered the important information that should be conveyed during the sales pitch. Some instructions were very basic. For example: "Before running the animation video, request them to watch and listen carefully. Ensure that everyone is able to see and hear it clearly."

Second, VHCs lost their confidence, particularly if they were less experienced. CARE sent coordinators to villages to give advice to less confident sellers. The coordinator, accompanied by VHCs, would conduct group or door-to-door meetings with prospective clients to demonstrate best practices. VHCs were encouraged to practice and received feedback on their performance. CARE has progressively increased the focus on group meetings, which is its most cost-effective way of obtaining conversions in these communities.

CARE has kindly shared many of its sales force development tools including its video, check list and promotional material. See Annex 7.1 for a full list of the tools available on the Microinsurance Innovation Facility website.

## 6 > CONCLUSIONS

Table 5 consolidates the lessons learned and tips for developing an effective microinsurance sales force.

*Table 5: Key lessons for sales force development*

RECRUIT	<p>There is no one-size-fits-all approach to recruitment. Each model and indeed each insurer prioritizes selection criteria based on regulation, the structure of the programme, and the sales staff's job description.</p> <p><b>Tips:</b>  <i>Integrate recruitment with upfront training.</i> Integrating training and recruitment is innovative and particularly effective when recruiting candidates with basic education or when candidates are difficult to differentiate based on their past experience. Trainers can assess candidates based on their performance on exercises involving everyday tasks, and hire staff accordingly. The relatively small additional cost of training extra candidates is likely to pay-off, as selected candidates convert more clients in the long-term.</p> <p><i>Use communities to source and screen sales staff.</i> Hiring sales staff that have gained the trust of and have a rapport with a target community is a key success factor, particularly for sales staff that live and work in a community. Some organizations prioritize hiring community leaders or using leaders to screen potential candidates.</p>
TRAIN	<p>Experiential training is an effective approach for sales staff with basic levels of education and little prior exposure to sales or insurance. Good practices involve role-play and games to give sellers a safe space in which to understand concepts, practice selling, obtain targeted feedback, and build confidence.</p> <p><b>Tips:</b>  <i>Practice role-plays.</i> Using sales scripts, logic trees<sup>10</sup>, videos and graphical slides allows trainees to re-enact a sales conversation, and to receive immediate feedback from trainers.</p> <p><i>Play games focused on insurance literacy.</i> Interactive games can give staff a first-hand experience of the implications of risk and thus the benefits of insurance, such as MicroEnsure Tanzania's risky-business training game.</p> <p><i>Build on local traditions.</i> Use locally accepted traditions, for example "hand full of rice", to illustrate the concept of insurance, and to show that insurance is not a new concept.</p> <p><i>Sell the microinsurance to sales staff.</i> Insurers can encourage sellers to personally experience the product, for example by providing a discount to sales staff. Sales staff can sell the product to each other during the training programme, providing trainees with a practical experience of the sales process too. If sales staff pay for and use the product, they will have a personal understanding of the product, and convey their experience to potential clients.</p> <p><i>Train sales force staff on the social benefits of microinsurance.</i> Explaining how microinsurance protects the poor from adverse risks motivates sales staff and gives them a sense of purpose. For instance, use clients' video testimonies to help sales staff understand the importance of their job in helping and protecting the poor.</p>

<sup>10</sup> Logic trees outline the process of a conversation with a potential client. Based on the client's response to set questions, they outline follow up questions or responses.

	<p><i>Provide targeted on-the-job training.</i> A more experienced seller or a regional manager can provide on-the-job training to new sellers after the initial training. Use monitoring systems to target training to the specific needs of sellers. Hold regular meetings where sellers can share experiences, and top sellers can explain their methods.</p>
<p>INCENTIVIZE</p>	<p>Sales force should optimize both for the number and the quality of sales. Good quality sales increase the likelihood of renewals, thus protecting clients against risk in the long term and enhancing the sustainability of the insurance scheme. In addition, non-financial incentives can give sales staff recognition or a tangible reward for strong performance. Intrinsic motivators are particularly important when financial incentives are too small. A balanced approach that incorporates both financial and non-financial incentives can reduce mis-selling.</p> <p><b>Tips:</b>  <i>Don't rely on volume-based financial incentives alone.</i> Volume-based financial incentives alone, especially if not monitored properly, can lead to mis-sales. Using a balanced incentive structure can be more effective.</p> <p><i>Reward sales staff for the quality of a sale.</i> Rewarding staff for sales quality improves the likelihood of renewals. Quality can be measured quantitatively (e.g., renewals, transaction speed, mistakes, staff punctuality) or qualitatively, (e.g. client satisfaction surveys, audits to check client's understanding of a product, supervisor assessments).</p> <p><i>Use a range of non-financial incentives.</i> Give sales staff recognition for their work, for example through a mention in an internal staff newsletter, or with additional professional training. Alternatively, offer sellers prizes or entries into a raffle for good performance.</p> <p><i>Use team-based financial incentives.</i> Group financial incentives help motivate a team to work together towards a common objective.</p> <p><i>Encourage a distribution partner to give financial incentives directly to sales staff.</i> For models that rely on sales staff that are located within a distribution partner, agree on the level of financial incentives distributed to sales staff upfront. Use a monitoring system to track the progress of each seller, and check whether the partner has shared the financial incentives according to the agreement.</p> <p><i>Leverage social benefits:</i> Intrinsic motivators allow the sales force to feel part of a broader movement that benefits society and protects the poor. Models involving community-based sellers can emphasize this dimension to motivate sales staff.</p>
<p>MONITOR</p>	<p>Systematic monitoring is important for all models, and critical for models where the sales force is outsourced or located within a distribution partner. Integrating feedback from monitoring into on-going training allows organizations to diagnose issues and promptly equip staff with the tools they need to be successful. Integrated monitoring helps insurers use resources effectively to accurately target specific individual and group training needs over time.</p> <p><b>Tips:</b>  <i>Implement systematic monitoring systems.</i> Quality assurance systems can involve listening to sellers'</p>

calls to ensure that they meet compliance requirements. The same calls can be used to assess sellers' performance and support the design of on-going training or the provision of incentives. Supervisors can monitor sellers in the field or conduct follow-up spot checks.

*Clearly outline targets for conversion rates and quality standards.* Clear performance metrics set expectations up front of what is required of sales staff. Systematic monitoring helps assess their performance, particularly when staff are located within a distribution partner or are outsourced.

This study provides examples of successful practices from microinsurance practitioners across sales force models. Properly trained and motivated sales staff can ensure that clients have positive experience with the sales process and a better understanding of how insurance works, leading to improved demand for insurance amongst low-income communities. Cost-efficient sales methods can enable microinsurance programmes to reach scale and become viable. The emerging practices need to be further evaluated from these two perspectives, scale and cost-efficiency:

- **Cost efficiency:** How can insurers be as efficient and productive as possible in the development of their sales force? Which are the most cost-effective practices?
- **Scalability:** Growing beyond the pilot phase of a project, which sales force development practices work effectively at scale?

Given the low margins in microinsurance, organizations need to design sales force development activities that lay a foundation for growth by maximizing productivity while keeping costs low. It is not easy to balance the need for scrutiny with scalability, but it is a balance microinsurance providers must reach.

## ANNEX 1: SALES FORCE DEVELOPMENT TOOLS

Some interviewed organizations generously shared their sales force development tools. All tools can be accessed on the Microinsurance Innovation Facility website at <http://www.microinsurancefacility.org/en/thematic-pages/sales-force-development>

The table below provides a brief description of each tool.

Tool (organization)	Description
2 page, 4 page and 12 page A5 microinsurance leaflets (CARE)	Brochures illustrate the use of simple language and graphics to explain the concept and process of insurance to villagers. The word "insurance" is specifically excluded from all material. The two-page leaflet leaves a space for the sales staff to include their name and phone number. The 12-page brochure explains graphically all exclusions to the health policy.
10 minute film explaining product (CARE)	This is a short film that explains the benefits of buying health insurance. It is played by sales staff when selling the product. It explains the terms, conditions and benefits of health insurance to the audience.
Checklist for sellers in the field (CARE)	The checklist is used to ensure that sellers do not forget important information during promotion sessions to villagers.
Frequently asked questions and answers (CARE)	The FAQ guide is regularly updated with new questions posed by clients. It is used by sellers to help them answer the questions that will likely arise.
Sales force training report (CARE)	A detailed explanation of the two-day training conducted by CARE with sales staff.
Sales force training schedule (CARE)	The two-day training schedule conducted by CARE with sales staff.
Enrolment tracking report (CARE)	The monitoring mechanism CARE uses to check enrolment.
Annual sales force knowledge assessment sample (GRET)	The sales force survey implemented at GRET's annual retreat. This is an example of the questions that staff are tested on.
Member satisfaction survey (GRET)	Member satisfaction survey to assess member's understanding of the insurance product, claims process and their satisfaction with services delivered at health clinics and hospitals.
Patient survey on exit from health centre and hospital (GRET)	The exit surveys assess the patient's satisfaction with the care delivered at a health centre or hospital and suggestions for improvement.
Supervisor monitoring and spot check template (GRET)	A set of spot checks and monitoring templates that allows supervisors to assess their staff in the field.
Risky business game (MicroEnsure)	A game used during training to teach sales staff about the importance of insurance.
Process flows and reporting formats (PWDS)	A process flow for enrolment and premium collection. The document also provides sales force staff with a template transaction record for premium collection.
FAQ health insurance guide (PWDS)	A list that gets updated with FAQs and answers.
Product comparisons between product offering (PWDS)	An excel file that explains the similarities and differences between two products.
Field staff training (Allianz Indonesia)	A training presentation for field staff covering: an introduction, insurance principles, motivation, product details, distribution, claims, other issues, question and answer session, role play, test, and a lucky draw.



## ANNEX 2: ORGANIZATIONS REVIEWED IN THE STUDY

**Alternative Insurance Company** is a multiline company offering a broad range of insurance products and services (assets, life, health). AIC started its operations in December 2001 and quickly became one of the leaders in the local insurance industry. AIC introduced microinsurance in 2007, being the first traditional insurer in Haiti to do so, thanks to a partnership with the largest microfinance institution (MFI) in Haiti (FONKOZE).

**Allianz Life Indonesia** was established in 1996. The company offers life, health and pension fund solutions. In 2009, gross written premium stood at US\$ 360 million. The company currently insures over 1 million people and has over 600 employees. Allianz Life Indonesia started microinsurance activity in 2006. It has sold over 750,000 microinsurance policies, mostly credit life, personal accident, and - in collaboration with its sister company Allianz General Indonesia - business interruption. By the end of 2009, microinsurance clients represented over 20 per cent of the company's total number of insured clients.

**CARE Foundation** is a NGO with the mandate to make quality health care affordable and accessible to all through the appropriate use of technology. It implements its mission in three main ways: a) conducting research and providing specialized training, b) developing cost-effective medical products, and c) providing healthcare to low-income populations. To increase access to health in rural areas, CARE relies on local capacity building and technology solutions, implements solutions to create a more efficient supply chain, and has launched a microinsurance programme. CARE works with innovative health care approaches such as tele-medicine, digital catheterization laboratory, and robotic surgery.

**Groupe de Recherche et d'Echanges Technologiques** is a French NGO, which has been active in Cambodia since the late 1980s. GRET learned that health insurance would be an appropriate means of protection for poor households. Several studies confirmed that health risks are a leading predictor of poverty for rural households in Cambodia, a country where health conditions are among the worst and families invest the most in care. GRET launched an experimental rural health insurance programme in 1998 to enable families to cover health care costs without risking impoverishment. GRET has successfully reached scale with 73,000 policies and 80 community-based insurance sellers.

**Hollard Insurance**, a family-owned group, is South Africa's largest private insurance company. Active for 27 years, it has 1,300 brokers providing both short-term and life insurance services to more than 6 million policyholders in South Africa and abroad.

**ICICI Prudential Life Insurance Co. Ltd** is a joint venture between ICICI Bank - one of India's foremost financial services companies - and Prudential PLC - a leading international financial services group headquartered in the United Kingdom. It started its operations in 2000 and is the largest private life insurance company in India with one of the largest distribution networks with more than 2000 branches nationwide. ICICI Prudential partnered with tea producer McLeod Russel India Limited in 2010 to sell a unit-linked investment plan with life insurance cover. The programme targets migrant workers employed by the tea company in its tea estate in Assam.

**La Positiva Seguros y Reaseguros S.A.**, a general insurance company, founded 69 years ago, is one of the most prominent insurers in Peru with two million clients and brokers covering most of the country. It is active in the provision of health, asset and accident insurance. La Positiva has a solid experience in and commitment to microinsurance - its first products were offered in 1988.

**Liberty Seguros, S.A.** first entered the Colombian market place in 1997 with the acquisition of Seguros Generales Skandia and expanded its presence with the acquisitions of Latinoamericana de Seguros in 1998, Colmena Generales in 2001 and ABN Amro Seguros in 2002. The resulting entity, Liberty Seguros, S.A., now ranks among the top insurance companies in Colombia. The company, whose largest line of business is automobile insurance, also provides life, health, property, bonds, and workers compensation products.

**MicroEnsure** is an insurance intermediary dedicated to serving the poor throughout the developing world with an affordable and appropriate range of microinsurance products. The organization, founded in 2005 and based in the UK, reaches out to large numbers of the poor in Africa and Asia with low-cost insurance products designed to meet their needs. MicroEnsure works in partnership with organizations that are currently serving the poor such as microfinance institutions, mobile phone

companies, rural banks, retailers, co-operatives, and faith-based and humanitarian organizations. The organization designs and prices products, negotiates with insurers and re-insurers, then provides training and client education resources in order to encourage client value. In addition, MicroEnsure utilizes a proprietary MIS for back-office policy and claims administration, which dramatically lowers the overall cost of insurance for end clients. MicroEnsure offers a range of microinsurance products around the world, including innovative health and weather index insurance. In recognition of its innovations in financial services, the organization was awarded the 2009 and 2011 Financial Times/IFC Sustainable Finance Award for Achievement in Basic Needs Financing.

**Old Mutual** is a leading international long-term savings group, established in 1845 in South Africa and now operating in 38 countries worldwide. Old Mutual operates the largest financial services business in South Africa providing wealth management, investment products, retirement savings, life, disability and health insurance to individuals and groups. Old Mutual operates in other parts of Africa namely Namibia, Zimbabwe, Malawi, Kenya and Swaziland. Old Mutual is a trusted brand, with a strong market presence among South African consumers across all market segments. Its banking business in Africa is conducted by the Nedbank Group and its South African general insurance business is conducted by Mutual & Federal Insurance Company. Old Mutual has the controlling interest in both companies.

**Palmyrah Workers' Development Society** is an NGO founded in 1977, that implements community development projects in Tamil Nadu, India. PWDS seeks to improve the socio-economic condition of low-income communities by promoting community organization, building competencies, linking with mainstream resources and services, and influencing local and national policies.

**ParaLife** is a management company and service provider that partners with organizations seeking to provide better financial protection and savings products to the low-income market in Latin America. ParaLife develops, markets and administers insurance products for its partners. ParaLife partners include insurers and distribution channels such as microfinance institutions, retailers and banks.

