

WEB STORY

LIVE TALK - Putting the customer front and centre: practical tools for developing customer-centric inclusive insurance for smallholder farmers

26 July 2022 | 12.00 pm GMT+1



Community members take part in work to develop insurance in Ethiopia: the webinar presented experiences in China, Ethiopia and Georgia. ©MIC@M/ Michael J. McCord

The Microinsurance Centre at Milliman (MIC@M) held a webinar on 26 July 2022 sharing tools and approaches to make climate insurance work for small-scale farmers. About 70 people from the public and private sectors took part.

The live talk was organized through [FARM-D](#) (Forum for Agricultural Risk Management in Development), which is hosted by [P.A.R.M.](#) (the Platform for Agricultural Risk Management). It was moderated by Emily Coleman on behalf of IFAD's [INSURED programme](#) (Insurance for Rural Resilience and Economic Development).

Presenters from MIC@M – Katie Biese, Queenie Chow, Mariah Mateo Sarpong and John Carroll – highlighted the achievements of the IFAD-funded grant project [Managing risks for rural development: Promoting microinsurance innovations \(MRRD\)](#), which began work in 2017 and has recently completed.

MRRD carried out agricultural insurance activities in China, Ethiopia and Georgia in partnership with IFAD-supported projects.

Lessons learned and tools developed during these pilots are being published through the [Insurance Toolkit](#) produced by INSURED.

Participants included representatives of insurance companies and NGOs, development professionals, actuaries and academics. Many said they were involved in designing insurance products, or saw the topic as complementary to their work.

Developing the prototyping tool - Queenie Chow

The technical tool on rapid prototyping is [available here](#) on the Insurance Toolkit.

Queenie said: “Our rapid prototyping tool for inclusive insurance, is human-centric. It enables you to study what small-scale farmers need, then tailor a solution, quickly and efficiently, that meets their requirements.

You need to understand them, and bring them along on the design journey.”

The rapid prototyping approach was used to develop microinsurance intended for farmers in South Shaanxi, China, in collaboration with Groupama-AVIC and a local university.

Using Focus Groups to understand market demand - Mariah Mateo Sarpong

The technical tool on focus group discussions is [available here](#) on the Insurance Toolkit.

Mariah said: “Focus groups are a good way to obtain detailed information about the needs and perceptions of potential customers. We used this technique, but differently, in China, Georgia, and Ethiopia.

Success depends upon having a good moderator, so training is vital.”

The tool includes sample questions on seven key topics:

- Nature of risks
- Risk management and coping
- Knowledge, experience and perceptions of insurance
- Household economics/business finances
- Deep dive on risk area
- Insurance delivery issues
- Product prototype feedback

Community engagement and index insurance - John Carroll

The tool on community engagement and index engagement is in production and will be posted on the [Insurance Toolkit](#) soon.

John said: “Index insurance can be complex, because it uses data – often satellite data, to trigger pay-outs. That can be very intangible, so community engagement is very important if insurance schemes are to win the trust and buy-in of farmers.”

In Tigray, Ethiopia, MRRD worked with community members to gather ground data that confirmed satellite images. Farmers helped install and monitor rain gauges, and filed photos throughout the season to record crop growth – verifying that interpretation of the satellite images concurred with reality on the ground.

Livestock insurance and data gaps - Katie Biese

The knowledge brief on addressing data gaps is in production and will be posted on the [Insurance Toolkit](#) soon.

MIC@M have also published a research report - [Mortality of dairy cows in Georgia: From guesswork to data through farmer surveys](#).

In Georgia, MRRD piloted livestock mortality insurance for small dairy farmers. To bring down the price of the insurance, the project worked with the communities to gather data on dairy cow mortality rates.

Katie said: "Insurers initially proposed very high premiums, but we were convinced they were over-estimating the likelihood that cows would die. So, we conducted a study by phone with 5,000 dairy farmers and shared the results with the public and insurance companies.

We found that mortality was about 1.6 percent a year – enabling us to negotiate premiums down 30 percent, making insurance affordable."

[Listen to a full replay of the webinar here.](#)

Read the [final report](#).