

Regulatory Impact Assessment (RIA) Manual

2018 Edition



Message from the Program Director



The Mutual Exchange Forum on Inclusive Insurance (MEFIN) member-countries' stakeholders have come a long way in advancing Microinsurance in their own jurisdictions. Regulators and private providers have taken laudable steps to establish regulations, explore innovative solutions, and employ literacy campaigns to expand and deepen market reach.

My team, for several years, have been measuring the impacts of these initiatives through RIA, and its results, findings, and recommendations have been essential references for the industry's over-all strategy and direction. This is consistent to the adage, "You cannot manage nor improve what you cannot measure."

This is the reason why the RIA manual is published – to serve as a guide for consistent, systematic, and regular assessment of the Microinsurance industry's progress.

Thank you and we are happy to share with you another reference to ensure the Microinsurance industry in Asia continues to grow and thrive.

DR. ANTONIS MALAGARDIS
Program Director

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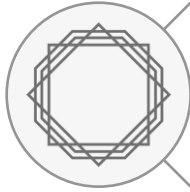
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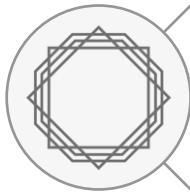
Acronyms and Terms

A2ii	Access to Insurance Initiative
CP	Client Protection
FGD	Focused Group Discussion
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
IAIS	International Association of Insurance Supervisors
ICP	Insurance Core Principles
MEFIN	Mutual Exchange Forum on Inclusive Insurance Network
MNO	Mobile Network Operators
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MSD	Multi-Stakeholder Dialogue
NSFI	National Strategy for Financial Inclusion
PEA	Preliminary Environmental Assessment
RIA	Regulatory Impact Assessment
RFPI Asia	Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia

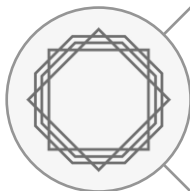
I. Objectives of the RIA Toolkit



To serve as an effective and efficient guide for the completion of a jurisdiction's RIA as the toolkit consolidates the "how-tos" and the best practices accumulated over the years of conducting assessments in various countries.



To function as a "go-to" instrument as it catalogues the necessary templates and offline and online documents that are used by different stakeholders throughout the RIA process.



To provide a tool for the regulators to assess the impact of the regulations in place for the further development of the Microinsurance industry to ensure dynamic approach to changes in the Political, Economic, Social and Technological environment

II. The Regulatory Impact Assessment

i. GIZ and Regulatory Impact Assessment (RIA)

The GIZ-RFPI project has been a trailblazer in the implementation of RIA on Microinsurance (MI) in a number of jurisdictions in Asia.

The first RIA conducted to analyse the impacts of Philippine regulations on Microinsurance was published in November 2015. This allowed various users of the RIA to generate knowledge and best practices on the regulation and supervision of insurance markets that can strengthen the emerging markets of MI and extend access to insurance. Due to recommendations, it also advanced development and dissemination of information, assessment and training tools and other instruments that foster access to insurance. It also provided analysis and distillation of lessons learned that proved to be relevant in better regulatory and business decisions by stakeholders of the MI industry¹.

The comprehensive report is deemed to create significant value to decision makers (regulators and other stakeholders) and lead to a more enabling environment for MI to thrive, thus, different Asian countries, especially those under the Mutual Exchange Forum on Inclusive Insurance Network (MEFIN), aim to conduct regular impact assessments.

As the project Secretariat of the MEFIN, the GIZ-RFPI believes in the relevance of the creation of this Manual to ensure that the assessments are done in unbiased, cost-effective, gender-sensitive and consistent manner.

¹ Regulatory Impact Assessment Microinsurance Philippines, Study Report GIZ RFPI Asia Manila, November 2015

ii. Microinsurance (MI) and RIA

These past few years, the initiative for strengthened financial inclusivity was adopted by the global community. In fact, financial Inclusion is considered a sailboat to seven (7) of the 17 Sustainable Development Goals, particularly 1, 3, 5, 10, 11, 13 and 16.



Figure 1: The Sustainable Development Goals (SDGs)

Financial inclusion is defined as a state wherein men and women, even the ones belonging to the poorer sector of the nation, have access to useful, high-quality, and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way².

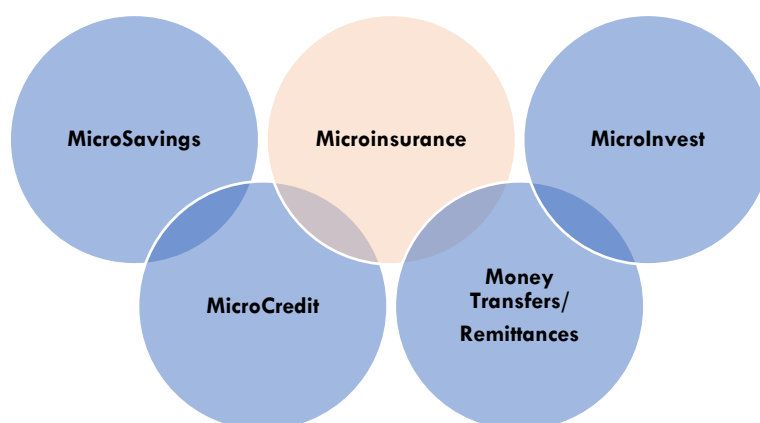


Figure 2: Financial Inclusion Products

One (1) of the principal financial inclusion products is Microinsurance, an insurance product that is designed to be affordable, simple/easy to understand, and tailor-fitted to the needs of the low-income segment. Through MI, majority, if not all individuals and

² <http://www.worldbank.org/en/topic/financialinclusion/overview>

families, can acquire insurance for the protection of their lives and properties upon occurrence of perils.

Due to the positive impact of MI in numerous jurisdictions as a social protection tool, many regulators, these past few years, have been issuing regulations to enable the business environment of MI to thrive. The regulations encompass various facets of the delivery of MI: product development, market conduct, marketing and sales, distribution, formalization of informal insurance schemes, alternative dispute resolution, etc.

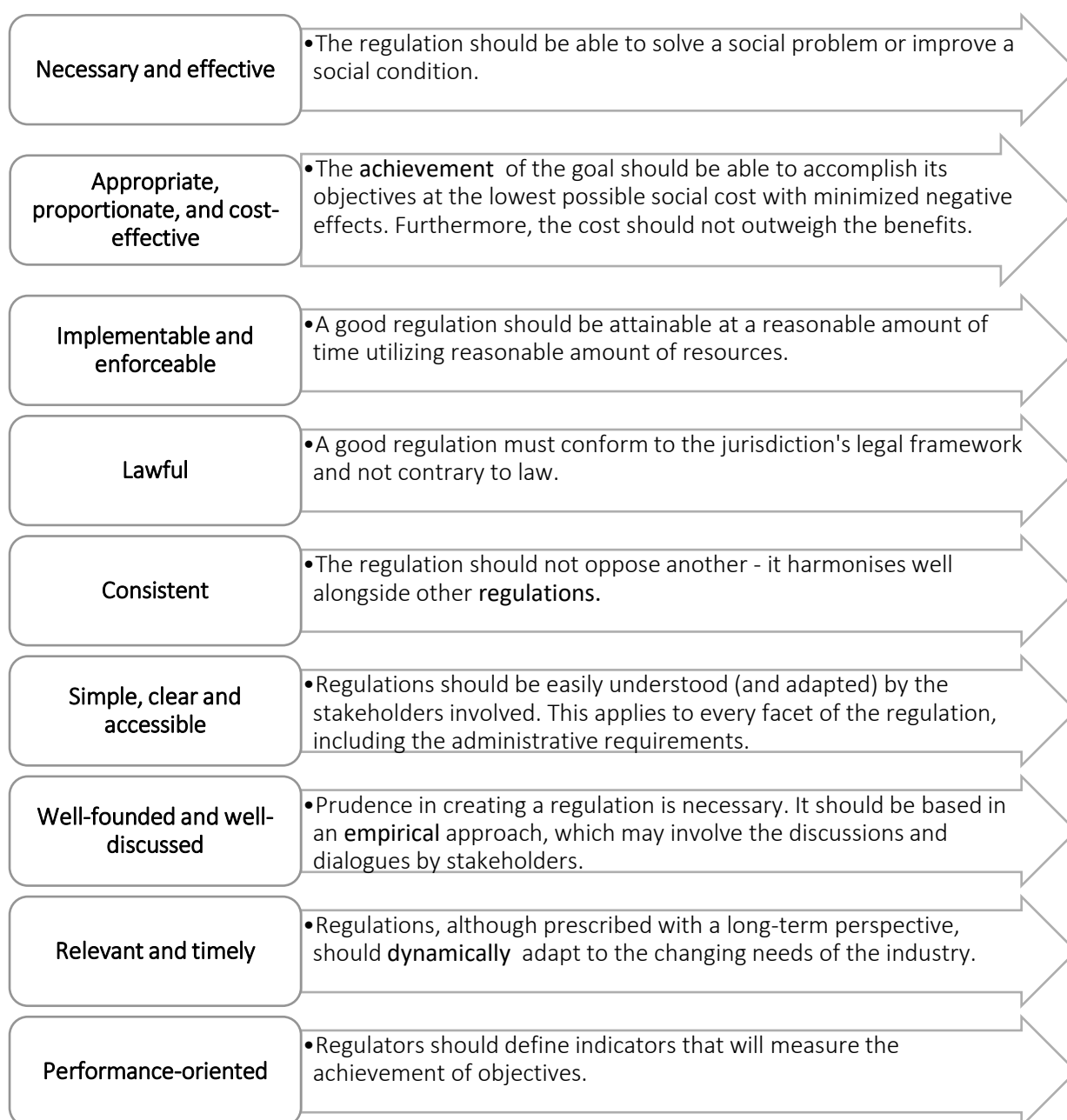
This RIA manual aims to provide a toolkit that will effectively analyse the regulations in place and how they impact the business environment and social conditions of the country.

iii. What is a Regulatory Impact Assessment (RIA)?

Not all regulations are created equal. Some regulations result to good progress while others create industry barriers for growth and expansion.

Regulatory Impact Analysis (RIA) is a systemic and analytic approach to critically assess the positive and negative effects of proposed and existing regulations³. This is a tool that assists regulators to determine if a regulation needs to be established, maintained, enhanced, or completely reformed.

For a regulation to be considered “good”, it should show the following elements⁴:



³ <http://www.oecd.org/gov/regulatory-policy/ria.htm>

⁴ <http://www.governance-flanders.be/characteristics-good-regulation>

These nine (9) elements lay down the foundation of a regulation and serve as the backbone of the RIA process.

As an addition, another element of a good regulation is gender sensitivity which is defined as “the aim of understanding and taking account of the societal and cultural factors involved in gender-based exclusion and discrimination in the most diverse spheres of public and private life. It focuses mainly on instances of structural disadvantage in the positions and roles of women.”⁵

Proportionality and Microinsurance Regulations

Insurance consists of a promise to pay in case of a valid loss and that promise, although the primarily responsibility of the insurer, must be protected by the regulators through policies in place. The Insurance Core Principles (ICPs) prescribe the essential elements that must be present in the supervisory regime⁶ and this should be adopted by all insurance regulators with the ultimate purpose to provide an adequate level of consumer protection.

Developing a financial inclusive market requires the principle of proportionality of regulation that balances sustainability and growth of the market and protects that promise to pay to the clients, most specially that these men and women belong to the vulnerable part of the society. Proportionality pursues regulations that are tailored to nature, scale and complexity of the risks involved and the context of the industry structure, stage of development of financial system and overall macroeconomic conditions⁷. Simply put, proportionality ensures that the cost of regulations would not be greater than the eventual economic and social benefit.

Normally, the principle of proportionality is applied in three (3) contexts: 1) design and implementation of regulatory requirements; 2) assess insurers’, intermediaries’, and distribution channels’ adherence to regulatory requirements; and 3) exercise of supervisory powers.

The following rules can be considered for the purpose of proportionality:

1. All Microinsurance products and services should be offered by a licensed provider.
2. A policy on formalizing informal insurance activities should be given priority.
3. An adequate reserve should be maintained to retain insurance risk. Below that, insurance services should no longer be offered.
4. Pure Microinsurance providers can be required lower capitalization value.
5. Less documents are required from clients availing Microinsurance products.
6. Faster claims settlement requirement should also be in place because MI clients come from the more vulnerable sector and needs immediate assistance.
7. Pilot schemes should also be licensed to ensure supervisory powers exist for the protection of policy holders.

⁵ <http://eige.europa.eu/rdc/thesaurus/terms/1218>

⁶ <https://www.iaisweb.org/page/supervisory-material/insurance-core-principles>

⁷ https://a2ii.org/sites/default/files/field/uploads/lessons_from_a_decade_of_microinsurance_regulation_a2ii_nov_2016.pdf

8. Microinsurance agents need not to take the regular agents' examinations, instead go through a regulator-approved gender -sensitive training module.
9. An alternative dispute resolution is in place to ensure rights of clients upon claims rejection are given appropriate measures.

Above are just few examples of proportionality of regulations that some jurisdictions currently apply for the advancement and expansion of the MI market.

The National Strategies for Financial Inclusion (NSFI)

Many countries have adopted a NSFI within the past decade as they recognize that an overarching national initiative will lead to a more dynamic and synergetic regulations.

“Financial inclusion” refers to a state in which all working age men and women have effective access to credit, savings, payments, insurance, and other financial products from formal providers⁸. It is considered an essential element of pro-growth and pro-poor regulatory regime.

The measure of success of financial inclusion is on the four ultimate criteria: access (supply and availability of financial products and services), usage (utilization of different products and services), quality (consumer experience), and welfare (economic and social impact of product in the lives of the clients)⁹.

These measures are expansive and to be able to achieve the objectives of the national strategy, various stakeholders should be engaged in policy-making and implementation. Insurance providers, to be able to be inclusive, must offer not only traditional types of insurance but also those specialized protection needs by certain sectors, e.g. owners of Micro, Small, Medium Enterprises, farmers and women.

The measures are directly linked to the reforms that are pushed by regulators and government agencies. The insurance supervisor must work in conjunction with other government and supervisory authorities such as the finance, agriculture, and health ministries to be able to ensure a systematic approach into the provision of these products and services.

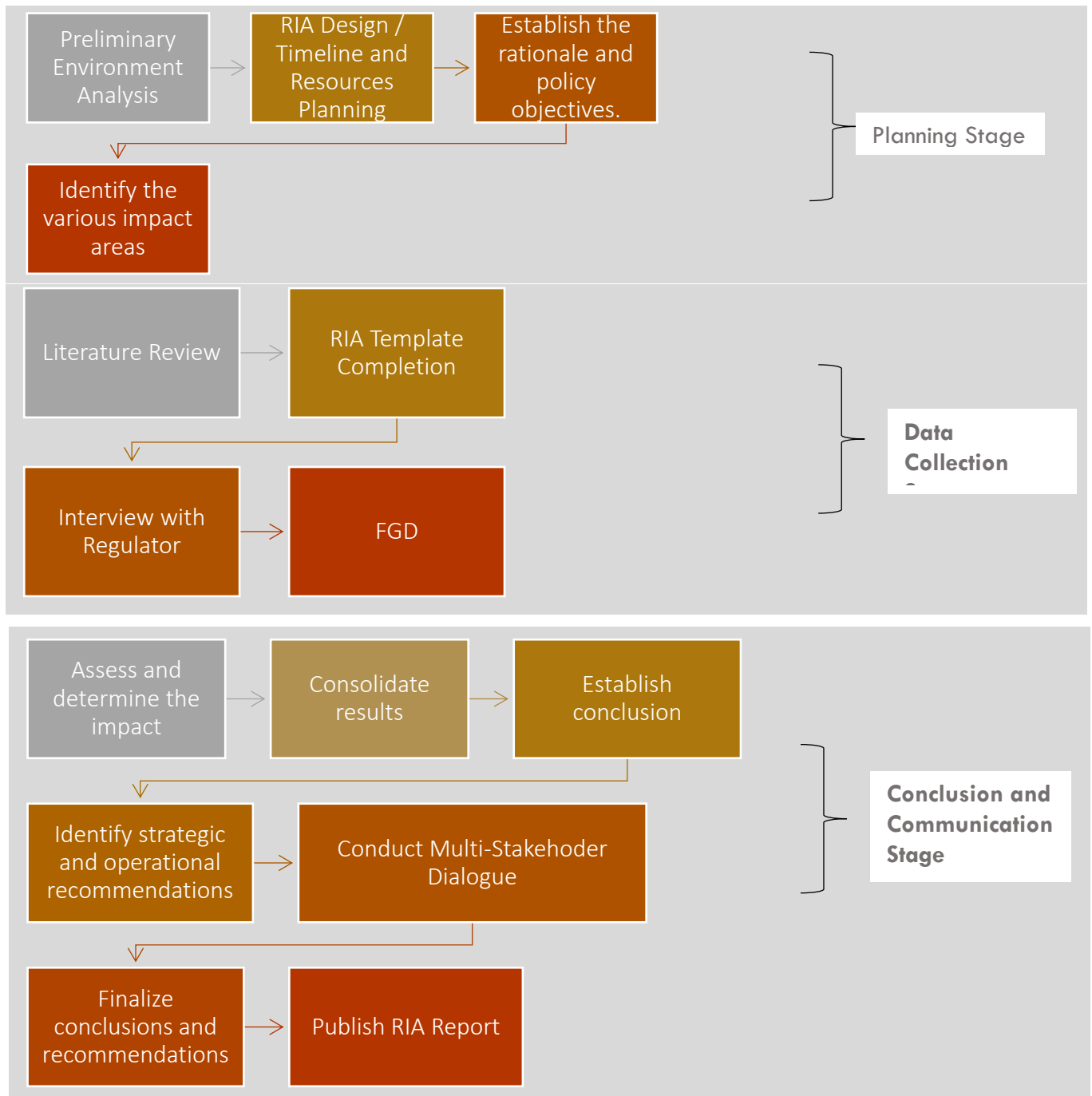
Discussing above directions by international associations and the national government is important part of the RIA process as they normally set the tone how meso and micro level stakeholders will engage in the same undertaking.

⁸ Application_Paper_on_Regulation_and_Supervision_supporting_Inclusive_Insurance_Markets

⁹ Alliance for Financial Inclusion (2010)

To be able to have a comprehensive, encompassing assessment, the RIA process involves several stages:

Figure 3: Stages of RIA



These will be thoroughly discussed during the 2nd part of the manual.

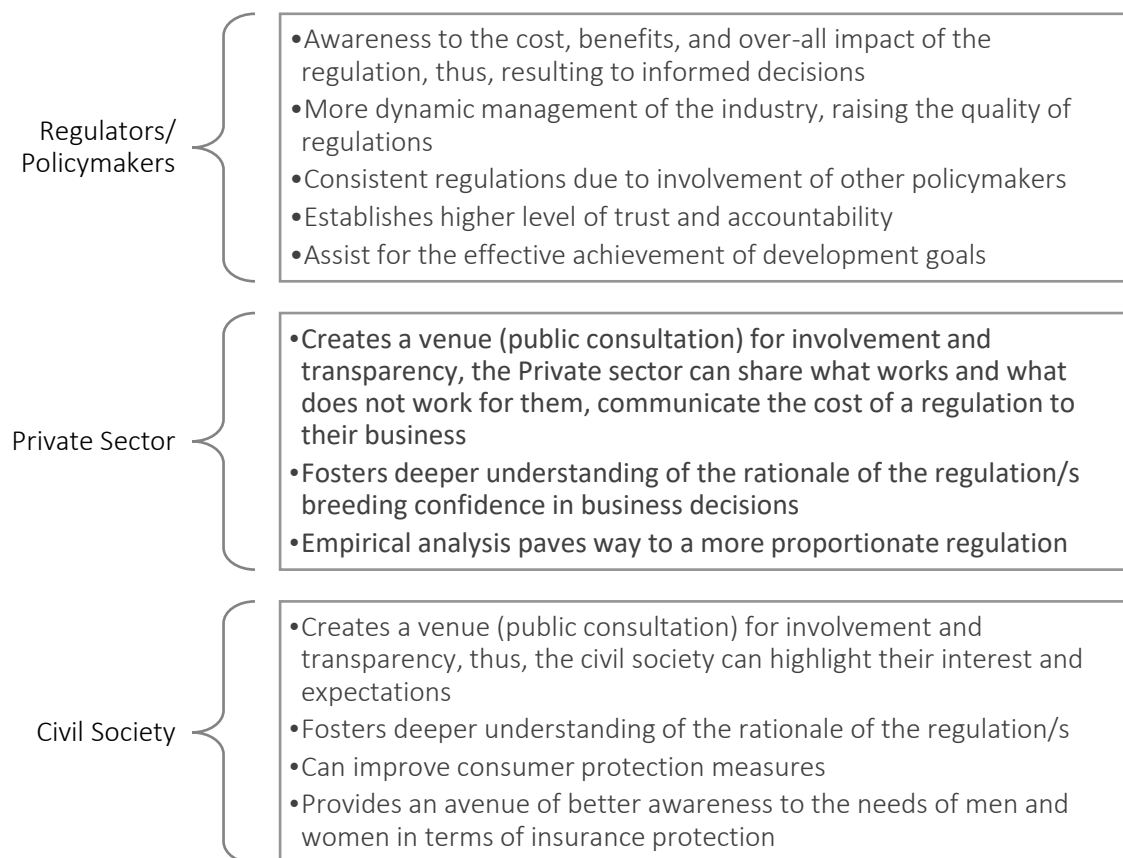
The RIA process may differ from one another depending on the following factors:

1. Objectives - The objectives of RIA can vary from assessing the impacts of current regulations or analyzing the potential impacts of a proposed regulation.
2. Level of complexity of regulation/s proposed or in place and the political, economic, social and technological environment of the jurisdiction.
3. The period of existence of regulations - The longer the regulations are in place, the more comprehensive the study may require.
4. Availability of Data - some data related to the regulation may not be quantifiable.
5. How often RIA is conducted for that certain regulation/group of regulations and jurisdiction.

Considering above factors, it is recommended the conduct preliminary environmental analysis and timeline and resource planning as it will safeguard that the process will be done economically and effectively.

iv. Why is RIA conducted?

RIA is considered a tool where regulators can base decisions to create regulations or keep, discontinue, or adjust regulations in place, thus, may result to the reinforcement of regulatory reforms. The benefits of RIA are as follows:



RIA and the MI Industry

In its core, RIA's main relevance in the MI Industry includes answering the questions:

- Are the objectives of regulations met?
 - Financial stability – Is the industry liquid and solvent? Will the companies be able to pay on time once claims are due?
 - Consumer protection – Are the rights of the customers (men and women) preserved and protected? Are they paid on time?
 - Private sector participation – How many players are engaged? Does their Microinsurance portfolio sustainable and growing?
 - Inter-agency cooperation – Do the necessary government agencies collaborate to advance Microinsurance? Do they have MOUs / MOAs to be able to pursue the NSFI?

- Is there sustainable response of the market?
 - Increasing number of market participants – What is the rate of increase of engagement of the players? Do they increase year-on-year? Why?
 - Sustainable and scalable business models – Are the number of products offered increase year-on-year? What are the current distribution channels being utilized? Is there diversity when it comes to insurance products and distribution channels? Are there intermediaries other than MFIs? Are mobile network providers (MNOs) being tapped? Are the innovative channels being explored? Are there products that addresses risk protection for reproductive-related illnesses?
 - Increasing client outreach and awareness – Are literacy campaigns being implemented consistently? How is awareness integrated to their selling and marketing system? What is the year-on-year increase of the number of clients reached and served?
 - Improving client value – Is there a high level of renewal? Are the products value-adding and appropriate? Do the MI companies employ customer-centricity practices? Are there products specifically addressing the needs of women?

These are the questions normally answered by the RIA – ones that appropriately measure the advancement and development of the Microinsurance Industry. Through answering these questions, the regulators (and other stakeholders) are given collective, timely, and essential information for proper market strategy and decision-making. It also facilitates in measuring the contribution of the MI Industry to the over-all NSFI initiative.

v. What are the Common Challenges and Risks in Conducting the RIA?

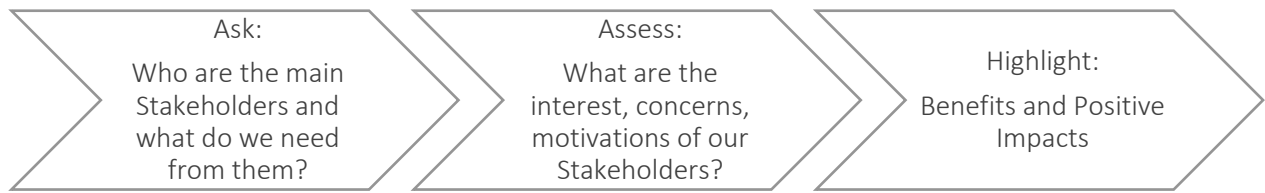
Inasmuch as the importance of RIA is apparent, there are challenges faced in beginning and consistent implementation the process of assessing impacts. The following are the noted challenges and risks which can pose limitations in the pursuance of the RIA¹⁰:

- Limited understanding and acceptance of RIA within stakeholders
- Existence of regulatory bureaucracy and conflicting interests of different groups
- Insufficient institutional support and staff with appropriate skills to conduct RIA
- Limited data

Much of these challenges can be solved through persuading the stakeholders of the benefits of RIA as they can either facilitate or impede the pursuance of RIA.

To be able to manage these risks, the following steps are suggested to be undertaken:

¹⁰ <https://www.oecd.org/mena/governance/38706266.pdf>



To be able to ensure that the regulators pursue RIA, a “burning platform” or a compelling reason should be created. You can refer to the discussion on the importance of RIA as reference. There should also be a discussion of anticipated benefits and outcomes, as well as concerns that the regulators have on conducting the RIA.

Based on experience of the GIZ-RFPI Team, the burning platforms are as follows:

1. The IAIS call for proportionality for regulations, to be able to do that, an assessment should be made of how balanced the regulations in place are;
2. Political pressure to contribute to the national agenda for financial inclusion; and
3. The national government’s commitment to sustainable development goals.

vi. Who should conduct the RIA?

RIAs for Microinsurance is usually prepared by an independent party which has a deep understanding of the area being regulated and has access to the necessary data and all stakeholders involved.

However, there are numerous stakeholders that have significant roles in the process, these are as follows:

Insurance Regulator and National Government Agencies (Ministry of Health, Ministry of Agriculture, Ministry of Finance, etc)

- They recognize the importance of the RIA, thus, initiates the completion of it.
- They may hire a consultant that can oversee the RIA process.
- They participate in interviews and multi-stakeholder dialogue (MSD).
- They present the significance of the proposed policies.
- They ensure that opinions and recommendations by the Civil Society and the Private Sector are taken into account.
- They usually lead the working group.
- They take the lead in inviting key informants and participants during the FDGs and MSDs.

Support Institutions (Development Partners)

- They participate in FDGs.
- They present real-life examples on how policies and regulations affect men and women and the society.
- They can become part of the working group.
- They support the meetings as technical consultants.

Private Sector (Insurers, Distribution Channels, Intermediaries)

- They participate in FDGs.
- They present real-life examples on how policies and regulations affect their business or associations.
- They can become part of the working group.

Independent Party / Consultant

- They conduct the RIA process to ensure that it is free from biased opinions and recommendations.

III. The RIA Process

vii. The Planning Stage

The Planning Stage is a critical step to the RIA process as it attempts to answer the following questions¹¹:

- What are we trying to do? What is the goal?
- Who are the stakeholders (men and women)? What is the outcome that the stakeholders prefer?
- Which part of the process should the stakeholders participate in?
- What are the challenges and limitations?
- What are we prepared to do? Or what are we not prepared to do?
- What assumptions are we making?
- Where are the gaps? How can we fill the gaps?
- What resources do we have available? How do we allocate them? What is our timeline?
- What are the risks and barriers to success? How can we reduce and manage them?
- What contingency arrangements do we need?

Upon answering these questions, the consultants become aware of the opportunities and limitations at hand, thus, is able to plan ahead with consideration of specific timeframes and complexity of tasks.

The planning stage has two (2) parts, the Preliminary Environmental Assessment (PEA) and the creation of the RIA Design including the Timeline and Resources Planning.

1. Preliminary Environmental Assessment (PEA)

The PEA can involve a face-to-face meeting with selected stakeholders and/or simply just filling-out a survey form. However, the objectives are the same, these include:

- To determine if an impact assessment is necessary and/or beneficial
- To effectively establish the RIA design and methodology, as well as the indicators
- To facilitate timeline and resources planning as it will determine milestones, timeframes and relevant stakeholders
- To identify the political, economic, social and technological opportunities and challenges that should be addressed during discussions.
- To assist in determining the areas that necessitates more attention and resources.

It is recommended though that a questionnaire be provided for efficiency. Usage of questionnaire should include the following information:

11

- When to complete the PEA
- How to complete the PEA
- Who to send it to

Example of a questionnaire is at Annex 1.

The PEA is answered by the Regulator and the Industry players. It would be beneficial if the RIA Template shall also be given as early as the PEA as the normal bottleneck in the finalization of the assessment report is the availability of data.

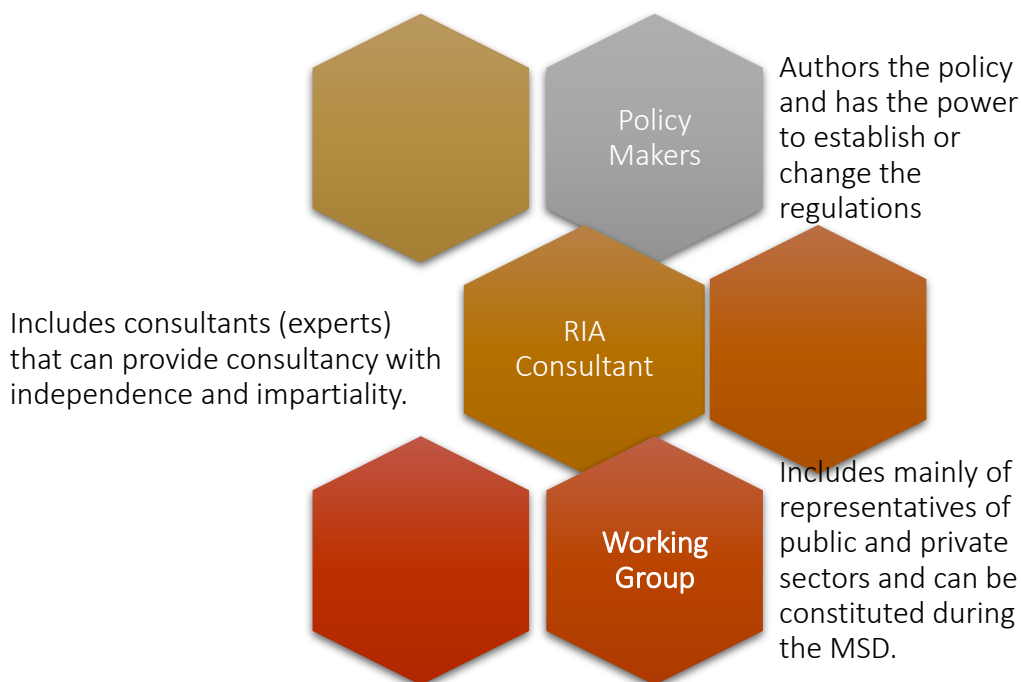
Upon completion of the questionnaire, the consultant can obtain an overview of the industry and the complexity of the project, thus, effectively determining the facets to focus on, as well as effectively perform the next step of designing the RIA template that includes timeline and resource planning.

This can be supplemented by desk research by the consultant.

2. The RIA Design

Upon determining the complexity of the project, it creates the awareness of the kind of team that the process needs, the roles of each team member, the number of members to fill various roles, the materials, equipment needed, the logistics involved.

The main resources are as follows:



Upon identification of the available resources, the RIA design is created to serve as a guide to the consultant and basis of the action steps. The RIA design contains the following parts:

- The Rationale - explains the reasons of the conduct of RIA
- The Objectives of the RIA – to measure the impact of a regulations (but could be expanded)
- The Methodologies employed – review of literature, interview, FGDs
- The expected results – ratings of the indicators, strategic recommendations and operational recommendations
- Implementation Plans – the next steps

The implementation plans present the detailed step by step process which also contains the deadline and the human resources involved.

One can also create a more detailed worksheet that can contain the names of men and women involved, duration of work, budget, expertise required, and needed materials and equipment.

Example of an actual RIA design used in Nepal in 2017 is in Annex 2 of this Manual. The full RIA process can take up two (2) months. The preparation part will take up one (1) month that includes coordination with the insurance regulator. The regulator will be main in-charge of inviting other stakeholders during the interviews, FGDs and MSDs.

3. Establishment of Rationale and Objectives

Upon analysing the results of the PIA, concrete rationale and objectives can then be established. The RIA can have straightforward objectives, such as determine the cost and benefit of a certain regulation, but the purpose can also be expanded. An example of it is the RIA assessment in the Philippines.

The conduct of-RIA assessment in the Philippines aims to:

- Analyse the gains from policy and regulatory measures;
- Identify the gaps and challenges to effective implementation of policy and regulatory issuances;
- Summarize the on-going initiatives related to thematic insurance (agriculture, SME, climate, health) by government, Congress, development organizations and other stakeholders;
- Identify areas for improvement that could be addressed through legislation and other solutions; and
- Determine opportunities that can be explored to sustain the growth of microinsurance market.

The above shows that objectives can be lean and focused on the advantages, but also, it can include possible recommendations that can facilitate future regulatory actions. It can also be a report that summarizes the current initiatives that are in place that can complement the benefits and recommendations as prescribed.

4. Identification of Impact Areas

How are the impacts measured? The RIA for Microinsurance are measure in multitude of ways – the reason being objectives cannot be measured directly with a single variable, but rather, they require a set of variables.

Through the PIA, one can identify impact areas such as the direct results of a policy already issued. Additionally, identifying objectives of the policies and regulations in place can also provide guidance on the establishment of the objectives of the rationale. Does the policy aspire to engage more players in the provision of Microinsurance? Then one impact area can be the number of insurers' engagement, measuring the increase from issuance of the policy to the cut-off assessment date. Are there policies on integrating Financial Education on the expansion strategies of Microinsurance? Then it might be necessary to measure the investments made for financial literacy, the number of seminars/trainings conducted, and the number of provinces/areas reached.

The consultant can decide on different facets, but for an advanced regulatory environment such as the Philippines, a set of 12 quantitative and qualitative impact indicators were chosen during the conduct of the first RIA on Microinsurance in 2015. These indicators were divided into three (3) general classifications: market development (quantitative indicators), quality of institutional development (qualitative indicators), and client value (quantitative indicators).

The 12 samples impact indicators are as follows:

Market Development	Institutional Development	Client Value
<ul style="list-style-type: none">• Insurers engaged• Licensed Intermediaries• Products Approved• Microinsurance Coverage• Lives Covered• Non-life Insurer's Production	<ul style="list-style-type: none">• Diversity of Business Model• Magnitude of formalization• Supporting services and platform• Staffing and Capacity of Regulators• Engagement of other Government Agencies	<ul style="list-style-type: none">• Claims/Loss Ratio

The above indicators can be considered a comprehensive and applicable to more advanced jurisdictions. The list can be appropriately adjusted based on the 1) availability of regulations approved and implemented; 2) period of implementation; and 3) extent of implementation of the policies.

A traffic light-based ranking, which allows for assessing progress, and, at a later stage, comparing the country performance to that of other countries through the same ranking.

This will be shown during the conclusion part of the RIA process. Other ways rating/ranking can be applicable, as well.

viii. Data Collection

Data collection can be the most time-consuming part of the RIA process because of the different methodologies that should be employed to ensure quality and relevant data are collected.

For data to be considered high quality, they should have the following characteristics:

Accuracy

Accurate data results to proper recommendations. For Microinsurance, the qualitative data can be extracted from surveys and interviews. For the quantitative data, the industry players normally submit annual and quarterly statements that are audited by the financial examination division of the regulator. Flaws in data can occur due to human error, non-familiarity to the reporting requirements, and non-effective data storage and retrieval.

Completeness

The regulator should have a comprehensive (yet still cost-effective) reportorial requirement in place to ensure the quantitative and qualitative information are properly measured.

Consistency

Consistency of data means that they are collected and processed in a stable manner. This will result to a dataset with high level of accuracy and for year-on-year data, appropriateness for comparison and benchmarking.

Timeliness

To be able to ensure that recommendations are impactful, data should also be timely. For Microinsurance, the data requirements normally include the Premium and the Lives covered for the last three (3) years. The availability of the most recent year numbers will result to timely, appropriate recommendations.

The Research Grid

A research grid is useful as it identifies all stakeholders and business and operational parcels that the field research and data collection will be based on.

Example of a research grid is at Annex 3.

Through the research grid, thorough identification of significant questions during interviews and FGDs can be prepared.

RIA Methods and Instruments

There are various of ways to employ effective assessments of regulations and these could be using different methodologies and instruments.

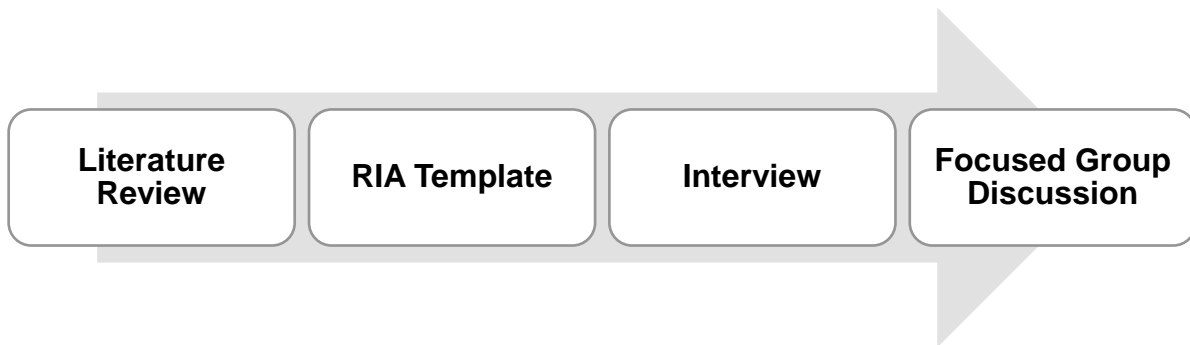
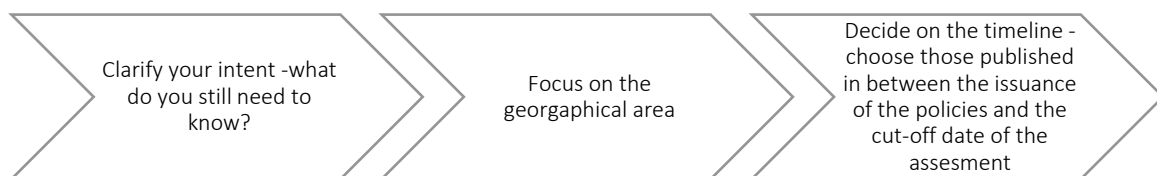


Figure 4: The RIA Instruments

1. Review of Related Literature

The review of related literature opens up many possibilities for the RIA to have a wide-reaching perspective. These past decade, the interest for Microinsurance has rapidly expanded, pushing many interest groups to publish research and articles about its value, challenges, and its current status. The access to the appropriate literature will ensure that the consultant has the proper background of the county-specific MI situation.

To be able to conduct an efficient literature review, the following should be kept in mind:



For Microinsurance RIA purposes, the literature to tap includes qualitative and quantitative research, news article and other popular media, policies issued and publications associated with them, government documents. More importantly, laws and policy directions related to financial inclusion should also be integrated to the review as it provides an anchor on the analysis about inter-agency cooperation.

This part will also enable us to collect a list (or at least validate) the regulations in place, and review the details of the policies, and points of interest of the media when it comes to Microinsurance.

2. The RIA Template

The RIA Template summarizes the performance of the industry for at least three (3) years and is filled-out by the regulator. The data is taken from the submissions of either than annual statements or the quarterly financial statements, although it's preferred to use the audited annual financial statements.

This RIA Template is prescribed to be provided to the regulator at the early onset of the RIA process because it normally takes time to amass the needed data, specially that it will require collection and review.

Based on previous experiences, the RIA template would require information on Insurance Coverage (industry-wide), Inclusive Insurance Coverage, Number of insured lives, Net Premiums Written (industry-wide), Net Premium written - Inclusive Insurance, Claims Ratio, and Number of Licensed Intermediaries.

Annex 4 shows a sample of a RIA template.

The numbers as entailed by the template normally come from the Statistics Division and the Licensing Division of the regulator.

What makes the process laborious is the manual submission of the data. In some cases, the data will need to be validated because of the variances noted between current numbers as compared to the previous year's number. A significant variance needed to be rationalized and supported by additional facts.

3. Interview

Primarily, the RIA Interview is conducted to get the vision, insights, and current and future initiatives of the regulators, other government agencies, insurers, support institutions, intermediaries and clients.



Based on the experience of the GIZ-RFPI Team, the interviews are normally done for one (1) day, involving various departments of the institutions.

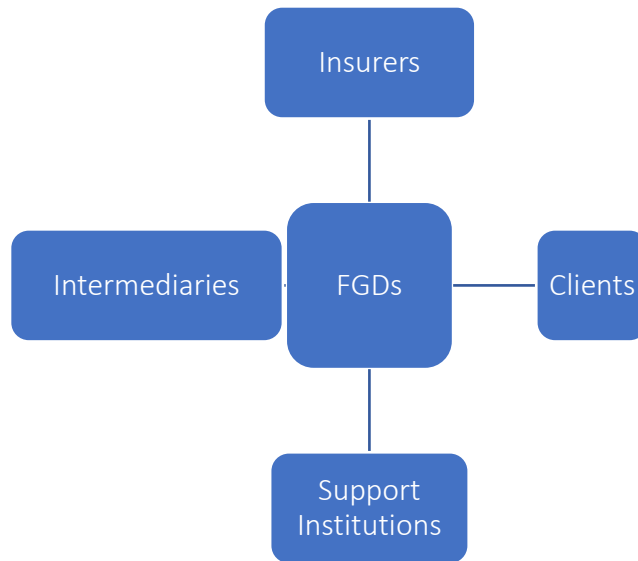
For example, divisions that are involved during the interviews with the regulators are as follows:

- The Office of the Head of the Agency
- The Microinsurance Division
- The Licencing Division
- The Regulations Division
- The Financial Examination Division
- The Actuarial Division
- The Communications Division
- The Statistics Division

The interview questions are sent to the point persons in advance. This enables them to prepare, research, and review their inputs, this also makes the process more efficient. They can be met collectively or individually, but to have them on board in one (1) meeting will enable a more efficient approach.

Sample interview questions is shown in Annex 5.

4. Focus Group Discussion (FGD)



Another tool to collect relevant qualitative data is through Focused-Group Discussion.

An FGD is one of the best way to gather insights from Microinsurance stakeholders about various areas of interests. This allows the participants to explore a range of opinions and ideas, and share experiences.

Below shows an illustration of the FGD's basic template:

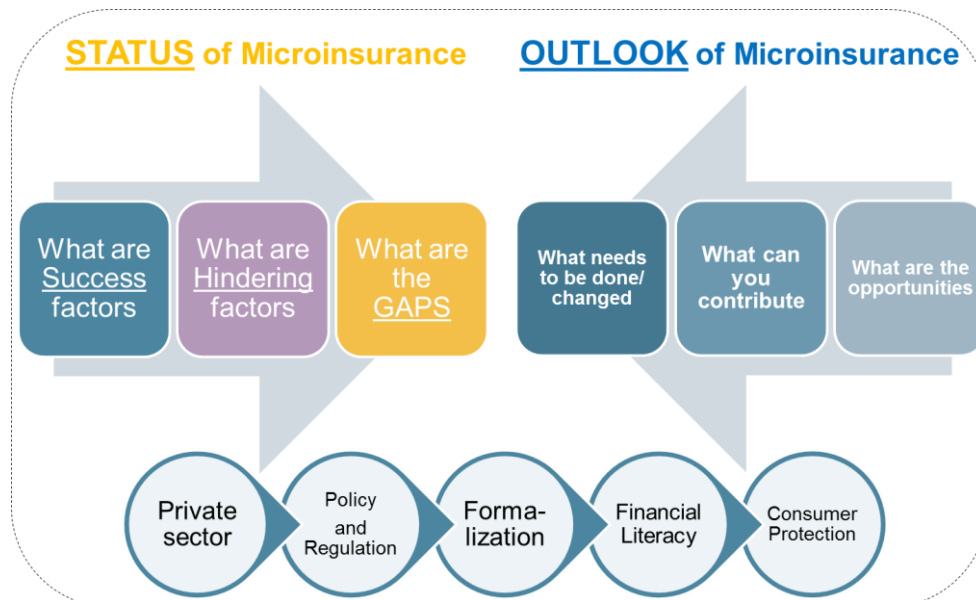
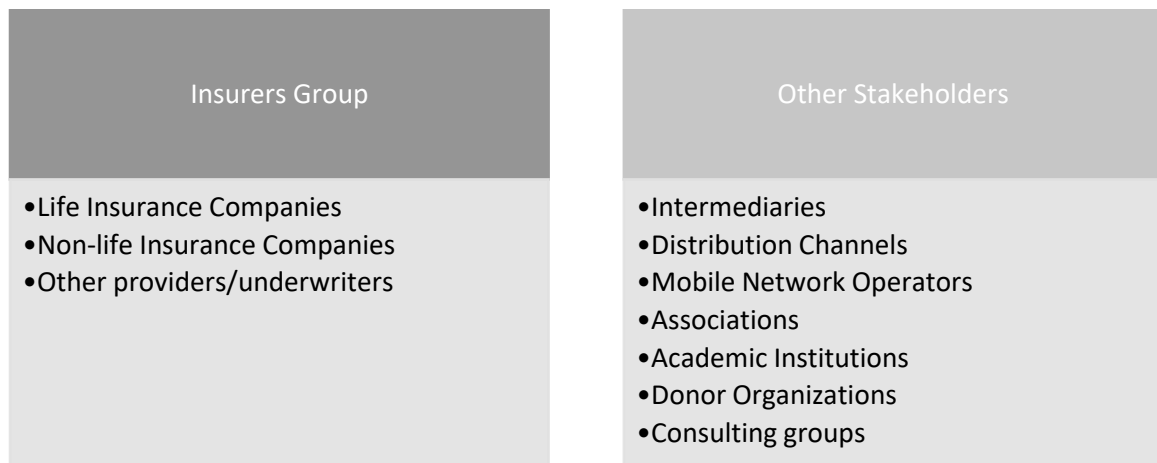


Figure 5: FGD Template

Two (2) FGD groups are often invited:



An FGD should employ a facilitator or a moderator to be able to effectively create a stimulating yet friendly environment.

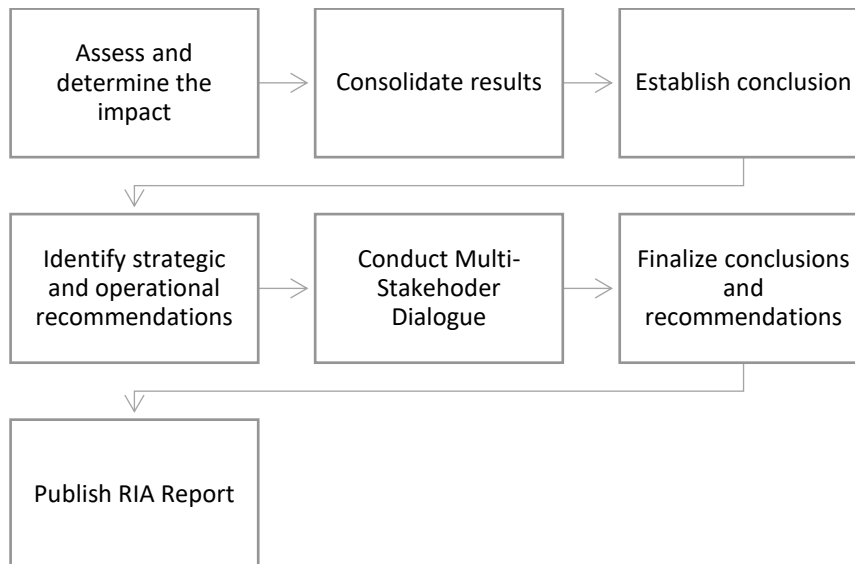
The objectives of focused group discussions include:

- Gather ideas from various stakeholders on the gains, gaps and opportunities of microinsurance market development.
- Solicit recommendations on addressing the gaps and issues.

Normally, the entire duration of the FGD is up to three (3) hours, including introduction of the topic and FGD process by the moderator. The sample questions during the FGD can be found in Annex 6.

An extra FGD can also be conducted which will involve policy-holders as it can contribute to better insights on how MI is perceived as a value-adding financial products and services but often times, these insights are extracted from interviews with insurance providers, such as MBAs, and intermediaries, such as MFIs, as the management maintains close-knit relationships with the policyholders.

ix. Conclusion and Communication Stage



Upon completion of the data collection, above process takes place. The initial assessment of the impact based on the PEA, the interviews, the FGDs, and the RIA template takes place. Shortly after, the process of validation, establishing conclusions and recommendation, and communication comes next.

There are various avenues where the results of the RIA are communicated, but the main ways are the Multi-Stakeholder Dialogue (MSD) and the publication of the RIA report.

Before the MSD, the draft conclusions and recommendations are first discussed with regulator.

1. Multi-Stakeholder Dialogue (MSD)

The Multi-Stakeholder Dialogue (MSD) is ideally performed immediately after the FGDs with the aim to communicate the results to the men and women who participated during the undertaken FGDs. Through the MSD, additional insights towards the conclusions and recommendations are shared, this stimulates deeper understanding of the issues faced by the various stakeholders.



The following is the format of the MSD:

Presentation of the Background	Presentation of Results	Presentation of Way Forward	Panel Discussion
<ol style="list-style-type: none"> 1.Importance of the the RIA 2.Framework of the RIA implementation 3.Vision, Facilitating/Hindering Factors of MI 	<ol style="list-style-type: none"> 1.Proposal from FGDs: the Ways Forward 2.The Opportunities for MI 3.Conclusions 	<ol style="list-style-type: none"> 1.Strategic and Operational Recommendations (such as GIZ DeveloPPP and gender-sensitive capacity building seminars and trainings) 	<p>Open discussion on participants' insights, reactions, comments on the conclusion and recommendations, validation of the next steps</p>

Sample program of the MSD is in Annex 7.

The purpose of the MSD is to get the validation of the stakeholders on the results and recommendations.

It is preferred that the consultants have curated operational recommendations based on the results of the assessment, this will be able to provide guidance to the stakeholders on the most viable next steps.

The panellists should involve representatives of different groups to ensure that all stakeholders are properly represented.

2. RIA Report

The second way to communicate is through the publication of the RIA report. The RIA report contains a comprehensive documentation of the policies, data collected, and results of the assessment.

This documents the whole process and the stakeholders that were involved. More importantly, what makes it more comprehensive than the MSD, is that it already contains the rating of the indicators.

Sample Impact Assessment is in Annex 8.

This part basically put the puzzles together. Since the rating is supported by quantitative data, it provides reliable conclusion, thus, it will determine which of the strategic and operational recommendations should be prioritized, maintained, or eliminated. This portion can validate or invalidate some insights, conclusions, and recommendations that may have occurred during the dialogues.

The consultant should have an extensive knowledge on the industry to ensure that he/she can provide professional judgement on the ranking.

As aforementioned, the **traffic light-based ranking**, which allows for assessing progress, and, at a later stage, comparing the country performance to that of other countries.

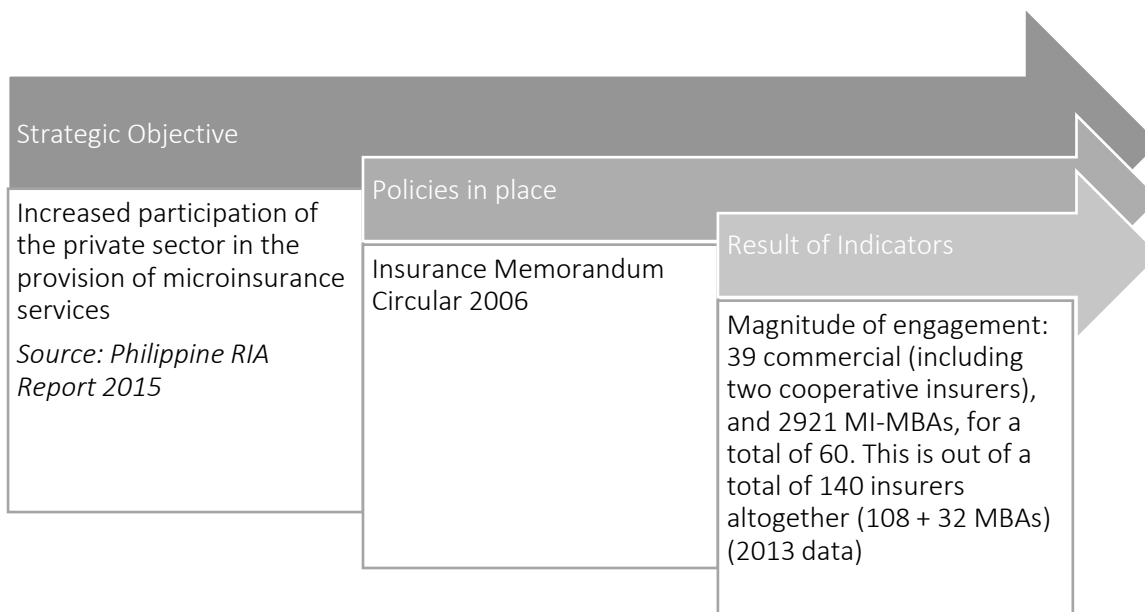
Ranking	Significant improvement required	Good progress	Excellent
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Assessment • Narrative rationalizing the assessment

Upon ranking, a discussion of the reasons should also be included in the report. Example:

Indicator 1: Insurers engaged			
	<ul style="list-style-type: none"> • Magnitude of engagement: 39 commercial (including two cooperative insurers), and 21 MI-MBAs, for a total of 60. This is out of a total of 140 insurers altogether (108 + 32 MBAs) (2013 data) • Variety and number of insurers: All three types of insurers engaged significantly • Concentration: MI-MBAs hold 64% of life portfolio 		
	Insurers engaged: 60 out of 140 = 43% at end 2013		
Ranking	Significant improvements required	Good progress	Excellent
Assessment	<ul style="list-style-type: none"> • The number of 60 insurers engaged is high compared to 2006, when only three insurers had a rather limited engagement (1 cooperative, 1 commercial insurer, and 1 MBA). • 43% of insurers show some form of engagement in microinsurance. • All insurers will not be involved in MI and should not be expected to be. 		

Upon completion of this per indicator, it is necessary to go back to the strategic objectives of the jurisdiction. Are we on the right track? Does the result of this indicator mean that we are achieving our objectives? Sample strategy that is aligned perfectly with the above example is shown in below illustration:



We therefore conclude that, *“Issuing a policy that encourages multi-stakeholder engagement and enables business activities changed the mindset of all players, who together achieved important milestones.”*

3. Strategic Recommendations

The strategic recommendations are drawn based on the conclusions that were made previously.

Recommendations can include:

Strategic Area – Private sector engagement	
Challenges	Recommendations
Further expansion: Adding new insurers and distribution	Continued promotion of MI by policymakers will be helpful. Provide an update to the advocate series with a focus on leveraging the training and materials. Use the tools that have been developed, such as the MI jingle, in a focused manner to ensure a return on the market education investment.
	Developing benchmarks based on experience. The required KPIs (if accurate, complete, and timely) provide a good base of knowledge for constructing a set of benchmarks. A more clear and quantitative understanding of the market will help insurers to improve and could lead to awards and other promotions.
Insurer capacity: Improving the knowledge of good MI before	Training programs through the insurance institute on particular MI issues is important.
	Insurance associations should be promoting specific literature that is designed for insurers and is in a form that they will be interested in

Challenges	Recommendations
insurers develop and offer products	<p>reading. This should be promoted on an international level so Philippine insurers can learn the lessons of MI from other jurisdictions.</p> <p>Promotion of insurer membership in the MI Network may help to provide effective MI knowledge to insurers.</p>
Commissions: Competition for high volume distribution channels may lead to excessive commissions.	Other jurisdictions have tried to fight high commissions with caps. These appear to be ineffective as they result in either diminished interest in selling MI, or in developing some extra-regulatory “fee” to increase earnings of the distributor. How to effectively control commissions on MI remains an open question.
Product variety: Continued product variety is necessary for effective MI evolution.	<p>Variety improved with the introduction of the BBK product. Development of additional product prototypes (not full products) with fast track approval and other incentives may help insurers to offer new products without the full cost of product development. Such an approach may also aid the non-insurers.</p> <p>Based on a business case approach, agriculture and catastrophic covers may be incentivized through smart subsidies. Although there are currently efforts to address at least the agricultural issues by commercial insurers, smart subsidies may improve the potential to sell masses of effective policies. This would help insurers and reinsurers to view such products as potentially profitable.</p>
Taxation: Tax issues create an uneven playing field and reduce value for clients.	Coordination with the Fiscal authorities to reconsider the taxation issue on MI, especially in terms of the imbalance between MBAs and commercial insurers. It would be possible to estimate the impact of eliminating the tax on insurers providing MI (for their MI portfolio) in terms of better and cheaper products for clients. Such an estimation should be considered as part of the argument to the Fiscal authorities. (Life insurers did receive a reduction in their product level taxation. Non-life insurers are trying to do the same presently.)
Intermediary regulation: Limited enforcement and clarity have reduced the effectiveness of the formalization requirements.	<p>Enforcement of intermediary regulation should be implemented in terms of informal organizations of a substantial size. The IC will need to coordinate with other agencies, such as the BSP, to gain assistance from agencies that oversee the violators.</p> <p>There appears to be limited clarity on the numbers and types of agents. It is important to maintain an accurate database of MI institutional agents. If there are regulations related to them, there must be a mechanism to identify them.</p> <p>The registration process that involves the IC, BSP, and SEC for agency licenses, as with the rural banks, requires a process mapping exercise to understand the timing and costs of the multitude of steps. From there adjustments could likely be implemented, as long as this is done in coordination with IC, BSP, and SEC.</p>
Future channels: There appears to be limited preparation for new distribution such as internet and mobile.	<p>The IC should explore the approaches of other countries that are currently addressing these innovative distribution channels.</p> <p>This is an issue that should be brought up to the IAIS and its implementing partner for financial inclusion, the Access to Insurance Initiative (A2II).</p>

Source: Philippines RIA 2015

IV. RIA Documents and Templates

Annexes

Planning stage

1. Sample of a PEA Questionnaire
2. Sample of a RIA Design
3. Sample of a Research Grid
4. Sample Invitation Letter to Stakeholders

Data Implementation Stage

5. Sample of a RIA Template
6. Sample of a Interview Questionnaires
7. Sample of a FGD Questionnaire
 - I. FGD Sample Power Point Presentations
8. FGD Sample Programs

Conclusion and Communication Stage

9. Sample RIA Report

Annex 1

The PEA Template

MICROINSURANCE

Preliminary Environmental Assessment (PEA)¹² Questionnaire
Year 2018

Institution and Country:
Completed By:
Position Title:
Contact Number:
Email:
Date Completed:

1. Regulation

- 1) Are there any Microinsurance specific regulations in your country?
 Yes No Other- please explain:
- 2) If yes to above question 4-1), please choose the areas of Microinsurance specific regulations. (Please check all that apply.)
 Product approval Licensing requirement for agents Capital requirements Admitting additional assets Consumer protection Insurance education initiatives Other- please explain:

2. Overview of the Microinsurance Industry

- 1) Which organizations do you have a relationship with in your Microinsurance strategy? (Please check all.)
 NGOs Banks Micro finance institutions (MFIs) Mutual benefit associations (MBAs) Women's organizations
 Cooperative associations Reinsurers International organizations
 Mobile network providers (MNOs) Government Community based organizations (CBOs)
 Brokers/Agencies Retailers Technical service providers (TSPs) Utility Firms Other- please explain:
- 2) Which distribution channels do you sell Microinsurance products? (Please check all that apply.)
 (Microinsurance)Agent¹³ Brokers MFIs CBOs NGOs Banks
 Retailers Funeral parlors MNOs Pawn shops Employers

¹² FALIA Microinsurance Questionnaire

¹³ Including independent agents, single tied agents or sales reps (employees).

Utility Firms Churches MBAs Cooperative associations Postal Operators Field Organizer Direct Sales Other- please explain:

3) Please illustrate the typical Microinsurance distribution network (diagram) in your country and add short explanation about the role of each stakeholder.

4) Please explain about the Public-private partnership (PPP) in your country, in terms of the complementary role of Microinsurance to social security or how to collaborate efficiently (including advocacy effort of the government).

5) Is there any premium subsidy by government?

Yes No Other- please explain:

3. Microinsurance Products

1) Are insurance principles¹⁴ basically applied to the Microinsurance products?

Yes No Other- please explain:

2) Are Microinsurance products offered to clients on voluntary basis or compulsory basis?

Voluntary (opt-in) Voluntary (opt-out) Compulsory Other

3) Please fill in the table below. (Please check all that apply.)

4. Literacy Campaign

1) What initiatives do you have for customer education (literacy campaign)? Do your initiatives look into the needs of both men and women? Please explain shortly.

¹⁴ Products pricing is based on sound actuarial principles (Law-of-large numbers is applied). "Charity" or "Free" products are not applicable.

2) If there is a dispute resolution mechanism for Microinsurance industry in your country, please explain how are dispute resolved shortly.

5. Technology

Please describe how technological advancement is utilized in the Microinsurance industry.

6. Social

Please describe the social benefits of Microinsurance in your country and how it uplifts empowerment of both men and women.

7. Challenges

Please rank the top four challenges of Microinsurance industry by filling the number in brackets.

- () Low awareness(demand) of life insurance
- () Profitability issue(e.g. high administrative cost)
- () Low level of trust from clients
- () Lack of regulatory framework
- () Fraud risk(moral hazard)
- () High lapse and surrender ratio¹⁵
- () Lack of reinsurance support
- () Premium collection
- () Stiff competition
- () Lack of funding for distribution channels(accessibility/high commission rate)
- () Less-attractive benefit due to affordable premium
- () Low brand awareness due to intermediaries
- () Other- please explain:

8. Other

What is your perspective about the Microinsurance industry in your country? (E.g. the development of new products in future, growth potential, how to overcome these challenges above, etc.)

¹⁵ E.g. Low capacity of the low income people to pay premiums/Lack of high-quality control (management).

Annex 2

RIA Design Sample

Design on the conduct of RIA in Nepal¹⁶

A. Rationale

A **Regulatory Impact Assessment (RIA) for Microinsurance** or Inclusive Insurance is meant to measure the IMPACT of policy and regulatory reforms related to inclusive insurance. RIA methodologies gather and analyze at least 12 quantitative and qualitative indicators across 3 impact dimensions, i.e. market development, institutional development, and client value. In the MEFIN¹⁷ Network, RIA was first conducted in the Philippines on 2014, then in Pakistan on 2015.

The RIA report is expected to provide recommendations for the regulator, industry and other stakeholders to further develop the market on inclusive insurance.

The MEFIN Regional Steering Committee during its meeting in Hanoi on March 14, 2017 has approved the conduct of RIA in Nepal. Inclusive insurance market is still at early stage of development in Nepal. Since 2014, the Beema Samiti (Insurance Board) has issued so far one (1) directive related to inclusive insurance (i.e. Microinsurance Directives 2071).

Therefore, **the conduct of RIA in Nepal would only focus on assessing the Regulatory Implementation, not yet impact assessment.** The scope and methodologies of RIA that were used in the Philippines and Pakistan would be adjusted accordingly for Nepal.

B. Objectives

1. Analyse the **gains** from policy and regulatory measures;
2. Identify the **gaps and challenges** to effective implementation of policy and regulatory issuances;
3. Determine **opportunities** to sustain the gains of inclusive insurance market; and
4. Provide **recommendations** that could be addressed through regulations and other solutions.

Below is the RIA Framework which outlines the tools and illustrates the flow of implementation and next steps.

¹⁶ Prepared by GIZ RFPI Asia program

¹⁷ Mutual Exchange Forum on Inclusive Insurance (MEFIN) is a Network of insurance regulatory authorities in Asia working for a peer-to-peer exchange of knowledge and experiences with the insurance industry. Member jurisdictions are Indonesia, Nepal, Mongolia, Pakistan, Philippines, Sri Lanka and Vietnam.

RIA Framework

Tools	RIA Design: Objectives, Methods, Work Plan			
	Research Grid: Scope of IMPLEMENTATION Assessment			
	FGD Facilitation Guides		Interview Questionnaires	
Implementation	FGDs	Interviews (group/individual)	Gathering of Statistics (RIA Indicators Matrix)	Review of Reports/ Literatures
	Analysis of Results and Writing of Report			
	Stakeholders' Workshop – Communicate RIA Results			
Next steps	Action Planning (during the stakeholders' workshop)			
	Follow up Implementation of Action Plans			

C. Methodologies

The RIA assessment will be conducted using a combination of the following methodologies

1. **Review of literatures** such as the report on Market Assessment for Agricultural Insurance in Nepal (GIZ/AFC Consultants, Sept 2014), Beema Samiti Microinsurance Directives 2071, and other relevant literatures.
2. **Interviews** of select key informants from Beema Samiti, other regulatory agencies, and development organizations.
3. **Focus group discussions (FGDs)** with members of Nepal insurance association (NIA), intermediaries, and support organizations.
4. **Stakeholders' Workshop** to validate the RIA findings and recommendations and to agree on action plans.

D. Expected results

1. **RIA report** which elaborates the findings and recommendations of the assessment.
2. **Stakeholders' Workshop report** that shall include the action plans and follow up measures.

E. Implementation plan

Activities	Timeline (2017)	Responsible
1. Discussion with Beema Samiti of the RIA concept and agree on the schedule of RIA implementation	4 th week July	GIZ RFPI
2. Prepare RIA tools: design, research grid, questionnaires, FGD guide questions, and RIA indicators matrix	1 st week Aug	RFPI

3. Review of literatures	2 nd week Aug	RFPI
4. Accomplish the RIA indicators matrix (3 dimensions, 12 indicators), 2014-2016 figures.	Until 25 Aug	Beema Samiti
5. Conduct interviews: Beema, Central Bank, Ministry of Agriculture	29 Aug	RFPI; Beema to invite
6. Conduct 2 FGDs (up to 3.5 hours session for each group) a. Insurance providers/Underwriters b. Intermediaries and Support organizations	31 Aug, 8:30-12:00 31 Aug, 13:30-16:30	RFPI; Beema to invite and provide venue
7. Discuss draft RIA findings, conclusion and recommendations with Beema Samiti	1 Sept	RFPI
8. Conduct Stakeholders' Workshop	4 Sept, 8:30-13:00	RFPI, Beema to invite
9. Writing of RIA report	Oct	RFPI
10. Writing of Stakeholders' Workshop report	Oct	RFPI

Annex 3

Research Grid

Stakeholders Strategic Goals	Insurers	Intermediaries	Authorities	Meso level actors	Clients
1. Private Sector Participation of the private sector	<ul style="list-style-type: none"> • Number • Premiums / claims • Business impact • Overall market size • Competition 	<ul style="list-style-type: none"> • Number • Business impact • Types 	<ul style="list-style-type: none"> • Licensing (microinsurers and products) • Reporting 	<ul style="list-style-type: none"> • New actors; new roles or services (associations, actuaries, training institutions) 	<ul style="list-style-type: none"> • Penetration (m.f) • Provider choice • Product choice
2. RSP Policy and regulatory environment for safe and sound provision	<ul style="list-style-type: none"> • Licensing • Reporting (compliance and burden) 	<ul style="list-style-type: none"> • Training • Registration • Reporting (compliance and burden) 	<ul style="list-style-type: none"> • Capacity of supervisor (shifts) • Interagency cooperation • Shifts in supervision activities and / or approach 	<ul style="list-style-type: none"> • Support for compliance • Capacity building • Changes in approach to pricing and risk 	<ul style="list-style-type: none"> • Awareness of Microinsurance logo • Have acted after seeing a government MI promotion • Believe they have to risk cover that they need
3. Formalization Mainstreaming of informal insurance	<ul style="list-style-type: none"> • Mutuals formalizing 	<ul style="list-style-type: none"> • Rural Banks licensed as intermediary 	<ul style="list-style-type: none"> • Supervisory response to formalization 	<ul style="list-style-type: none"> • Role in formalization RIMANSI; RBAP, others 	<ul style="list-style-type: none"> • Awareness of formal status • Importance of formal status to clients
4. Literacy Institutionalization of gender-sensitive financial literacy, strong insurance culture	<ul style="list-style-type: none"> • Role in financial literacy – development, implementation • Leveraging of govt. financial literacy programs 	<ul style="list-style-type: none"> • Role in financial literacy – development, implementation • Leveraging of govt. financial literacy programs 	<ul style="list-style-type: none"> • Role in literacy • Evolution of messages 	<ul style="list-style-type: none"> • Role in financial literacy • Institutionalization of FL components (training, pricing) 	<ul style="list-style-type: none"> • Knowledge, cultural change • More knowledgeable purchases
5. Consumer Protection Rights and privileges of the insured poor men and women are protected	<ul style="list-style-type: none"> • Changes in controls for consumer protection • Effective system of recourse • CP in product design 	<ul style="list-style-type: none"> • Effective controls • Oversight 	<ul style="list-style-type: none"> • MI ombudsman or other system • Issues tracking • Duration to settlement 	<ul style="list-style-type: none"> • Institutionalized in trainings 	<ul style="list-style-type: none"> • Access to recourse • Procedures that facilitate CP

Source: Adapted from the RIA-MI Philippines design prepared by the MicroInsurance Center

Annex 4

RIA Template

A) Insurance Coverage (industry-wide)	2015	2016	2017
1. Life (# lives insured m/f)	-	-	-
2. Non-Life/General Insurance (# Certificate of Cover, COS))	-	-	-
TOTAL	-	-	-

B) Inclusive Insurance Coverage	2015	2016	2017
1. Life (# lives insured- m/f)	-	-	-
2. Non-Life/General Insurance (# Certificate of Cover)	-	-	-
TOTAL	-	-	-

C) Number of insured lives	2015	2015	2017
1. Industry-wide m/f	-	-	-
2. Inclusive Insurance m/f	-	-	-

D) Net Premium written (in millions) – Industry	2015	2016	2017
1. Life	-	-	-
2. Non-Life/General Insurance	-	-	-
TOTAL	-	-	-

E) Net Premium written (in millions)- Inclusive Insurance	2015	2016	2017
1. Life	-	-	-
2. Non-Life/General Insurance	-	-	-
TOTAL	-	-	-

F) Total Assets (in Millions)	2015	2016	2017
1. Life	-	-	-
2. Non-Life/General Insurance	-	-	-
3. Reinsurance company	-	-	-
TOTAL	-	-	-

G) Loss Ratio or Claims Ratio	2015	2016	2017
1. Industry-wide	0.0%	0.0%	0.0%
2. Inclusive Insurance (Average)	0.0%	0.0%	0.0%
2.1 Life	0.0%	0.0%	0.0%
2.2 Non-Life/General Insurance	0.0%	0.0%	0.0%

H) Number of Licensed Insurance Intermediaries	2015	2016	2017
1. Direct Sales Agents (direct employees of insurers-m/f)	-	-	-
1.1 Life	-	-	-
1.2 Non-Life/General Insurance	-	-	-
2. Insurance Agents (institutions and individuals-m/f)	-	-	-
2.1 Life	-	-	-
2.2 Non-Life/General Insurance	-	-	-
3. Inclusive Insurance agents ONLY	-	-	-
3.1 Institutions (i.e. banks, coops, MFIs, stores)	-	-	-
3.2 Individuals- m/f	-	-	-
4. Insurance Brokers	-	-	-
5. Insurance Brokers - BANKS	-	-	-

Annex 5

Sample Interview Questions

Interview Guide Questions Philippines Post-RIA Interview Guide Questions

For Regulator

A. Private sector participation

1. **Licensing:** What is the trend in number of active licenses and approval of: 1) MI only insurers, 2) intermediaries, 3) products? (Update the RIA Indicator numbers 1,2 and 3 to Yrs. 2015 and 2016 figures)
2. **Outreach:** What is the trend in MI coverage? (Update the RIA Indicator numbers 4,5 and 6 to Yrs. 2015 and 2016 figures)
3. **Participation of insurers:** How many of the insurers (i.e. commercial, MBAs and CIS) that have MI approved products are ACTUALLY SELLING?
4. **Participation of intermediaries:** How many of the licensed agents selling MI products (rural banks, pawnshops, and other channels) are ACTIVELY SELLING?
5. **Facilitating and hindering factors:** What is driving these trends in licensing, product approval and client outreach?
6. **Product diversity:** Other than the traditional products such as credit-life, term-life, PA, and medical reimbursement, what are new and innovative products in the market? Are there products that specifically designed to address the needs of men and women?
7. **Distribution diversity:** Other than the MFIs and financial institutions, what other new and innovative channels are there in the market?
8. **Monitoring and Reporting:** Other than in the Annual Reports, how does IC monitor and track MI market data and performance of insurers? Is the data sex-disaggregated?

B. Regulation, Supervision and Policy

9. **Compliance:** What is the mechanism of IC to ensure compliance of insurers and intermediaries to MI regulations?
10. **Capacity of supervisor:** The MI regulations are innovative and proportionate in terms of procedures, how does IC's internal process (such as licensing, product approval, and onsite/offsite examination) is coping up? What capacity building measures had been implemented?

11. **Shift in supervisory approach:** What changes in supervision activities have been implemented to effectively implement the regulations?
 12. **Inter-agency cooperation:** The business models (i.e. products, distribution, administration) of microinsurance inevitably need to engage with non-insurance entities such as MFIs, telcos, retailers, and technology service providers, how does IC managing cooperation with other regulators and government agencies?
 13. **Capacity building:** What are the private agencies supporting/cooperating with IC in microinsurance market development?
- C. Formalization
14. **Mainstreaming of informal insurance:** The joint IC-SEC-CDA memo circular on informal insurance has provided 3 options to mainstream informal insurance activities, what options have provided better results (provide figures)?
 15. What is the status of IC's coordination with the SEC and CDA to ensure compliance of MFIs and coops to the joint circular, and to monitor results?
- D. Financial Literacy
16. **Institutionalization of FinLit:** What are the FinLit measures being implemented and supported by IC? Are the measures gender-sensitive?
- E. Consumer Protection
17. **ADREM implementation:** Is IC collecting data on the results of ADREM? How many claim disputes have been managed through the ADREM process?
 18. **Client value:** What is the trend in claims/loss ratio? (Update the RIA Indicator numbers 12 to Yrs. 2015 and 2016 figures).

The above questions are based on the Philippine assessment. These questions are specific and purposeful and directed to rating the impacts appropriately. These interview questions can be answered also through writing.

Annex 6

Sample FGD Guide Questions

Philippines RIA Interview Guide Questions

1) What are the success factors of MI development? in terms of the following strategic goals:

- > Private sector participation - business impact, market size, competition?
- > Policy/regulation for licensing, reporting (compliance, burden)?
- > Formalization options? Formalization updates?
- > FinLit - your role in Finlit, government Finlit initiatives? Are these gender-sensitive?
- > Consumer Protection - changes in control for CP, system of recourse, CP in product design?

2) What are the hindering factors in making the insurance market work for the low income and informal sectors? in terms of the strategic goals above

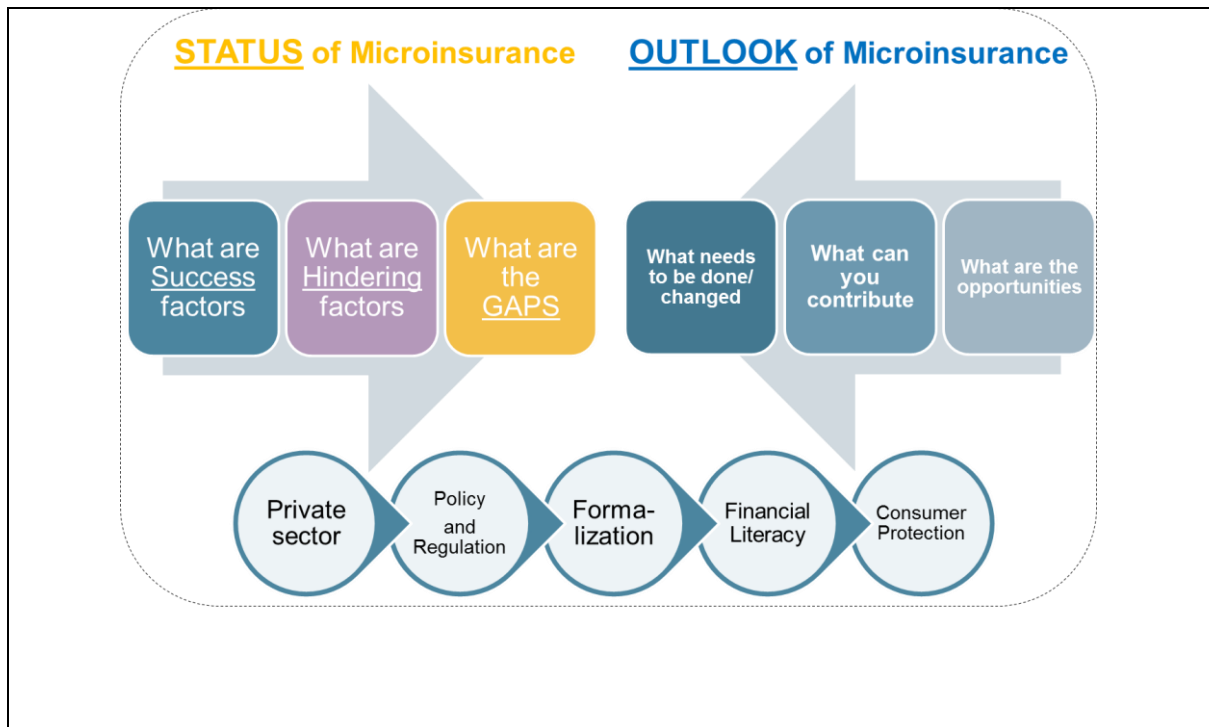
- > Sex-Disaggregated Data Collection
- > Analysis and Impact Assessment
- > Recommendations and Strategic Lessons
- > Communication and Dissemination

3) What needs to be done? What needs to be changed to reach the vision of 50 Million MI coverage by 2022? in terms of the following strategic goals:

- > Private sector participation - business impact, market size, competition
- > Policy/regulation - licensing, reporting (compliance, burden)
- > Formalization -options to formalization
- > FinLit - your role in Finlit, government Finlit initiatives
- > Consumer Protection - changes in control for CP, system of recourse, CP in product design

4) What/how can you contribute in reaching the vision? in terms of the strategic goals above

5) What are the opportunities to maintain/enhance the growth of the market?



Questions 1 and 2 shall be responded first, simultaneously then questions 3, 4 and 5 shall be responded simultaneously. Ideas are written on meta cards and pinned on the soft board, one idea per card and up to 3 lines only per card. The moderator will cluster the cards, read each published card, and ask clarification (if needed).

Annex 7

Sample RIA Stakeholders' Dialogue

GIZ Program on Regulatory Framework Promotion of Pro-Poor Insurance
Markets in Asia (GIZ RFPI Asia II)

Regulatory Impact Assessment (RIA) on Microinsurance

Stakeholders' Dialogue

06 September 2017

Park Village Hotel, Kathmandu, Nepal

Time	Activity / Topic	Point Person
08:30 to 09:00	Registration	Beema Samiti
09:00 to 09:15	Opening Remarks	<ul style="list-style-type: none"> ➤ Beema Samiti ➤ Dante Portula, Senior Advisor, GIZ RFPI Asia
09:15 to 09:25	<ul style="list-style-type: none"> ➤ Acknowledgement of participants ➤ Overview of objectives and flow of the dialogue 	Raquel Capio, Senior Advisor, GIZ RFPI Asia
09:25 to 10:00	Presentation: RIA methodologies, findings, conclusions and recommendations	Dante Portula
10:00 to 10:15	Group Photo and Coffee Break	
10:15 to 11:45 (90mins)	Panel discussion: RIA conclusions, recommendations and next steps Panelists (10): <ul style="list-style-type: none"> ➤ Beema Samiti (1) ➤ Ministry of Finance (1) ➤ Ministry of Agriculture (1) ➤ Rastra Bank (1) ➤ Nepal Insurance Association (2= life and general) ➤ Microfinance Bankers Association (1) ➤ Sakchyam Access to Finance (1) ➤ Coops group representative (1) ➤ NGOs group representative (1) 	Moderator: Dante Portula
11:45 to 12:20 (35mins)	Open forum with the audience	Dante Portula
12:20 to 12:30	Wrap up	Raquel Capio
12:30	Lunch and end of the event	

Annex 8

The RIA Assessment Report

	Indicator	Value (end of Dec)	Ranking
Market development (quantitative data)	Insurers engaged	63 out of 138 = 46 % at end 2014 (52 in 2012) 21 MBAs, 18 Life companies, 24 non-life companies	Excellent
	Intermediaries licensed	170 (2014), 105 (2013), 125 (2012)	Good progress
	Products approved	162 products as of 2014 (from 119 in 2012). 81 life and 81 non-life products.	Good progress
	Microinsurance coverage (lives and properties insured)	19.9Mn (2012), 25.2Mn (2013), 31.1Mn (2014) 25% average annual growth. Life companies 34%, MBAs 34%, Non-life companies 11%. Microinsurance represents 62% of industry coverage and contributes 1.9% of industry premium in 2014 (1.7% in 2013).	Excellent
	Lives covered (MI-MBAs and Life companies)	11.8Mn (2012), 17.3Mn (2013), 21.2 Mn (2014) or 59%, 67% and 68% of MI coverage, respectively.	Good progress
	Non-life insurers' production	8.1Mn (2012), 7.9Mn (2013), 9.9 Mn (2014) or 41%, 33% and 32% of MI coverage, respectively.	Good progress
Institutional development (qualitative data)	Diversity of business models	MI Framework intentionality in recognizing the need for a range of business models	Excellent
	Magnitude of formalization	Major coordinated efforts towards formalization	Good progress
	Supporting services and platforms	Relatively more strong support structures than other jurisdictions	Excellent
	Insurance Commission capacitated and restructured in terms of MI	Broad-based approach to capacity building and adjusting structures Microinsurance institutionalized in the amended Insurance Code (2013) A fully fledged Microinsurance Division inside IC established	Excellent
	Other authorities and development agencies engaged	Engagement of other authorities and agencies	Good progress
Client value (quantitative data)	Claims / loss ratio in microinsurance (2012-2014)	Life = 45.2%, 21.2%, 50.2% Non-life = 18.3%, 33.1%, 156.4% MI-MBAs = 25.7%, 24.1%, 27.5%	Good progress

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