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Microinsurance Study:

THE UNDERSTANDING AND NEEDS OF LOW-INCOME POPULATIONS REGARDING MICROINSURANCE

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FOREWORD

Inclusive economies and the role of financial services in overcoming exclusion and inequality will continue to be one of the challenges in achieving inclusive, sustainable growth and decent employment.

Increased access to diverse financial services can enable the poor and the vulnerable to devote more resources to their crops, develop protective measures against shocks, and gain access to markets, ultimately graduating from poverty.

Among the different instruments conceived by the variety of financial services targeted to the poor, microinsurance stands out for being the one that assures protection from lifecycle and livelihood related risks serving as a social insurance system for informal economies.

UNDP Cambodia is pleased to be able to respond to the request made by the Ministry of Economy and Finance and the Council for Agricultural and Rural Development to understand better how this sector can take the right steps to seize untapped market potential. Microinsurance can create innovative partnerships between the government and the private sector and there is room to explore its benefits and challenges.

This report represents a step forward in defining essential elements of market suitability assessment for microinsurance, such as: Risk perception, product attribute preference, affordability and willingness and client awareness. In so doing the research identifies possible entry points for further research but especially confirms Cambodian supply and demand interest in the sector. To ensure that Microinsurance is a successful tool capable of tackling vulnerability, this interest cannot be separated from establishing a long-lasting dialogue between the regulator, the Ministry of Economy and Finance, and the Policy maker, the Council for Agricultural and Rural Development.

We are pleased to be able to share this evidence-based research for further discussions.

UNDP Cambodia

អារម្ភកថា

ការអភិវឌ្ឍន៍សេដ្ឋកិច្ចប្រកបទៅដោយបរិយាបន្ន និង តួនាទីរបស់សេវាកម្មហិរញ្ញវត្ថុក្នុងការជំនះនូវអបរិយាបន្ន និងវិសមភាព នៅតែបន្ត ជាបញ្ហាប្រឈមមួយ ចំពោះការសំរេចអោយបាន នូវបរិយាបន្ន ការអភិវឌ្ឍន៍ប្រកបទៅដោយចីរភាព និងភាពមានការងារធ្វើគ្រប់គ្រាន់ ។

បង្កើនការប្រើប្រាស់ភាពសំបូរបែបនៃសេវាកម្មហិរញ្ញវត្ថុ អាចជួយអោយជនក្រីក្រ និង ងាយរងគ្រោះអាចប្រើប្រាស់ ធនធានច្រើនជាងមុន ចំពោះការបង្កបង្កើនផល បង្កើតវង្វាស់ការពារចំពោះភាពតក់ស្លុត និង ទទួលបានការចូលទៅកាន់ទីផ្សារ និងជាចុងក្រោយអាចនាំអោយ ពួកគាត់ចាកផុតពីភាពក្រីក្រ ។

នៅក្នុងចំណោមឧបករណ៍ផ្សេងៗគ្នាទាំងឡាយដែលផ្តួចផ្តើមឡើងដោយភាពសំបូរបែបនៃសេវាកម្មហិរញ្ញវត្ថុដៅឆ្ពោះទៅរកជនក្រីក្រ ធានារ៉ាប់រងខ្នាតតូច គឺជាឧបករណ៍មួយលេចធ្លោក្នុងនាមជាប្រព័ន្ធធានារ៉ាប់រងសង្គមមួយ សំរាប់សេដ្ឋកិច្ចក្រៅប្រព័ន្ធ ដែលធានាការការពារ ពីហានិភ័យទាំងឡាយណា ដែលពាក់ព័ន្ធចំពោះ វដ្តជីវិត និងជីវភាពរស់នៅប្រចាំថ្ងៃ ។

កម្មវិធីអភិវឌ្ឍន៍សហប្រជាជាតិប្រចាំនៅកម្ពុជា មានសេចក្តីសោមនស្សរីករាយដែលអាចមានលទ្ធភាពឆ្លើយតបបាន ចំពោះសំណើររបស់ក្រសួងសេដ្ឋកិច្ចនិងហិរញ្ញវត្ថុ និង ក្រុមប្រឹក្សាស្តារនិងអភិវឌ្ឍនវិស័យកសិកម្ម និង ជនបទ ក្នុងការស្វែងយល់បន្ថែមថាតើវិស័យនេះអាចចាប់យកនូវជំហានមួយណា ដែលត្រឹមត្រូវ ដើម្បីជំរុញអោយមានការបើកចំហសក្តានុពលទីផ្សារ ។ ធានារ៉ាប់រងខ្នាតតូច អាចបង្កើតឡើងនូវកិច្ចសហប្រតិបត្តិការប្រកបទៅដោយភាពច្នៃប្រឌិត រវាងរាជរដ្ឋាភិបាល និងវិស័យឯកជន និងវាមានចន្លោះ ដែលផ្តល់ឱកាសសំរាប់ធ្វើការ រុករកតាមរយៈការសិក្សាអំពីអត្ថប្រយោជន៍ និង បញ្ហាប្រឈមនានារបស់វិស័យមួយនេះ ។

របាយការណ៍នេះតំណាងអោយជំហានទៅមុខមួយ នៅក្នុងការកំណត់ផ្នែកសំខាន់ៗទាំងឡាយ នៃការសិក្សាអំពីភាពសក្តិសម របស់ទីផ្សារ សំរាប់ធានារ៉ាប់រងខ្នាតតូច រួមមានដូចជាផ្នត់គំនិតទៅលើហានីភ័យ កាកំណត់ផលិតផលដែលចូលចិត្ត លទ្ធភាពអាចចំណាយបាន និងឆន្ទៈ ក៏ដូចជាការជ្រួតជ្រាបរបស់អតិថិជន ។ ការសិក្សារសាវជ្រាវនេះធ្វើឡើងដើម្បីកំណត់ច្រកចូល សំរាប់សិក្សាបន្ថែម ប៉ុន្តែវាយ៉ាងហោចណាស់ ក៏អាចកំណត់បាមនូវចំណាប់អារម្មណ៍នៃការផ្តត់ផ្តង់ និងតំរូវការ របស់ប្រជាជន កម្ពុជានៅក្នុងវិស័យនេះ ។ ដើម្បីថានាថា ធានារ៉ាប់រងខ្នាតតូច ជាឧបករណ៍ដែលមានលទ្ធភាពកាត់បន្ថយ ភាពងាយរងគ្រោះប្រកបទៅដោយប្រសិទ្ធភាព ចំណាប់អារម្មណ៍នេះមិនអាច កាត់ផ្តាច់បានឡើយ នូវកិច្ចពិភាក្សាយូរអង្វែង រវាងអ្នកបង្កើតច្បាប់ ដែលជាក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ ជាមួយនឹងអ្នកបង្កើត គោលនយោបាយ ដែលជាក្រុមប្រឹក្សា ស្តារនិងអភិវឌ្ឍនវិស័យកសិកម្ម និង ជនបទ ។

យើងខ្ញុំមានសេចក្តីសោមនស្សរីករាយ ចំពោះលទ្ធភាព ដែលអនុញ្ញាតឱ្យយើងខ្ញុំអាចចែករំលែកនូវការស្រាវជ្រាវផ្នែកទៅលើភស្តុតាង មួយនេះ សំរាប់រាល់ការពិភាក្សាទាំងឡាយណាបន្ថែម ។

S. Yamazaki

យូអិនឌីភី កម្ពុជា

FOREWORD

Through its Policymaker role, Council for Agricultural and Rural Development (CARD) considers Micro-Insurance to be an effective compliment to the Government's efforts in providing a comprehensive Social Protection system in Cambodia. As stated in the National Social Protection Strategy (NSPS), the sector can play an important role in providing both basic and expanded social protection to the poor and the vulnerable by integrating into the existing public finance schemes.

In setting the framework for a sustainable and comprehensive social protection system for all Cambodians over the long term, the NSPS includes both contributory and non-contributory schemes. The development of a comprehensive social protection system in the NSPS perspective, implies ensuring that the relevant components (non - contributory and contributory) are developed in parallel towards a sustainable system, whereby those who can afford social protection will access it based on their formal contributions and those who cannot afford the contributions will rely on the state for support until they develop such capacity.

Therefore, Micro-insurance in a Social Protection perspective does not only represent a good investment for the private sector, but can also produce important socially beneficial side-effects. The poor are more vulnerable to many risks than the rest of the population, and yet they are the least able to cope when a crisis does occur. They could protect themselves from risk through insurance, if they could access it, as well as experience a higher standard of living stemming from an affordable protection from risk.

This report represents for CARD a very useful base from which they can begin to develop the market and represents a positive step forward in the collaboration between UNDP, CARD and MEF in creating a suitable environment for Micro-insurance. Due to the achievement of understanding the potential demands of MI, we have definitely reached the stage in which more targeted research might be needed and ad-hoc education campaigns should happen. CARD is ready to collaborate with all relevant stakeholders to carry out these functions and any further efforts that might be required in developing the market and providing affordable protection for the poor.

Ngy Chanphal

Secretary of State, Ministry of Interior

Vice-Chairman, Council for Agricultural and Rural Development

អារម្ភកថា

តាមរយៈតួនាទីជាស្ថាប័នអភិវឌ្ឍគោលនយោបាយ ក្រុមប្រឹក្សាស្តារអភិវឌ្ឍន៍វិស័យកសិកម្ម និងជនបទ (ក.ក.ជ) ចាត់ទុកការធានាភ័ប់រងខ្ជាតគ្មច ជានបករណ៍បំពេញបន្ថែមប្រកបដោយប្រសិទ្ធភាពមួយ ចំពោះកិច្ចខិតខំប្រឹងប្រែងរបស់រាជរដ្ឋាភិបាល ក្នុងការផ្តល់នូវប្រព័ន្ធគាំពារសង្គមដ៏ស៊ីជម្រៅមួយនៅក្នុងប្រទេសកម្ពុជា។ ដូចមានចែងនៅក្នុងយុទ្ធសាស្ត្រជាតិគាំពារសង្គម (យ.ជ.គ.ស) វិស័យធានាភ័ប់រងខ្ជាតគ្មច អាចដើរតួនាទីយ៉ាងសំខាន់នៅក្នុងការគាំពារសង្គមជាមូលដ្ឋាន និងអាចពង្រីកបន្ថែមសំរាប់ជនក្រីក្រ និងងាយរងគ្រោះ តាមរយៈការធ្វើសមាហរណកម្មទៅក្នុងគម្រោងហិរញ្ញវត្ថុសាធារណៈ ដែលមានស្រាប់។

នៅក្នុងការបង្កើតក្របខ័ណ្ឌប្រព័ន្ធគាំពារសង្គម ដែលស៊ីជម្រៅនិងប្រកបដោយចីរភាពសំរាប់ប្រជាជនកម្ពុជាក្នុងរយៈពេលវែង យ.ជ.គ.ស ត្រូវរួមបញ្ចូលទាំងគម្រោងដែលមានភាគទាន និងមិនមានភាគទាន។ ស្ថិតក្នុងទស្សនៈវិស័យរបស់ យ.ជ.គ.ស ការអភិវឌ្ឍន៍ប្រព័ន្ធគាំពារសង្គមដែលស៊ីជម្រៅ ត្រូវធានាថាគម្រោងដែលពាក់ព័ន្ធទាំងឡាយ (ដោយមាននិងពុំមានភាគទាន) ត្រូវបានអភិវឌ្ឍឆ្ពោះទៅរកប្រព័ន្ធមួយដែលប្រកបដោយចីរភាព ដែលជនទាំងឡាយអាចមានលទ្ធភាពអាចទទួលបាននូវការគាំពារសង្គម តាមរយៈការផ្តល់ភាគទានផ្លូវការរបស់ពួកគាត់ និងជនទាំងឡាយដែលពុំមានលទ្ធភាពផ្តល់ភាគទាននេះ នឹងត្រូវពឹងផ្អែកលើជំនួយរបស់រដ្ឋរហូតដល់ពួកគាត់អាចមានលទ្ធភាពចូលរួមភាគទានវិញបាន។

ដូច្នេះហើយ ក្នុងទស្សនៈវិស័យរបស់ការគាំពារសង្គម ការធានាភ័ប់រងខ្ជាតគ្មច មិនត្រឹមតែតំណាងឱការវិនិយោគដ៏ល្អមួយសំរាប់វិស័យឯកជនប៉ុណ្ណោះទេ វាថែមទាំងអាចបង្កើតនូវផលប្រយោជន៍សំខាន់ៗជាច្រើនសំរាប់សង្គម។ ជនក្រីក្រ ជាជនងាយរងគ្រោះចំពោះហានិភ័យនានា ច្រើនជាងប្រជាជនផ្សេងៗទៀត ហើយនៅពេលដែលវិបត្តិកើតឡើង ពួកគាត់មានលទ្ធភាពតិចតួចក្នុងការដោះស្រាយចំពោះបញ្ហាប្រឈមទាំងនោះ។ ប្រសិនបើពួកគាត់ទទួលបានសេវាធានាភ័ប់រង ពួកគាត់អាចការពារខ្លួនឯងពីហានិភ័យទាំងឡាយ ក៏ដូចជាអាចទទួលបានកំរិតជីវភាពខ្ពស់ ដោយអាចជៀសវាងពី ហានិភ័យនានាតាមរយៈការគាំពារដែលមានតំលៃសមរម្យមួយ។

របាយការណ៍នេះ ជាមូលដ្ឋានដ៏មានអត្ថប្រយោជន៍មួយសំរាប់ក.ក.ជ ដែលក.ក.ជអាចចាប់ផ្តើមអភិវឌ្ឍន៍ទីផ្សារ និងកំណាងឱការបោះជំហានប្រកបដោយភាពវិជ្ជមានមួយ ក្នុងកិច្ចសហប្រតិបត្តិការរបស់អង្គការ UNDP ក្រុមប្រឹក្សាស្តារអភិវឌ្ឍន៍វិស័យកសិកម្ម និងជនបទ និង ក្រសួងសេដ្ឋកិច្ចនិងហិរញ្ញវត្ថុ ដើម្បីបង្កើតបរិយាកាសដ៏សក្តិសមមួយសំរាប់វិស័យធានាភ័ប់រងខ្ជាតគ្មច។ តាមរយៈការសំរេចបាននូវការស្វែងយល់ ទៅលើតម្រូវការដ៏មានសក្តានុពលចំពោះសេវាធានាភ័ប់រងខ្ជាតគ្មច ពួកយើងពិតជាបានឈានដល់កម្រិតមួយដែលតម្រូវមានការស្រាវជ្រាវជាក់លាក់បន្ថែម និងយុទ្ធនាការអប់រំកំតូរតែកើតមាន។ ក.ក.ជបានត្រៀមខ្លួនរួចជាស្រេច ក្នុងកិច្ចសហការណ៍ជាមួយភាគីដែលពាក់ព័ន្ធទាំងឡាយ ដើម្បីបំពេញតួនាទីនិងកិច្ចខិតខំប្រឹងប្រែងបន្ថែមនានា ដែលត្រូវការនៅក្នុងការអភិវឌ្ឍទីផ្សារ និងការផ្តល់ការគាំពារ ដែលមានតំលៃសមរម្យសំរាប់ជនក្រីក្រ។

ឯ ច័ន្ទផល
រដ្ឋលេខាធិការក្រសួងមហាផ្ទៃ
អនុប្រធានក្រុមប្រឹក្សាស្តារអភិវឌ្ឍន៍វិស័យកសិកម្ម និងជនបទ

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សេចក្តីថ្លែងអំណរគុណ

របាយការណ៍នេះត្រូវបានផ្តល់ជូនដោយ កម្មវិធីអភិវឌ្ឍន៍សហប្រជាជាតិ (UNDP) និងបានសរសេរឡើងដោយក្រុមហ៊ុនទីប្រឹក្សា EMC ដែលមានកិច្ច
គាំទ្របច្ចេកទេស និងស្រាវជ្រាវដោយ លោកស្រី មារីសា ហ្វរ៉ាស៊ី ជាអ្នកសេដ្ឋកិច្ច រួមជាមួយលោក ហង់ សុវណ្ណារិទ្ធ ជាអ្នកសំរបសំរួលគំរោងធានា
រ៉ាប់រងខ្នាតតូច របស់អង្គការ UNDP ប្រចាំនៅកម្ពុជា។ សូមធ្វើការស្ងើចសរសើរ និងវាយតំលៃខ្ពស់ចំពោះក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ និង
ក្រុមប្រឹក្សាស្តារអភិវឌ្ឍនីវិស័យ កសិកម្ម និងជនបទ សំរាប់កិច្ចសហការ និងគាំទ្រទៅលើការសិក្សាស្រាវជ្រាវមួយនេះ។

សូមធ្វើការស្ងើចសរសើរ និងវាយតំលៃខ្ពស់ជាពិសេសចំពោះបុគ្គលិកក្រុមហ៊ុន EMC ដែលបានរួមគ្នានិពន្ធនូវឯកសារនេះឡើង រួមមាន លោក
ង៉ែត ជូ លោក ជៀក ចន្ទ័សមួស្ស លោក ថំ ភើស៊ីវិល និងចំពោះក្រុមការងារប្រមូលព័តិមានផ្ទាល់ នៅក្នុងខេត្តទាំងបីរួមមាន ខេត្តកំពង់ចាម
ខេត្តកំពង់ធំ និងខេត្តកណ្តាល។ ក្រុមប្រមូលព័តិមានផ្ទាល់នេះត្រូវបានផ្តុំឡើង ដោយអ្នកសំរបសំរួល២នាក់ គឺអ្នកស្រី សៅ សិតការណ៏ និងលោក
អ៊ួង ទីសាណា រួមជាមួយនឹងអ្នកសំភាសន៏ប្រមូលព័តិមានចំនួន៨នាក់ រួមមាន អ្នកនាង ស៊ីវ៉ាក់ កល្យាណ អ្នកនាង សាត គន្ធា លោក ហាយ ដាវណ្ណ
លោក គីម ដារារិទ្ធ លោក ឃុន សិលា កញ្ញា ប៊ី ម៉ូលីវ៉ាន់ កញ្ញា រឿន វណ្ណា និងលោក កែ កុសល។

អ្វីដែលពិសេសទៅទៀតនោះគឺ ការប្រមូលព័តិមានផ្ទាល់ពីប្រជាជន មិនអាចដំណើរការបានទេប្រសិនបើគ្មានការគាំទ្រពីសំណាក់អភិបាលខេត្ត
កណ្តាល កំពង់ធំ និងកំពង់ចាម ដែលយើងខ្ញុំសូមធ្វើការគោរពចំពោះ ឯកឧត្តម ផៃ ប៊ុនឈឿន ឯកឧត្តម លន់ លីមថៃ និង ឯកឧត្តម អ៊ុត សំអន។

សូមថ្លែងអំណរគុណដ៏ធំធេងចំពោះ លោក ណាប៉ូឡេអុង ណាវ៉ារ៉ូ នាយករង លោក ងោ ណាតារួន ប្រធានផ្នែកកាត់បន្ថយភាពក្រីក្រ និងអ្នកស្រី
នង រតនា អ្នកវិភាគកម្មវិធី របស់អង្គការ UNDP ចំពោះការដឹកនាំ និងតំរង់ទិស សំរាប់ការបង្កើតកិច្ចខិតខំប្រឹងប្រែងនេះនៅក្នុងបរិបទដ៏ធំទូលាយ។

សូមអរគុណជាពិសេសចំពោះ ឯកឧត្តម មុី វ៉ាន់ អគ្គនាយក លោក ប៊ូ ចន្ទ័ ភីរូ ប្រធាននាយកដ្ឋានធានារ៉ាប់រង និងសោធននិវត្តន៏ និងលោក មោក ចាន់ត្រា
អនុប្រធានផ្នែកធានារ៉ាប់រង នៅក្នុងអគ្គនាយកដ្ឋានឧស្សាហកម្មហិរញ្ញវត្ថុ នៃក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ ឯកឧត្តម ងី ច័ន្ទ្រផល រដ្ឋលេខាធិការ
ក្រសួងមហាផ្ទៃ និងជាអនុប្រធាន CARD និង ឯកឧត្តម សាន វឌ្ឍនា អគ្គលេខាធិការរង CARD។

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LIST OF ABBREVIATIONS

AFH	Action for Health
AMK	Angkor Mikroheranhvatho Kampuchea
BFH	Buddhism for Health
CAASW	Cambodian Organization for Assistance to Families and Widows
CBHI	Community-Based Health Insurance
CCSF	Cambodian Community Savings Federation
CHC	Cambodian Health Committee
CHO	Community Health Organization
CMK	Crédit Mutuel Kampuchea
FGD	Focus Group Discussion
HDI	Human Development Index
IDI	In-Depth Interview
KHR	Khmer Riel
MEADA	Measure for Economic and Accelerated Development for All
MEF	Ministry of Economy and Finance
MFI	Microfinance Institution
MI	Microinsurance
PCHSFA	Pursat Community Health Support Fund Association
PKMI	Prevoir Kampuchea Micro-Life Insurance Plc
RACHA	Productive and Child Health Alliance
RIMANSI	Risk Management Solutions Inc.
SAMIC	Samaki Microfinance
UNCDF	United Development Capital Development Fund
UNDP	United Nations Development Programme
USD	United States Dollar
VF	Cambodia VisionFund Cambodia

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I. EXECUTIVE SUMMARY

Cambodia's microinsurance industry is relatively new. To support the industry's development, the United Nations Development Programme (UNDP) will assist the Royal Government of Cambodia in assessing the demand for and understanding of microinsurance products among rural low-income households. The development of microinsurance can bring a number of advantages to both citizens and governments. These include assisting in welfare provision where government budgets are scarce and reducing the amount of/effects of time and agricultural production lost to illness, thereby contributing to improved economic growth.

Despite the growing body of research on microinsurance globally, there is a relative lack of research on the microinsurance industry in Cambodia. The primary objective of this study is to contribute to filling this gap by examining the microinsurance needs of Cambodia's poor and vulnerable populations, as well as their current knowledge and perceptions of microinsurance products. This analysis could then be used to inform the formulation of technical recommendations on potential microinsurance product designs, education campaigns, and marketing strategies.

The primary research drew on both quantitative and qualitative methods, including in-depth interviews (IDIs) comprising of mostly closed questions to enable quantitative analysis; focus group discussions (FGDs); village chief interviews (VCIs); and interviews with experts (microinsurance operators and other relevant organizations). IDIs were conducted across three provinces and five villages within each province, encompassing a variety of microinsurance coverage and poverty levels. One FGD was arranged in each village and each FGD consisted of six to eight participants. FGDs used a participatory approach and comprised of the following activities: risk ranking, product-attribute ranking and promotion-activity ranking. The results are also informed by secondary data analysis and review, including an examination of the current microinsurance products on offer, the applicable legal and regulatory framework, and other relevant research reports.

The key important findings in this research are the following:

Risk management: The research shows that the vast majority of people are vulnerable to risk. The most commonly experienced risks are illness of a household member and crop failure due to drought or floods. Illness of a family member is ranked as the most severe risk, and occurs on average 3.8 times over a period of three years. Saving is the most common method of preventing and coping with risk, with approximately two thirds of respondents using this mechanism.

Experts' Opinion: Interviewed MI operators have strong interest in engaging in the development of this sector in Cambodia. They also seem interested in expanding the variety of products currently available

and to link Microinsurance to Microfinance both to promote it easily and to cut costs. Overall they have a number of suggestions to make the regulation more conductive as they think that the government could play a significant role in raising awareness among potential buyers.

Need for microinsurance: The results suggest that there is a high potential demand for microinsurance for the poor, especially health and crop insurance. Most respondents felt they would be willing to pay in order to transfer their risk to a third-party organization. Although health equity cards are widely held, which entitles the holder to free treatment at public healthcare facilities, almost half the respondents who hold a card do not use it. This happens for different reasons including lack of knowledge of health equity card functioning, the poor quality of public service, additional uncovered costs and problems in getting the benefits assured under health equity card. Respondents appeared willing to pay up to US$15 per year, broken down into monthly payments. The vast majority of respondents prefer the convenience of an insurance agent who will collect their premiums and settle claims in person at their villages. However, although the vast majority of respondents prefer this option, microinsurance in other contexts has shown that there can be potential for insurers to partner with mobile phone operators or MFIs for distributing and paying insurance benefits.

Understanding of microinsurance: The study confirms that people's level of understanding of insurance is today very low. However, as awareness of insurance is raised, the potential market is likely to grow rapidly. The vast majority of low-income populations in this research expressed an interest in learning more about microinsurance and had a strong desire to transfer certain risks to insurers. Only those respondents who were health insurance clients had an understanding of insurance. Of the current insurance clients surveyed, most believed that benefits were the most important factor to consider when purchasing insurance, although the premium price was also a significant factor.

Promotion and education: Both clients and non-clients said they preferred in-person promotion activities, such as home visits, village meetings, and drama/comedy shows to television or radio commercials. Only 15% of non-clients responded that they would prefer to receive information about microinsurance via television commercials. A similar proportion said that they would prefer to receive

Villagers of a village in Kampong Thom province gather to discuss impact of drought on their crop. (Photo: UNDP Cambodia)

Women fish in a canal in Takeo. (Photo: UNDP Cambodia)

information through radio commercials. These findings lead to the assertion that promotional activities via the media are more useful for branding rather than information dissemination.

Health, accident, and crop insurance products have high potential demand as they reflect the most commonly faced risks. Premium payments appear to be most suitable for clients when scheduled at monthly intervals. However, this can vary according to clients' income source and/or business cycles. The study suggests that marketing efforts have not been particularly effective in helping people understand the concept of insurance. Home visits and village-level meetings, perhaps incorporating elements of drama or comedy, could be a more effective way of promoting and educating people about microinsurance.

Promoting the reputation of insurance companies is fundamental to increasing coverage. This can be achieved by gaining the support of local authorities and partnering with trusted financial service providers. Insurance involves long-term financial interaction with a client, which is why existing clients deemed trust a key factor in their relationship with their insurance company. Because of the high level of distrust toward financial institutions, potential customers need to be reassured that they will receive the promised benefits should they need to make a claim. Since benefit coverage was ranked higher than premium amounts, insurance should be promoted based on the product benefits as well as just affordability.

While this study goes some way toward identifying the need for and understanding of microinsurance among the low-income population in Cambodia, there are a number of areas for further research required. In particular, for microinsurance providers to grow their client base, comprehensive market studies are required to segment the customer base, calculate the market size of different segments, develop and refine product concepts and evaluate potential promotion and education campaigns.

A girl looks for shell fish in Koh Kong province. (Photo: UNDP Cambodia)

សេចក្តីសង្ខេបរួម

ឧស្សាហកម្មធានារ៉ាប់រងខ្នាតតូចនៅកម្ពុជា គឺពិតជាមានភាពថ្មីថ្មោង។ ដើម្បីគាំទ្រការអភិវឌ្ឍនៅក្នុងវិស័យនេះ អង្គការកម្មវិធីអភិវឌ្ឍន៍សហប្រជាជាតិ (UNDP) នឹងជួយរាជរដ្ឋាភិបាលកម្ពុជាដើម្បីធ្វើការសិក្សាអំពីតំរូវការ និងការយល់ដឹង ចំពោះធានារ៉ាប់រងខ្នាតតូច នៅក្នុងចំណោមគ្រួសារដែលមានចំណូលទាបនៅតាមទីជនបទ។ ការអភិវឌ្ឍធានារ៉ាប់រងខ្នាតតូច នឹងនាំមកនូវអត្ថប្រយោជន៍ជាច្រើន ទាំងសំរាប់ប្រជាពលរដ្ឋ ទាំងសំរាប់រាជរដ្ឋាភិបាល។ ទាំងនេះរួមមានដូចជា ជំនួយក្នុងការផ្តល់សុខមាលភាពស្របពេលដែលថវិការដ្ឋាភិបាលកំពុងមានការខ្វះខាត និងជួយកាត់បន្ថយ បរិមាណប៉ះពាល់លើការខាតពេលវេលា និងផលិតកម្មកសិកម្ម រហូតទៅដល់ទាំងជំងឺដង្កាត់ផ្សេងៗ ដែលវាជាហេតុនាំអោយមានការចូលរួមចំណែក ជួយលើកកំពស់ដល់ការរីកចំរើនសេដ្ឋកិច្ច។

ថ្វីបើមានការកើនឡើងជាសកល នូវអង្គភាពស្រាវជ្រាវទៅលើវិស័យធានារ៉ាប់រងខ្នាតតូច យើងសង្កេតឃើញថានៅតែមានការខ្វះខាតការស្រាវជ្រាវទៅលើឧស្សាហកម្មធានារ៉ាប់រងខ្នាតតូចនៅក្នុងប្រទេសកម្ពុជានៅឡើយ។ គោលបំណង បឋមនៃការសិក្សានេះគឺដើម្បីចូលរួមចំណែកបំពេញចន្លោះប្រហោង តាមរយៈការពិនិត្យវិភាគទៅលើតំរូវការសេវា ធានារ៉ាប់រងខ្នាតតូចរបស់ប្រជាជនកម្ពុជាដែលក្រីក្រ និងងាយរងគ្រោះ ក៏ដូចជាទស្សនៈ និងចំណេះដឹងបច្ចុប្បន្នរបស់ពួកគាត់ចំពោះផលិតផលធានារ៉ាប់រងខាតតូច។ ការវិភាគនេះក៏អាចជួយផងដែរក្នុងការផ្តល់ជាព័ត៌មានសំរាប់ការគូសគ្រោងផលិតផលធានារ៉ាប់រងខ្នាតតូចសក្តានុពល យុទ្ធនាការអប់រំ និង យុទ្ធសាស្ត្រទីផ្សារនានា។

ការស្រាវជ្រាវបឋមបានចាប់យកទាំងវិធីសាស្ត្របរិមាណ (Quantitative) និង គុណភាព (Qualitative) រួមមាន ការសម្ភាសន៍ស៊ីជំរៅ (IDIs) ដែលមានចំរង់ភាគច្រើនជាសំនួរបិទ ដើម្បីផ្តល់លទ្ធភាពអោយយើងអាចវិភាគបាននូវបរិមាណ ការពិភាក្សាជាក្រុម (FGDs) ការសម្ភាសន៍ប្រធានភូមិ ការសម្ភាសន៍អ្នកជំនាញ (រួមមានប្រតិបត្តករធានារ៉ាប់រងខ្នាតតូច និងអង្គភាពដែលពាក់ព័ន្ធដ៏ទៃទៀត)។ ការសម្ភាសន៍ស៊ីជំរៅ (IDIs) ត្រូវបានធ្វើឡើងនៅក្នុងខេត្តចំនួន៣ ហើយដែលធ្វើនៅក្នុងភូមិ ចំនួន៥នៃខេត្តនីមួយៗ ដោយមានវិសាលភាពទៅលើភាពចំរុះនៃការគ្របដណ្តប់របស់ធានារ៉ាប់រងខ្នាតតូច និងកិរិតភាពក្រីក្រ។ ការពិភាក្សាជាក្រុមត្រូវបានរៀបចំឡើងនៅក្នុងភូមិនីមួយៗ ហើយដែលការពិភាក្សា ជាក្រុមនីមួយៗមានអ្នកចូលរួមពី ៥ ទៅ ៨នាក់។ កិច្ចពិភាក្សាជាក្រុមត្រូវបានប្រើប្រាស់វិធីសាស្ត្រចូលរួម (Participatory approach) រួមមានសកម្មភាពដូចខាងក្រោម: ការរៀបលំដាប់ហានិភ័យ ការរៀបលំដាប់ចំណូលចិត្ត ទៅតាមប្រភេទផលិតផល និងការរៀបលំដាប់សកម្មភាពផ្សព្វផ្សាយ។ លទ្ធផលក៏ត្រូវបានផ្តល់ព័ត៌មានផងដែរតាមរយៈការពិនិត្យ និងវិភាគចិន្តន៍យបន្ទាប់បន្សំ រួមមានការពិនិត្យពិច័យទៅផលិតផលធានារ៉ាប់រងខ្នាតតូចដែលកំពុងមានបច្ចុប្បន្ន ក្របខ័ណ្ឌច្បាប់ និងបញ្ហាត្តិដែលមានស្រាប់ និងរបាយការណ៍ស្រាវជ្រាវដែលពាក់ព័ន្ធដ៏ទៃទៀតផ្សេងទៀត។

ការរកឃើញសំខាន់ៗនៅក្នុងឯកសារស្រាវជ្រាវមួយនេះរួមមានដូចខាងក្រោម:

ការគ្រប់គ្រងហានិភ័យ: ការស្រាវជ្រាវបង្ហាញថាប្រជាជនភាគច្រើនគឺងាយរងគ្រោះចំពោះហានិភ័យ។ ហានិភ័យដែល ពួកគាត់ធ្លាប់មានពិសោធន៍ជួបប្រទះជាធម្មតាគឺ ជំងឺដង្កាត់របស់សមាជិកគ្រួសារ និងការខូចខាតកសិផលដោយសារតែគ្រោះរាំងស្ងួត និងទឹកជំនន់។ ជំងឺដង្កាត់ នៃសមាជិកគ្រួសារត្រូវបានចាត់ទុកថាជាហានិភ័យដែលមានភាពធ្ងន់ធ្ងរបំផុត ហើយដែលវាកើតឡើងជាមធ្យមចំនួន ៣.៨ ដងនៅក្នុងកំឡុងពេលពន្លឹ។ ការសន្សំប្រាក់គឺជាវិធីសាស្ត្រសាមញ្ញមួយដែលតែងត្រូវបានប្រើសំរាប់ បង្កា និងដោះស្រាយជាមួយហានិភ័យ ដែលប្រមាណជា ២ ភាគ ៣ នៃអ្នកឆ្លើយតបកំពុងប្រើប្រាស់យន្តការនេះ។

ជំរើសរបស់អ្នកជំនាញ: ប្រតិបត្តករធានារ៉ាប់រងខ្នាតតូចមានចំណាប់អារម្មណ៍យ៉ាងខ្លាំងក្នុងការចូលខ្លួន ដើម្បីអភិវឌ្ឍនិវិស័យនេះនៅកម្ពុជា។

ពួកគាត់ហាក់ដូចជាមានចំណូលចិត្តផងដែរក្នុងការពង្រីកផលិតផលរបស់ខ្លួនដែលមានស្រាប់អោយកាន់តែសំបូរបែប និងចង់ភ្ជាប់ធានារ៉ាប់រងខ្នាតតូច ទៅនឹងមីក្រូហិរញ្ញវត្ថុ ប្រយោជន៍ដើម្បីបង្កើនភាពងាយស្រួលក្នុងការផ្សព្វផ្សាយ ក៏ដូចជាកាត់បន្ថយថ្លៃដើម ។ ជារួម ពួកគាត់មានសំណើរជាច្រើន ក្នុងបំណងចង់អោយច្បាប់កាន់តែមានភាពអនុគ្រោះ ដោយហេតុពួកគាត់គិតថារដ្ឋាភិបាលគួរតែដើរតួនាទីសំខាន់ ក្នុងការបង្កើនភាពជ្រួតជ្រាបរបស់អ្នកទិញ សក្តានុពល ។

តំរូវការសំរាប់ធានារ៉ាប់រងខ្នាតតូច: លទ្ធផលដែលរកឃើញបង្ហាញថា មានតំរូវការសក្តានុពលខ្ពស់សំរាប់ធានារ៉ាប់រងខ្នាត តូច នៅក្នុងចំណោមជនក្រីក្រជាពិសេស ធានារ៉ាប់រងទៅលើសុខភាព និង កសិផល ។ អ្នកឆ្លើយតបភាគច្រើនមាន អារម្មណ៍ថាពួកគេ មានឆន្ទៈនឹងចំណាយដើម្បីផ្ទេរហានិភ័យទៅអង្គភាពទីពាណាមួយ ។ ទោះបីជាប័ណ្ណមូលនិធិសមធម៌ សំរាប់សុខភាពត្រូវបានកាន់កាប់យ៉ាងទូលំទូលាយ ហើយដែលបានផ្តល់សិទ្ធិអោយម្ចាស់ប័ណ្ណទទួលនូវការព្យាបាលដោយឥតគិតថ្លៃនៅឯសេវាសុខភាពសាធារណៈយ៉ាងណាក៏ដោយ ក៏ប្រមាណជាពាក់កណ្តាលនៃអ្នកឆ្លើយតបមានប័ណ្ណកាន់កាប់ មិនបានប្រើប្រាស់វាឡើយ ។ រូបភាពនេះកើតឡើងដោយសារហេតុផលជាច្រើនរួមមាន កង្វះចំណេះដឹងអំពីតួនាទីរបស់ប័ណ្ណសមធម៌ គុណភាពមិនល្អនៃសេវាសាធារណៈ ចំណាយបន្ថែមដែលមិនបានគ្របដណ្តប់ និងមានបញ្ហាជាច្រើន ក្នុងការទទួលបានអត្ថប្រយោជន៍នានា ដែលមានធានាដោយប័ណ្ណសមធម៌ ។ អ្នកឆ្លើយតបបង្ហាញឆន្ទៈក្នុងការចំណាយរហូតដល់ ១៥ ដុល្លាអាមេរិក ក្នុងមួយឆ្នាំ ដែលបំបែកចំណែកទៅជាចំណាយប្រចាំខែ ។ អ្នកឆ្លើយតបភាគច្រើនមានចំណូលចិត្ត ថាវាមានភាពងាយស្រួល ប្រសិនបើភ្នាក់ងារធានារ៉ាប់រងមកប្រមូលបុព្វលាភរ៉ាប់រង និងទូទាត់ ការទាមទារសំណងដោយផ្ទាល់នៅក្នុងភូមិរបស់ពួកគាត់ ។ ទោះបីជា វាជាជំរើសដែលចូលចិត្តពីសំណាក់អ្នកឆ្លើយតបភាគច្រើនយ៉ាងណាក៏ដោយ ក៏នៅក្នុងបរិបទមួយផ្សេងទៀតរបស់ធានារ៉ាប់រងខ្នាតតូច បានបង្ហាញថា វាអាចជាសក្តានុពលសំរាប់អ្នកធានាក្នុងការសហការជាមួយដៃគូ ដែលជាប្រតិបត្តករទូរស័ព្ទចល័ត រឺក៏មីក្រូហិរញ្ញវត្ថុ ដើម្បីធ្វើការចែកចាយ និងទូទាត់សំណងធានារ៉ាប់រង ។

ការយល់ដឹងអំពីធានារ៉ាប់រងខ្នាតតូច: ការសិក្សាស្រាវជ្រាវបញ្ជាក់ថាក៏វិតយល់ដឹងបច្ចុប្បន្នរបស់ប្រជាជនទៅលើធានារ៉ាប់រង នៅមានកំរិតទាបនៅឡើយ ។ ទោះជាយ៉ាងណាក៏ដោយ តាមរយៈការបញ្ជាប អំពីធានារ៉ាប់រងត្រូវបានបង្កើនទីផ្សារធានារ៉ាប់រងហាក់បានកើនឡើងយ៉ាងឆាប់រហ័ស ។ ប្រជាជនដែលមានចំណូលទាបភាគច្រើន ត្រូវបានបង្ហាញ នៅក្នុងការសិក្សារស្រាវជាវមួយនេះថាមានចំណាប់អារម្មណ៍រៀនសូត្របន្ថែមអំពីធានារ៉ាប់រងខ្នាតតូច ហើយមានការសំរេចចិត្តខ្ពស់ក្នុងការផ្ទេរហានិភ័យជាក់លាក់ទៅអោយអ្នកធានា ។ មានត្រឹមតែអ្នកឆ្លើយតបដែលជាអតិថិជនស្រាប់របស់ធានារ៉ាប់រងប៉ុណ្ណោះ ដែលមានការយល់ដឹងអំពីធានារ៉ាប់រង ។ ការស្ទង់មតិពីអតិថិជនរបស់ធានារ៉ាប់រងបច្ចុប្បន្ន បញ្ជាក់ថាពួកគាត់ភាគច្រើនជឿថាអត្ថប្រយោជន៍រ៉ាប់រងក៏មានសារៈសំខាន់ផងដែរ នៅពេលដែលពួកគាត់ពិចារណាទិញ សេវាធានារ៉ាប់រង ទោះបីជាតំលៃបុព្វលាភរ៉ាប់រងកំពុងជាកត្តាសំខាន់នោះ ។

ការផ្សព្វផ្សាយ និង ការអប់រំ: ទាំងអតិថិជន និងមិនមែនអតិថិជនបាននិយាយថា ពួកគាត់មានចំណូលចិត្តទៅលើសកម្មភាពផ្សព្វផ្សាយផ្ទាល់ដោយបុគ្គល ដូចជាការចុះជួបតាមផ្ទះ ប្រជុំភូមិ និង

A fisherman prepares his net in Koh Kong province. (Photo: UNDP Cambodia)

កម្មវិធីឥណ្ឌាន រឺកំប្លែង រហូតទៅដល់ការផ្សាយពាណិជ្ជកម្មនានាតាមទូរទស្សន៍ វិទ្យុ ។ ត្រឹមតែ១៥% នៃអ្នកឆ្លើយតបដែលមិនមែនជាអតិថិជន មានចំណូលចិត្តទទួលព័ត៌មានអំពីធានារ៉ាប់រងខ្នាតតូចតាមរយៈការផ្សាយពាណិជ្ជកម្មតាមទូរទស្សន៍ ។ ជាសមមាត្រ ប្រហាក់ប្រហែលគ្នាបាននិយាយថាមានចំណូលចិត្តទទួលព័ត៌មានតាមរយៈការផ្សាយពាណិជ្ជកម្មតាមវិទ្យុ ។ ការរកឃើញ ទាំងនេះនាំទៅរកការអះអាងថាសកម្មភាពផ្សព្វផ្សាយតាមរយៈប្រព័ន្ធផ្សព្វផ្សាយនានាមានសារៈសំខាន់ក្នុងការពង្រឹង ម៉ាកសញ្ញា ជាងការចែកចាយព័ត៌មាន ។

ផលិតផលធានារ៉ាប់រងទៅលើ សុខភាព គ្រោះថ្នាក់ និងកសិផល មានតំរូវការសក្តានុពលខ្ពស់ ដោយសារតែពួកវា ឆ្លុះបញ្ចាំងទៅហានិភ័យទាំងឡាយដែលប្រជាជនជួបប្រទះជាធម្មតា ។ ការចំណាយទៅលើបុព្វលាភរ៉ាប់រង ស្តែងឡើង ជាអ្វីដែលសក្តិសមបំផុតសំរាប់អតិថិជននៅក្នុងករណីការប្រមូលប្រាក់ក្នុងចន្លោះពេលមួយខែម្តង ។ ទោះជាយ៉ាងណាក៏ដោយវាមានភាពខុសគ្នាទៅតាមប្រភពចំណូលរបស់អតិថិជន និង រឺក៏ទៅតាមខួបអាជីវកម្មរបស់ពួកគាត់ ។ ការសិក្សាស្រាវជ្រាវស្នើឡើងថា កិច្ចប្រឹងប្រែងផ្នែកទីផ្សារ មិនបានមានប្រសិទ្ធភាពជាពិសេសឡើយ ក្នុងការជួយប្រជាជនអោយយល់អំពីគោលគំនិតធានារ៉ាប់រង ។ ការចុះជួបតាមផ្ទះ និងការប្រជុំភូមិភាពទំនងនៃការរួមបញ្ចូលគ្នា ជាផ្នែកនៃឥណ្ឌាន រឺកំប្លែងអាចជាវិធីសាស្ត្រមួយដែលមានប្រសិទ្ធភាពជាង សំរាប់ការផ្សព្វផ្សាយ និងអប់រំប្រជាជនអំពីធានារ៉ាប់រងខ្នាតតូច ។

ការផ្សព្វផ្សាយកេរ្តិ៍ឈ្មោះក្រុមហ៊ុនធានារ៉ាប់រងគឺជាមូលដ្ឋានគ្រឹះក្នុងការបង្កើនការគ្របដណ្តប់ ។ ទាំងនេះអាចសំរេចបាន តាមរយៈទទួលការគាំទ្រពីសំណាក់អជ្ញាធរមូលដ្ឋាន និងការចាប់ដៃគូជាមួយអ្នកផ្តល់សេវាហិរញ្ញវត្ថុទាំងឡាយដែលទុកចិត្ត ។ ធានារ៉ាប់រងពាក់ព័ន្ធជាមួយនឹងអន្តរកម្មហិរញ្ញវត្ថុរយៈពេលវែងជាមួយនឹងអតិថិជន ជាមូលហេតុដែលអតិថិជនមាន ស្រាប់ទាំងឡាយ ចាត់ទុកថាការជឿទុកចិត្តគឺជាកត្តាគន្លឹះនៅក្នុងទំនាក់ទំនងជាមួយក្រុមហ៊ុនធានារ៉ាប់រងរបស់ពួកគាត់ ។ ដោយសារការបាត់បង់ទំនុកចិត្តចំពោះស្ថាប័នហិរញ្ញមានកិរិតខ្ពស់ អតិថិជនសក្តានុពលត្រូវការទទួលការកសាងទំនុកចិត្ត ឡើងវិញដើម្បីធានាថាពួកគាត់នឹងទទួលបានអត្ថប្រយោជន៍ដែលសន្យា នាពេលដែលគាត់ត្រូវការទាមទារសំណង ។ ដោយសារតែការគ្របដណ្តប់អត្ថប្រយោជន៍ត្រូវបានចាត់ថ្នាក់ខ្ពស់ជាងតំលៃបុព្វលាភរ៉ាប់រង ធានារ៉ាបរង៉គ្រូវតែត្រូវបានផ្សព្វផ្សាយដោយផ្អែកទៅលើអត្ថប្រយោជន៍ផលិតផល ក៏ដូចជាគ្រាន់តែផ្អែកទៅលើលទ្ធភាព អាចលៃលករបស់អតិថិជន ។

ខណៈដែលការសិក្សាជ្រាវនេះដើរលើផ្លូវមួយចំនួន ចំពោះការកំណត់តំរូវការ និងការយល់ដឹង សំរាប់ធានារ៉ាប់រងខ្នាតតូច ក្នុងចំណោមប្រជាជនដែលមានចំណូលទាបនៅកម្ពុជា ការសិក្សាស្រាវជ្រាវបន្ថែមជាច្រើននៅតែតំរូវឱ្យធ្វើ ។ ជាពិសេស សំរាប់អ្នកផ្តល់ធានារ៉ាប់រងខ្នាតតូច ដែលចង់បង្កើនចំនួនអតិថិជនរបស់ពួកគេ នោះការសិក្សាស្រាវជ្រាវលំអិតចាំបាច់ ត្រូវតែធ្វើដើម្បីកាត់ចំណែកអតិថិជន គណនាទំហំទីផ្សារទៅតាមចំណែកផ្សេងៗគ្នា អភិវឌ្ឍន៍ និងធ្វើអោយប្រសើរឡើងនូវគោលគំនិតផលិតផល និងវាយតំលៃយុទ្ធនាការផ្សព្វផ្សាយ និងអប់រំដែលមានសក្តានុពល ។

Children ride in a boat on their way back from school in Koh Kong province. (Photo: UNDP Cambodia)

1 INTRODUCTION

"Microinsurance is a rapidly evolving field with immense potential to help the world's poor to manage the risk of large losses", as described by HRH Princess Máxima of the Netherlands, the UN Secretary-General's Special Advocate for Inclusive Finance for Development. The extension of insurance to low-income households provides a way to integrate financial inclusion and social protection, potentially benefiting not only the working poor, but also their communities and countries. Yet millions of low-income households do not have access to appropriate insurance products, and the insurance industries in many countries have not fulfilled their potential to support economic development and job creation (Micro Insurance Innovation Facility, 2012). Microinsurance has the potential to reduce the vulnerability of those people who lack other coping mechanisms by acting as a defense against social and financial exclusion. If people's livelihoods are protected, economic activity is likely to increase amongst poorer groups and therefore assist further social and economic development.

The Cambodian microinsurance industry is presently at a nascent stage of development. The Royal Government of Cambodia is making efforts to promote the industry, as indicated in the Financial Sector Development Strategy for 2006–2015. As a result of this effort, the Ministry of Economy and Finance (MEF) has actively engaged with development partners such as the International Finance Corporation (IFC) and Risk Management Solutions Inc. (RIMANSI) to draft regulations on microinsurance, issuing the microinsurance circular on 29 June 2011.

Current cambodian microinsurance providers have seen their birth and taken their first steps thanks to community-based health programs run by nongovernment organizations (NGOs) and initiatives under two microfinance institutions (MFIs), i.e., VisionFund Cambodia and Samic Ltd. Since the industry is in its early stages, there is relatively little published research on microinsurance available. A market study could contribute significantly to informed decision-making by all the stakeholders concerned, especially private sector players but also the regulator, the policy maker as well as development partners.

Despite the growing interest in microinsurance by development partners, private sector operators and regulatory bodies worldwide, there is a relative lack of research of the needs for and understanding of microinsurance in the Cambodian context. This study aims to go some way to closing this information gap. This report serves as a reference framework for private sector players and regulators interested both in market and legal and regulatory development. In order to explore the demand for and understanding of microinsurance, the research focuses on the key risks facing the low-income population in Cambodia, the impact of these risks and the coping mechanisms used, the effectiveness of these mechanisms and the receptiveness of the population towards the concept of insurance. This is in order to make technical recommendations concerning potential microinsurance product designs, education campaigns, and marketing strategies.

The remainder of the report is structured as follows:

Section 2 provides an overview of microinsurance. It introduces some basic concepts, including a definition of microinsurance, risks and risk coping mechanisms for the poor, institutional options for microinsurance, and the microinsurance product universe.

Section 3 describes the Cambodian microinsurance sector. It provides a snapshot of the industry: the legal and regulatory framework governing microinsurance, microinsurance operators and their funding and ownership structures, sales and distribution, products, and outreach.

Ron Sreymun, with her baby, receives consultation at a hospital in Koh Kapi village, Koh Kong province (Photo: UNDP Cambodia/Arantxa Cedillo)

Section 4 presents the research methodology used. It explains the project's timescale, sampling strategy, fieldwork organization, research tools, data analysis, and methodology challenges, and provides a profile of the target respondents and their livelihood patterns.

Section 5 provides a more detailed profile of the respondents surveyed, their level of education, livelihoods, and income patterns.

Section 6 examines the risk exposure of the target respondents at the household level, including the consequences of risk, coping and prevention mechanisms, and the effectiveness of these coping mechanisms.

Section 7 assesses the need for microinsurance products among the target population and determines the basic characteristics and forms of these products.

Section 8 draws on the findings of the previous sections to look at the implications for insurance product design.

Section 9 examines the level of understanding of insurance among the target population. It also looks at clients' perception of the benefits of insurance, the challenges they face, and the promotion activities favored by clients and non-clients.

Section 10 looks at the implications for insurance promotion and education campaigns, based on the findings of the previous sections, and puts forward recommendations concerning promotion and education activities for insurers

2 AN OVERVIEW OF MICROINSURANCE

The section introduces the concept of microinsurance, risks and risk coping mechanisms for the poor, institutional options for microinsurance, and the microinsurance product universe.

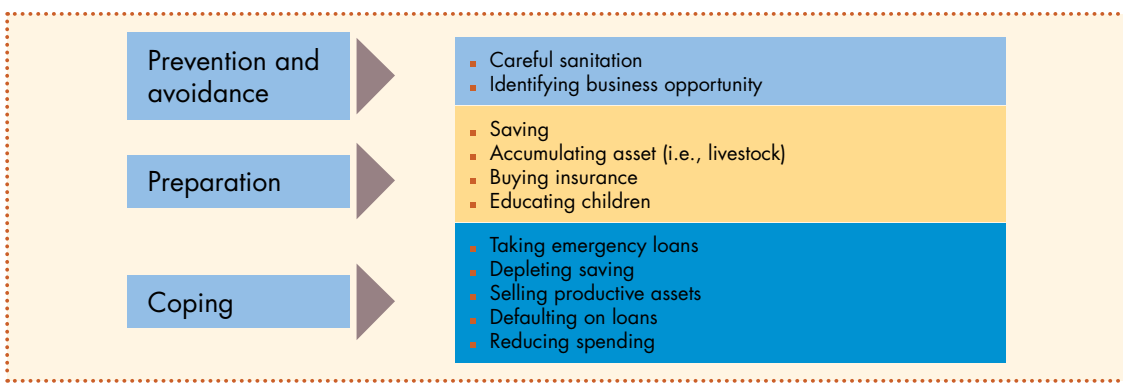
2.1 Why microinsurance?

Microinsurance is defined as the protection of low-income people against specific perils in exchange for regular premium payments proportionate to the likelihood and cost of the risk involved. Low-income people can use microinsurance, where it is available, as one of several tools (specifically designed for this market in terms of premiums, terms, coverage, and delivery) to manage their risks (UNDP, 2006). The term microinsurance emerged in the mid-1990's and was derived from the concept of microfinance (Microinsurance Network, undated).

Research suggests that microinsurance is important for a number of reasons. Microinsurance aids the promotion of financial inclusion and social protection of vulnerable populations, whilst presenting significant business opportunities for the private sector. For governments, a well-regulated microinsurance sector can help to complement existing social protection programs whilst supporting continued economic development (Tomchinsky, 2008). In summary, higher levels of insurance penetration mean that societies are less vulnerable to the negative effects of risk.

Microinsurance helps to develop financial inclusion by helping vulnerable populations to manage their risks and maintain the assets they work to build. As indicated by Figure 1 (below), the poor face a number of lifecycle- and livelihood-related risks. People adopt different approaches to protect themselves from risk, including prevention and avoidance, preparation, and developing coping mechanisms. The poor avoid risk by taking actions such as maintaining good hygiene, for example, to avoid falling ill, or investing in business opportunities to prevent income shocks. They may prepare to mitigate the possibility of risk by accumulating, assets and savings, or by subscribing to insurance. When faced by a risk, they may cope by taking emergency loans, depleting their savings, or selling productive assets. Such mechanisms may push low-income families further into poverty. The role of microinsurance as a risk coping mechanism is to assist is the management of risk by transferring risk to a private organization.

Figure 1: Risk-coping mechanisms for the poor



2.2 Microinsurance opportunities and challenges

Microinsurance can be advantageous for governments for a variety of reasons. As a form of social protection, microinsurance acts either complementary to or as a substitute for government assistance programs. This is especially important in contexts where governments have financial resource constraints (IAIS, 2007). Equally important is the argument that microinsurance is a vital precondition for economic development, as it provides a reliable mechanism for individuals, institutions and governments to assume risks (ILO, 2005). For example, if low-income families can use insurance for healthcare rather than other coping mechanisms such as selling land or other assets, they are able to continue work or agricultural production. Similarly, a study in China highlighted that microinsurance for farmers allowed them to negate the risk of more entrepreneurial activities and were thus able to raise more risky but more economically beneficial types of livestock (Cai et al., 2010).

For investors and insurance providers, microinsurance presents a large new potential market to expand their products. Despite the current low level of penetration in the developing world, the majority of people are potential microinsurance clients. The key to a successful microinsurance service is economies of scale, as the per unit profit is very small and has to be multiplied across a large number of sales (Churchill, 2006). This increase in the risk pool also makes projections much more accurate which means that with a small margin for error, premiums can be further reduced.

Given the great potential for positive results from microinsurance, it is important that the sector develops successfully. A number of determinants for the positive development of microinsurance have been identified by Chummum and Bisschoff (2013). These include the adequate training of human resources, especially frontline staff who have direct contact with customer and developing knowledge of local insurance culture which is closely linked to the level of financial literacy. Gaining the trust of potential clients is also crucial, something that can be built through reputation, collaboration with local authorities but also by education and marketing. The pricing of microinsurance at an appropriately affordable level for the target market is critical in order to build a viable customer base, while the use of technology to ensure operational efficiency can help bring down costs. Microinsurance products need to be tailored to the reality of low-income people's lifestyles. This includes clients working in the informal economy, having irregular cash flow and having a high exposure to risk, which are all country specific features. These clients are accustomed to managing their risks through a variety of informal means including social networks, lacking knowledge and trust of formal insurance. This study will assist insurers in developing knowledge of these determinants for success in the Cambodian context.

Despite the advantages of microinsurance, there are a number of challenges that remain. In some contexts, the sector has seen poor viability and sustainability, mainly because of inadequate management and information systems needed to monitor the business. Furthermore, members' ability to pay is generally very low, and it is hard to reach the poorest and most socially-excluded groups. The lack of development of an adequate regulatory framework is another significant barrier to the development of the sector (Jacquier et al., 2006).

2.3 Microinsurance institutions

Microinsurance is an emerging business that targets the large low-income population. Hence, achieving scale is critical for sustainability and viability. There are two established business models – partner-agent and community-based – that enable insurers to reach out to the large population. Table 1 (below) provides a snapshot of common business models, their characteristics, and some examples of each model.

Table 1: Microinsurance institutional options/business models

	Regulation	Structure	Ownership/ Management	Primary Product (s)
Commercial insurers	Regulated by insurance law	Work in partnership with delivery channel to reach policyholders	Joint-stock company; profits distributed to shareholders.	Life insurance and credit insurance; Health coverage usually restricted to inpatient care.
Cooperatives/ Mutual Insurers	Regulated by insurance law; some mutual insurers fall under cooperative law instead	Some mutual insurers operated as a full-service model ; cooperative networks own the insurer, thus managing risk and distribution under one roof	Member-owned institution; professionally managed	Life insurance and credit insurance
Community-based Schemes	Not regulated by insurance law; many schemes fall under non-insurance law. Informal schemes are entirely unregulated.	Full-service model; manages risk and market products to members	Most community-based organizations are members owned; members typically volunteers, manage most of them	Funeral insurance; health coverage

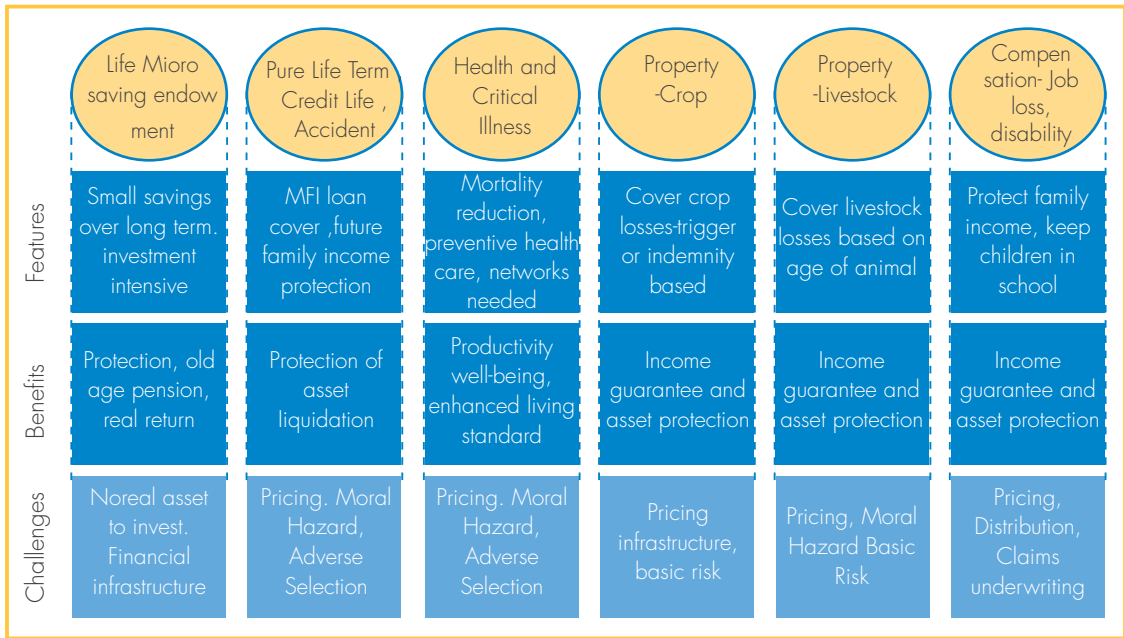
Source: The World Bank, April 2009.

2.4 Microinsurance products

There are a variety of microinsurance products available to enable the poor to cope with diverse risks. Each has different benefits and challenges (Figure 2 below). Understanding these factors can help regulators, the private sector, and development partners to work together to ensure the healthy growth of the sector. Health insurance addresses the risk of disease and can help to reduce mortality. In some cases, very high risk groups are excluded in order to maintain the premium at affordable levels. Health microinsurance is the one of the most difficult products to implement, as it requires an existing healthcare system as well as significant managerial capacity within the microinsurance company. Life insurance is in some senses more straightforward to implement, as no existing infrastructure is needed and it is easily bundled with other products and services (Maleika and Kuriakose, 2008). Crop insurance can be used as a way for farmers to manage the risk of drought, flood or other threats, but the more threats are included in the policy, the more complex and expensive the product becomes (Roth and McCord, 2008).

The research indicates that microinsurance operators in Cambodia – which include CBHI providers, MFIs, and one microinsurance company – currently offer microhealth and credit and basic term life products. This study explores other potential products, such as crop and property insurance, that the poor may need to manage their risks better.

Figure 2: Microinsurance product universe



Source: UNCDF-UNDP, 2011.

A woman washes her clothes in a lake in Preah Vihear province. (Photo: UNDP Cambodia)

3 THE CAMBODIAN MICROINSURANCE SECTOR

Cambodia's financial industry is dominated by microfinance, while its microinsurance sector is still at a nascent stage. The industry's legal and regulatory functions and private sector development need greater effort and long-term commitment from stakeholders if it is to grow and to serve the targeted populations.

3.1 Introduction

After several years of fragile development in the insurance sector before the year 2000, Cambodia's economy is beginning to permit the sustainable growth of the insurance market. The sector is dominated by general insurance, while life insurance and microinsurance opened up more recently in 2011. Currently, there are six general insurance companies, three life insurance companies, one microinsurance company, one reinsurance company, one broker, and five insurance agents.

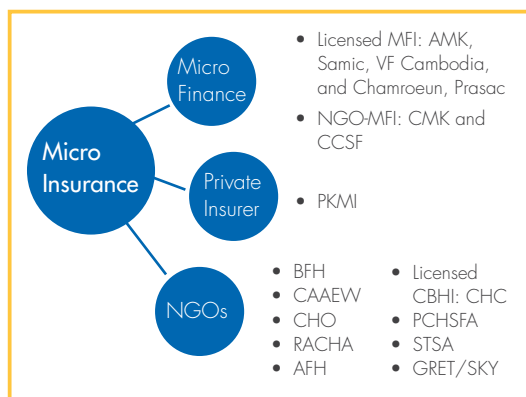
There were no life insurance companies in Cambodia prior to 2011 and all life insurance business was transacted offshore through overseas funds. The first life insurance company, Cambodia Life Insurance, was formed in July 2011 as a joint venture, with 51% of the company shares held by the government. The other four stakeholders are PT Asuransi with a 25% stake; and Asia Insurance, Bangkok Life, and Bangkok Insurance, each with an 8% stake. There has been growing interest from foreign companies attracted by the opportunity to be "first-movers" in the emerging middle-class sector, and also by the potential of microinsurance. Prudential (UK) was granted "in-principle" approval in 2012 for a life insurance license. Manulife started operations in June 2012. According to industry intelligence gathered Authors, several other multinationals and Thai companies are presently assessing the market.

3.2 Micro insurance operators

Most microinsurance programs originated from NGOs with the support of international development partners. In addition to the few MFIs in the sector, private insurers have also entered this untapped market (see Figure 3).

Prevoir Kampuchea Micro-Life Insurance Plc (PKMI), a wholly owned subsidiary of Groupe Prevoir France, is the only microinsurer to have been granted a license by the MEF. There is one licensed CBHI implementer, the rest are operating without a license.

Figure 3: Microinsurance operators (both licensed and un licensed in Cambodia



Source: Based on EMC's compilation from various sources, 2013.

3.3 Funding and ownership structures

Typically, the majority of microinsurance operators and MFIs that are operating microinsurance programs are funded and owned by international private and development organizations, while all CBHI providers rely on donor funding. Credit unions such as Credit Mutual Kampuchea (CMK) and the Cambodian Community Saving Federation (CCSF) also offer in-house microinsurance products. Table 2 below highlights the detailed funding and ownership structures of each microinsurance operator.

Ross Hoeun sells bamboo sticky rice on a roadside in Siem Reap. (Photo: UNDP Cambodia)

Table 2: Ownership structure and funding of microinsurance operators

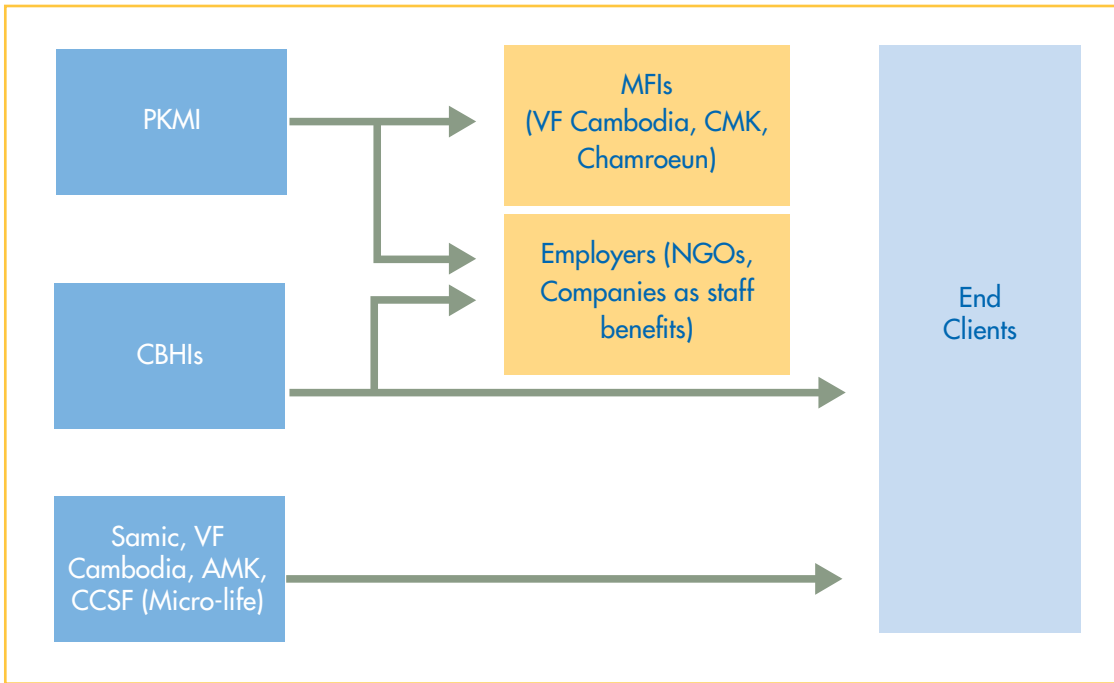
Categories	Operators	Ownership structure and funding
Private insurer	PKMI	100% subsidiary of Groupe Prevoir, France
Microfinance	AMK	Concern Worldwide (55%), Incofine (24%), Agora (18%), and the rest are staff association.
	Samic	CHC-NGO (25.4%), CMI (38.5%), CARD-NGO (7.7%), staff association (3.4%), and the rest are individual investors.
	VF Cambodia	VisionFund International, and Word Vision International
	Chamroeun	EDM (45%), Microfinance Solidaire (20%), Grameen Credit Agricole Microfinance Foundation (15%), staff association (3%), and the rest are individual investors.
	CMK	Member owned
	CCSF	Member owned
NGOs/CBHIs	BFH, CAAFW, CHO, RACHA, AFH, CHC, PCHSFA, STSA, GRET/SKY	Donor funded

Source: Based on EMC's compilation from various sources, 2013.

3.4 Sales and distribution channels

The premium on microinsurance is smaller than that on general insurance. Its low value requires a high number of clients to achieve commercial and operational viability. The major insurance players in the sector are already preparing strategies for Cambodia's large rural population: some have partnered with MFIs that already have established rural networks and access to numerous potential clients. Figure 4 (below) highlights some emerging models of sales and distribution channels.

Figure 4: Sales and distribution channels



* *VisionFund Cambodia offers in-house micro-life insurance and partners with PKMI to offer microhealth. CMK offers microcredit life insurance via partnership with PKMI for loans of USD2, 000 and above.*

** *AMK, CMK, and CCSF offer microcredit life without articulating it as a microinsurance product. Some of them regard it as credit policy.*

Source: Based on EMC's compilation from various sources, 2013.

3.5 Products and outreach

Within the microinsurance product universe, microinsurance products fall under six main categories: (i) life – microsaving and endowment; (ii) pure/term life – credit life and accident; (iii) health and critical illness; (iv) property – crops; (v) property – livestock; and (vi) compensation – job loss and disability. In Cambodia, the supply of microinsurance is narrow and concentrates on health. In addition, credit life has emerged under the umbrella of MFIs.

MFIs such as SAMIC and VisionFund Cambodia introduced credit life products for their clientele in 2007. Other MFIs such as Angkor Mikroheranhvatho Kampuckea (AMK) have also introduced similar concepts, but they interpret these as loans that are written off whenever a borrower dies, as part of their operations policy, although administration fee is charged.

Table 3 below lists typical products offered by each operator and their respective target markets.

Table 3: Supply of microinsurance products

Scheme	Risk cover	Model	Outreach as of mid-2013	Comments
CBHI-SHPA	Health (IP+OP)	Mutual	132,183[1] (as of 2013/01)	Declining outreach due to changes in delivery structure and support.
World Vision	Credit-life	Self-insurance	157,681 clients [2]	May transform to a microinsurance provider in 2014.
	Health (IP)	Partner-agent	< 100 policies	Pilot in 3 provinces since Nov 2012. Premium is 5-7 $ per year
PKMI	Health	Groups	2,000 insured	Has difficulties meeting targets through partnerships in spite of their MI focus.
Meada - Samic	Credit-life	Self-insurance	10,000 borrowers	May transform to a microinsurance provider in 2014.
	Basic life	Self-insurance	4,800 borrowers	
AMK	Credit-life	Self-insurance	292,412 borrowers	Offer microcredit life without mentioning as a microinsurance product.
CMK and CCSF financial coops	Credit-life	Self-insurance and partner-agent (with PKMI)	42,000 insured	Offer microcredit life without mentioning as a microinsurance product.
PRASAC	Health	Partner-agent (with Forte)	N/A	Pilot program had been closed. Plan to apply for license as a microinsurer.

Source: Based on inputs from UNDP and EMC's compilation from various sources, 2013.

[1] http://shpa.org.kh/about-cbhi.php

[2] http://www.visionfund.com.kh/social-responsibility/social-impact/258-safety-net-for-the-poor

3.6 Regulatory and legal framework

Microinsurance is one of the key sectors prioritized in the Financial Sector Development Strategy 2011 – 2020. In the short term (up to 2014), the government plans to adopt a new law on insurance, review and develop regulations related to microinsurance after the adoption of the insurance law, establish a procedure for licensing microinsurance businesses, and develop a supervision framework for microinsurance. In the medium term (2014 – 2017), the government plans to enforce compulsory insurance for all types of vehicles. In medium and long terms (2014 – 2017, and 2017 – 2020), the government plans to continue and assess planning needs for insurance promotion.

Apart from the law on general insurance (which regulates all insurance businesses in Cambodia), a circular on microinsurance was issued by the MEF on 29 June 2011. The circular was an outcome of long discussions and many consultative seminars on the development of microinsurance regulation undertaken since 2006. These were conducted through cooperation between the MEF's Financial Industry Department and development partners such as the International Finance Corporation, the private sector, and other stakeholders.

Table 4 (below) lays out conditions for Microinsurers and CBHI implementers excerpted from the circular on "Issuance of Temporary License for Microinsurance" when asked about whether they had any concern suggestion or comment on MI by subject.

Ross Hoeun sells bamboo sticky rice cake in a village near Siem Reap province. (Photo: UNDP Cambodia)

Table 4: Brief circular on microinsurance

	Microinsurer	CBHI Implementer
Licensing	A Microinsurer shall obtain a temporary license from MEF before operating Microinsurance activities and shall initially have a minimum paid-up capital of KHR 600.000.000 (approximately USD 1500, 000).	The circular specifies that CBHI implementer shall submit their CBHI scheme proposals to the relevant Ministry for a certificate of recognition or registration, before applying for a license from Ministry of Economy and finance. The circular simply specifies that CBHI implementers shall have enough financial resources for their projects for at least 3 years.
Condition to Licensing: Solvency	The Solvency margin requested to Microinsurers is equal to KHR 400.000.000 maintained at a recognised bank or Micro Finance Institution in the Kingdom of Cambodia	See above
Condition to Licensing: Deposit	A minimum deposit of KHR 200.000.000 has to be maintained in the account of Ministry of Economy and Finance at the National Bank of Cambodia. This deposit shall be maintained until the Company ceases the business operation in the Kingdom of Cambodia	See above
Validity of the License	Validity of the temporary license is one year only and licensing renewal application shall be submitted to MEF at least 1 month prior to its expiration.	Same as Microinsurer
Products	Microinsurance products shall consist of Micro General Insurance and Micro Life Insurance with maximum sum insured of KHR 20.000.000.	Microinsurance product of CBHI is Micro Health Insurance.
Premium Retention	The retention of insurance premium for Microinsurers shall not be more than four times the minimum paid-up capital in each operating year.	There is no specific requirement.

Fee and Payment to the Government	Microinsurer shall pay annual license fee in the amount of KHR 5, 000, 000 (approximately USD 1250), various taxes as stated in the Law on Taxation, and 0.5% of gross premium for Microinsurance market development to the MEF.	There is no specific requirement.
Dividend Restriction	A Microinsurer shall not pay dividends to its owners until after getting permanent license.	There is no specific requirement.

Source: MEF, 2011.

Findings from interviews with MFIs, CBHIs, and a microinsurance provider highlighted that they have strong interests to engage in microinsurance development in the country. In addition, MFIs and CBHIs operators hope that government could play a significant role in raising awareness about microinsurance among potential buyers.

Farmers collect hay in a ricefield in Takeo province. (Photo: UNDP Cambodia)

4 METHODOLOGY

This section describes the methodology used, the sampling strategy, and the fieldwork organization and execution.

4.1 Introduction

The overall research methodology comprised secondary and primary research. The secondary research included an appraisal of the microinsurance sector, its current supply and demand, sales and promotional activities, and legal and regulatory framework, etc. The primary research entailed both qualitative and quantitative methods to capture raw data on a broader scale. This included conducting 302 IDIs with microinsurance clients and non-clients, six FGDs with clients and non-clients (each FGD comprised six to eight participants), 15 VCIs, and 7 expert interviews with microinsurance operators and Social Health Protection Association members.

The Microinsurance Study Project was divided into three phases as follows:

Phase 1: Project inception. The project inception phase commenced in the fourth week of April 2013 and ended in the third week of June 2013. The first stage included a project kick-off meeting with the UNDP where the study work-plan was presented. A desk survey of the available literature was completed in order to inform the development of hypotheses. During this period, the research tools were developed, including an agenda for the FGDs, expert interviews, and the outline of IDIs. During this phase a preliminary report outline was also produced.

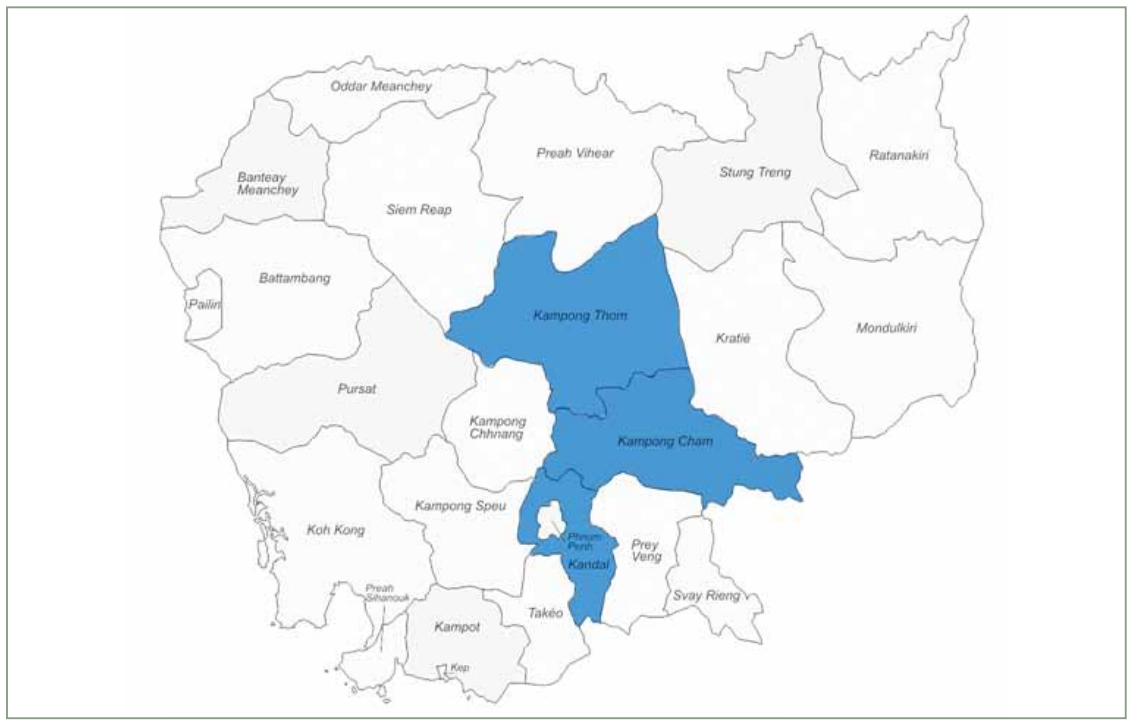
Phase 2: Data collection and data management. The second phase commenced in the first week of June 2013 and ended in the second week of September 2013. It was longer than planned because it overlapped with the national election in July 2013. The first activity was to train field researchers and carry out pilot field research. After the pilot study, the research tools were revised and the field research conducted. On completion of the fieldwork, data was entered into Excel and SPSS software and data cleaning techniques performed.

Phase 3: Analysis and reporting. The data analysis and reporting phase lasted from the first week of September to the third week of October 2013.

4.2 Sampling strategy

The research does not aim to be statistically representative; rather, it tries to understand the perspective of low-income rural households on the demand for and their understanding of microinsurance. Two indicators, the human development index (HDI) and the coverage of microinsurance (MI coverage), were used to select provinces for the study. Based on these two criteria, three provinces were selected: Kandal, Kampong Cham, and Kampong Thom (Figure 5).

Figure 5: Map of sample provinces



Candidate Province	MI Coverage	HDI
Kandal	○	●
Kampong Cham	○	◑
Kampong Thom	◑	○

● High
◑ Medium
○ Low

Source: Ministry of Planning.

Five villages in each province were randomly selected, yielding 15 villages in all. The field research team randomly selected individual ID-poor respondents from among the Ministry of Planning's ID-poor list for each selected village. In consultation with the village chief concerned, the team then verified whether each respondent was ID-poor, and whether he/she was the household's main income earner or the spouse of the main income earner. Non-poor respondents (who can be either main income earners or the spouses of main income earners) were also selected via referrals by the village chief.

Two types of respondents were selected to participate in the FGDs: non-microinsurance clients (who are poor) and microinsurance clients (who are non-poor). The non-microinsurance clients were randomly selected from the Ministry of Planning's ID-poor list, while the microinsurance clients were randomly selected from a client list provided by Action for Health (AFH), a CBHI organization based in Kampong Thom (of the three target provinces, only Kampong Thom has microinsurance clients).

4.3 Fieldwork

4.3.1 Fieldwork arrangements

Two sessions of research training were conducted to ensure that data was collected consistently across multiple researchers. The first was conducted for the field research pilot. Prior to the fieldwork carried out from 6 to 14 August with support from UNDP's project team, the enumerator team conducted a one-day refresher training session for its field researchers on the study's research objectives, methodology, and tools – including tips for participants – and explained the logistical arrangements for the fieldwork.

The field research team was divided into two groups: Group 1 was the FGD team and comprised one moderator and one assistant moderator. Group 2 was the IDI team consisted of two supervisors and six field researchers. Both groups executed the fieldwork under the guidance of the selected supervisors and team leaders.

In all, 6 FGDs, 302 IDIs, and 15 VCIs were conducted in the three provinces. Table 5 below provides an overview of the research completed, showing whether it achieved or surpassed the work-plan targets.

A farmer pours palm juice in a village in Kampong Speu province. (Photo: UNDP Cambodia)

Table 5: Fieldwork completed

Location of Fieldwork				Research Methods				Status	
Province	District	Commune	Village	FGD	IDI		VCI	Achieved	Surpassed
					Poor	Non-poor			
Kandal	MokKampul	2	5	2	52	50	5		Yes
K. Cham	Batheay	2	5	2	49	50	5	No	
K. Thom	Steung Sen	2	5	2	51	50	5		Yes
Total		6	15	6	152	150	15		

**All non-poor respondents (50) in Kampong Thom are micro health insurance clients of AFH, a CBHI provider.*

The IDIs consisted primarily of structured questions with some open-ended questions. The questionnaire contained 60 questions and each interview took around 40–45 minutes, excluding the time taken to organize it. The questionnaire is annexed in the appendices.

To gain further insight, the same respondents (both poor and non-poor) who took part in the structured interviews were invited to join an FGD. In total, six FGDs were administered in the three selected provinces – two in each province. The composition of each FGD included one facilitator, one note taker, and six to eight participants. Each FGD consisted of three exploratory tools for "risk ranking, product attribute ranking, and promotion activity ranking" and took up to 90 minutes. The FGD guide is annexed as appendices.

Two different sets of interview guidelines were developed for interviewing village chiefs and microinsurance service providers. The interviews with local authority officers lasted approximately 45 minutes; those with service providers were about an hour long. Fifteen village chiefs and seven microinsurance service providers were interviewed during and prior to the fieldwork in August. The interview guide is annexed as appendices.

4.3.2 Data analysis

The statistical package SPSS was used for data entry and analysis (including descriptive statistics and cross-tabulations) based on the IDIs. MS Excel was used to aggregate and summarize the findings from the expert interviews and FGDs.

4.3.3 Methodology challenges

Although the research fieldwork was completed successfully, a number of challenges were encountered regarding the fieldwork schedule and coordination with local authorities, the geographical and sample selection, and the research tools. These are described below:

❖ Fieldwork schedule and coordination with local authorities

- The fieldwork was carried out a week after the national election, which affected some respondents' concentration and trust in the research. In addition, local authorities were very cautious in responding to requests for cooperation from the field research team.

- Recruiting respondents was difficult because the fieldwork was conducted during the rice-planting season and the majority of target respondents were farmers.

❖ Geographical and sample selection

- One of the 15 selected villages (Anlong Chrey village, Chbar Ampov commune, Batheay district, Kampong Cham) was severely flooded and therefore inaccessible. The team decided to use a backup village by switching to Tang Krang village in the Chealea commune in the same district. This village had a similar profile in terms of poverty level and MI coverage as the originally planned village.

- Another selected village (Chroy Metrei Leu village, Ruessei Chroy commune, Mokh Kampul district, Kandal) had a high proportion of Cham households, some of which speak the Cham language and have limited knowledge of the Khmer language. However, the researchers were able to negotiate this issue by speaking more slowly and using simple words.

- Many poor villagers migrate to Phnom Penh and neighboring countries to find work. This caused difficulties in selecting respondents according to the defined criteria. This was especially the case when selecting the main income earner or his/her spouse within poor households. The research team had to change the selected respondents to meet the defined criteria for interview.

❖ Technical terminology and concepts

- Due to the technicality of the research topic and target respondents' limited knowledge of insurance, some questions were difficult for respondents to understand. In order to avoid this problem, the field researchers tried to use simple language and to explain thoroughly each and every question that was part of the questionnaires as well as in the FGD guidelines.

A man collects hay for his cattles in Takeo province. (Photo: UNDP Cambodia)

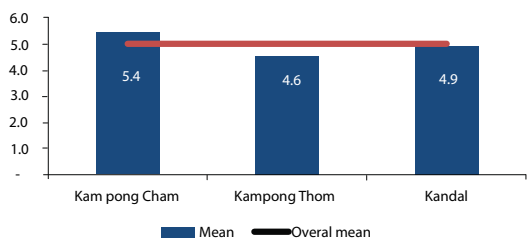
5 DEMOGRAPHICS AND LIVELIHOODS

The fieldwork team interviewed 302 respondents, of whom 68% were female. The average age of respondents was 46. With regards to the civil status of the sampled respondents, 78% were married and 19% were widowed. Given the limited number of microinsurance providers, only 17% of respondents were microinsurance clients – with the majority if not totality being AFH clients in Kampong Thom. On average, they had been members of AFH for a year and a half.

5.1 Household size

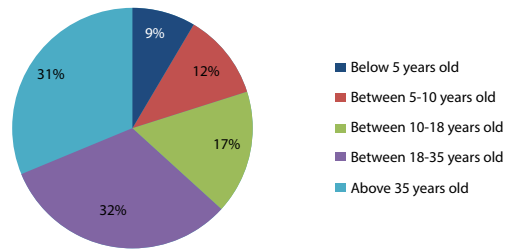
As shown by Figure 6 and Figure 7 (below), the average household size of respondents in the three provinces is five, and the age distribution of most household members comprised between 18 and 35, and above.

Figure 6: Household size of respondents



Source: IDI Q12 (n = 302).

Figure 7: Age distribution of household members

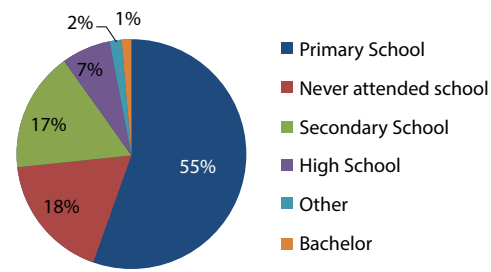


Source: IDI Q13 (n = 302).

5.2 Level of education

As shown by Figure 8 below, the target demographic group has a low level of education, where 55% and 17% said they had completed primary and secondary school, respectively, while another 18% had never attended school.

Figure 8: Level of education of respondents

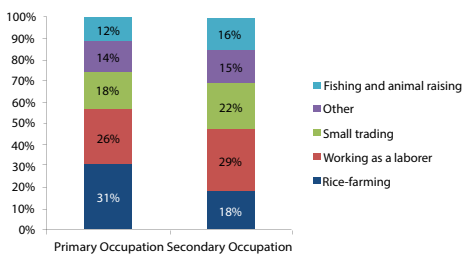


Source: IDI Q10 (n = 302).

5.3 Livelihood and income patterns

Out of the 302 respondents, 60% were the household's main income earners; the remaining 40% were their spouses. Respondents were selected from a mix of economic profiles: 50% were poor and 50% were non-poor. Figure 9 (below) shows that the target respondents have multiple occupations with 84% having two and 21% having three occupations. Rice-farming, manual labor and small trading account for a significant percentage (approximately 70%) of the three occupations.

Figure 9: Occupations for primary and secondary livelihoods



Source: IDI Q15 (n = 302).

The seasonal calendar (Table 6) indicates that, on average, the level of income generated by a household's primary livelihood is high at the beginning and end of the year, and falls during the middle months. This pattern is influenced primarily by the timing of the rice harvest. The secondary income stream is at a medium level at the beginning of the year, from January to April, and falls from the beginning of the rainy season to the end of the year. The tertiary income stream, which includes rice farming and manual labor, is consistently low all year round (IDI Q15).

Rice farming is the main livelihood for many Cambodians living in the rural areas. The study finds that farmers need micro-insurance to protect the source of income from risk. (Photo: UNDP Cambodia)

Table 6: Seasonal calendar of incomes

Seasons	Dry				Rainy						Dry	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Primary	●	●	●	●	◑	◑	◑	○	◑	◑	◑	●
Secondary	◑	◑	◑	◑	○	○	○	○	○	○	○	○

● High ◑ Medium ○ Low

Source: IDI Q16 (n = 302).

Table 7 (below) indicates that the pattern of assets left over has a strong correlation with the seasonal calendar of incomes.

Table 7: Seasonality of assets left over (crops/money)

Seasons	Dry				Rainy							Dry
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Asset Leftover	●	●	●	●	◑	○	○	○	○	○	○	●

● Surplus ◑ Sufficient ○ Shortage

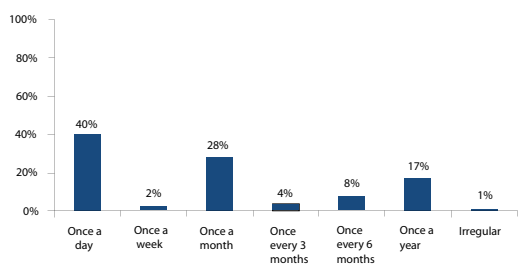
Source: IDI Q17 (n = 302).

5.3.1 Regularity and amount of incomes

The livelihoods and income patterns (above) show that working as a laborer and small trading are the second and third major sources of income in all three levels of occupation (primary, secondary, and tertiary). This is strongly correlated with the regularity of income, in response to which 40% of all respondents said they earned a daily income (Figure 10). A third of respondents earned income monthly, while 17% earned income annually.

On average, people earn US$68 as monthly household income, although this does not take crops and other assets into account.

Figure 10: Regularity of household incomes



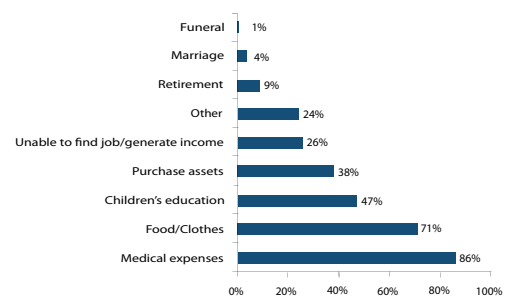
Source: IDI Q18 (n = 302).

5.3.2 Regularity and amount of savings

A high proportion of respondents, three quarters, were able to save money (IDI Q19). Out of the 76 respondents who saved regularly, 42% saved on a daily basis, 41% on a monthly basis, while 9% saved on a yearly basis (IDI Q20). This savings pattern also reflects the regularity of income. On average, people saved US$30 in monthly household savings. The calculation of money saved does not take crops and other assets into account.

Figure 11 (below) indicates that, among the people who save (n = 230), the main reasons for saving are to meet medical expenses (86%), to purchase food and clothes (71%), to finance children's education (47%), to purchase assets (38%), and to retain a source of income if they are unable to find jobs or generate a regular income (26%). Other saving purposes include meeting funeral expenses, festivals and ceremonies, and retirement.

Figure 11: Percentage of respondents who saved for various purposes

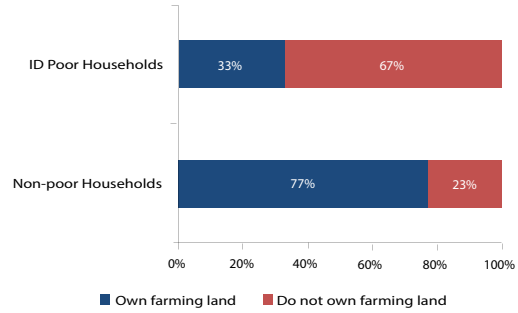


Source: IDI Q21.

5.3.3 Land ownership

Interviews with village chiefs[1] of the selected villages show that 77% of non-poor households own farming land, while the vast majority (67%) of ID poor households do not own farming land (Figure 12). Fifty five per cent of the ID poor households that do not own farming land are ID poor 2 households.

Figure 12: Land ownership by poverty level



Chin Sophat makes palm sugar in Chaong Maong village, Kampong Chhnang province. (Photo: UNDP Cambodia)

1 This question was asked to Village Chiefs in a follow-up survey approximately two months after the initial primary research.

6 RISKS AND RISK MANAGEMENT

6.1 Risk exposure and consequences

When asked about the main sources of risk they usually incur, 97% of the 302 respondents said they are many and different from each other. Among these, the illness of a household member and crop failure were the most commonly faced risks (88% and 49%, respectively) followed by the death of a household member, the death of livestock, and property damage caused by natural disasters (Figure 13 below). There is strong evidence from the FGDs that illness of a household member, drought and flood, death of a household member, and accidents are the most severe risks that households are likely to face. This was eventually confirmed during the FGDs, where participants also cited food security as a second severe risk, following illness of a household member. The food security issue is strongly associated with crop failure, drought, and floods. VCI Q17 indicates that flood, drought, storm, and traffic accident have caused serious shocks in the last five years. These events have resulted in crop damage, loss of houses, loss of lives, inability to work and disruptions to children's education (VCI Q18).

The FGD participants gave their rationale for the severity of risk as follows (Table 8 below). Illness of a household member is the most severe because it implies lost income and incurs high medical expenses. Drought can lead to lack of access to clean water and food shortages; it affects economic activity and leads most people to migrate to urban centers or neighboring countries to find work. Floods cause crop damage – which results in declining (or even no) profits from crop production – and loss of property.

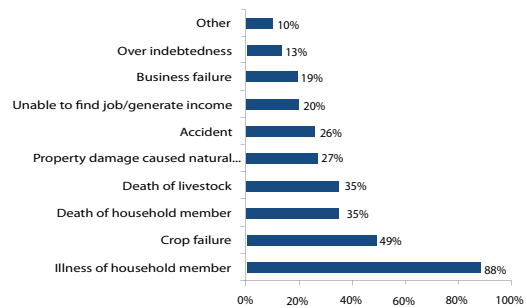
The primary consequence of exposure to risk is the prevention of people's ability to work (IDI Q25). This, in turn, affects other livelihood and household economic activities such as the ability to save or afford healthcare expenses.

Table 8: Risk exposure ranking

Risk exposure	Ranking
Illness	1
Food security	2
Drought	3
Flood	4
Death of household member	5
Accident	6
Crop damage	7

Source: FGD.

Figure 13: Percentage of respondents who have been exposed to various risks



Source: IDI Q23.

Figure 14 (below) indicates that, among the top three risks that households are likely to face, illness of a household member is the most frequent risk to have occurred in the last three years (3.8 times). This is followed by crop failure and death of a household member (1.4 and 1.1 times in the last three years respectively).

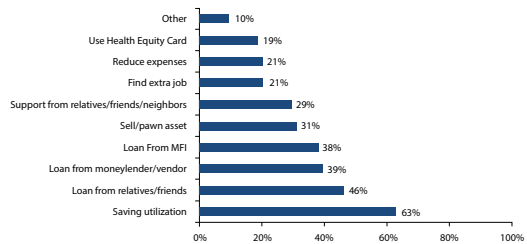
Figure 14: Number of times risks have occurred during the last three years

Source: IDI Q24.

6.2 Coping mechanisms

Figure 15 (below) shows that the most popular risk-coping mechanisms are savings (63%) and loans, including those from relatives or friends (46%), moneylenders or vendors (39%), and MFIs (38%) (IDI Q26). People may also choose to sell or pawn their assets; they may receive support from relatives, friends, or neighbors; take on extra jobs; reduce their household expenses; and in some cases, use their health equity card[2] to obtain healthcare services at public health facilities. In addition to the findings from the IDIs, FGD participants also confirmed that they relied on support from relatives or neighbors, borrowed from sources such as moneylenders, and looked for extra employment to cope with risk. Apart from savings and loans, people in rural areas appear to have strong social networks that enable them to get support in time of uncertainty or to cope with certain risks. When developing insurance it is important to understand which risks are least covered by existing coping mechanisms as insurance is likely to be most valuable, and in highest demand, when it complements rather than substitutes for existing arrangements (De Bock and Gelade, 2012).

Figure 15: Percentage of respondents using particular risk-coping mechanisms



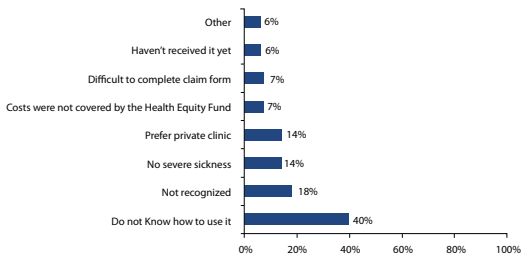
Source: IDI Q26.

Almost half of the respondents possess an Equity card, which should give households identified as ID poor 1 and 2 access to free medical services and transport in public hospitals, with 61% of them using it and 39% not using it (IDI Q28). Among the main reasons respondents identify for not using the card (see Figure 16 below) are the low understanding of the benefits the Equity card entitles them to (22%), the reluctance of the public center to recognize the equity card (18%) or the preference for private structures (14%) appear to be the most common. Less common reasons are also the set of benefits (coverage) provided by the HEF (7%), the difficulties faced in filling the forms (7%) or also not having received the equity card even if they are ID Poor (6%). Health microinsurance may therefore be able to complement the existing sservices.

2 The card is issued by the government to ID-poor 1 and 2 households and gives them access to free healthcare at public health facilities.

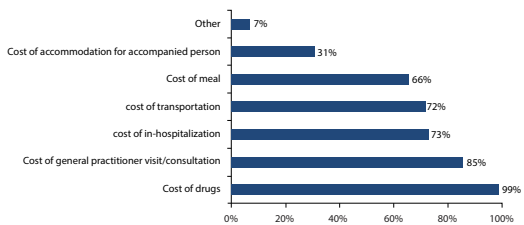
As shown by Figure 17 (below) people tend to use the health equity card to cover the cost of drugs, general practitioner visits and consultation, in-patient hospitalization, transportation, and meals. Very few said they had used the card to cover the cost of accommodation for persons accompanying the patient, as it is previewed by the scheme.

Figure 16: Percentage of respondents giving particular reasons not to use Health Equity Card



Source: IDI Q30.

Figure 17: Percentage of respondents using of Health Equity Card for different aspects of healthcare costs



Source: IDI Q29.

6.3 Risk prevention

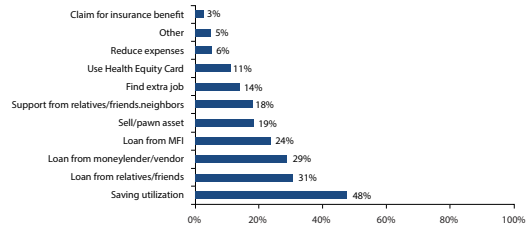
Risk prevention mechanisms are actions taken to manage risk. In this research, out of 97% of respondents who said they had been exposed to risk, 77% had employed risk prevention mechanisms (IDI Q31 and Q22). The most popular risk prevention mechanisms were savings (including money and gold) and animal-raising (IDI Q32). Savings play a significant role in rural households, as mentioned previously, with 76% of all respondents (n = 302) declaring to save money (IDI Q19)

6.4 Effectiveness of coping mechanisms

As mentioned in the previous section, people rely strongly on informal risk-coping mechanisms, often provided by their social network. Savings utilization (see Figure 18 below) stands out as the most effective coping mechanism (48% of respondents), followed by the support obtained from relatives or friends or by seasonal/ permanent migration in or outside the country. As for the effectiveness of the different coping strategies adopted, the findings from the FGDs show that earning income from extra employment and taking loans from MFIs and moneylenders are the most effective coping mechanisms.

FGD participants explained that finding extra employment, if possible, was an effective mechanism because they preferred not to have to borrow from others. However, if extra employment was not available, taking a loan from an MFI was also an effective mechanism because they offered fast loan disbursement and affordable interest rates. FGD participants also said that they were likely to migrate to find work only if there were no other jobs available in their village.

Figure 18: Percentage of respondents ranking particular risk-coping mechanisms as the most effective



Source: IDI Q27.

Students wash their hands during lunch break at Chaong Maong secondary school in Kampong Chhnang province. (Photo: UNDP Cambodia)

7 NEED FOR MICROINSURANCE

This section assesses the need for microinsurance products among the target population and determines the basic characteristics and forms of these products.

7.1 Desire to transfer risks

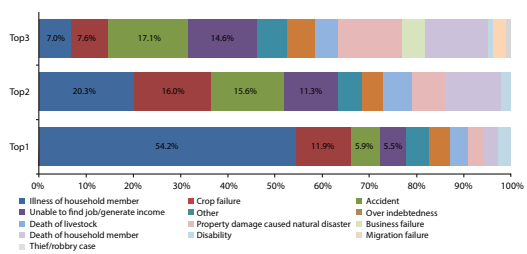
Overall 78% of respondents (n = 302) said they are willing to transfer their risk to other organizations by paying a fee (IDI Q33). Figure 19 (below) shows that the top risks most respondents want to transfer are illness of a household member, crop failure, and accident. Just over half of respondents ranked illness of a household member as the top risk to transfer. Other risks that respondents mentioned included business failure and death of livestock. When broken down by occupation, the data demonstrates that rice farmers are most likely to transfer crop failure risk, while small traders and laborers are more likely to want to transfer illness. Section 6 also highlighted that illness of a household member and crop damage (due to floods and droughts) are risks to which the target populations are exposed to most (Table 9 below). All the evidence thus implies that health, crop, and accident insurance might be successful microinsurance products for Cambodian rural households.

FGD participants provided some valuable insight to the reason that should encourage them to transfer risk. They said that people wished to transfer health and accident care to insurance companies because they found it hard to afford the cost incurred; those who had a health equity card found that the health benefits were not sufficient to cover their healthcare costs or that public health facilities yielded poor service. People also wanted insurance against drought and floods (i.e., "crop" insurance) because they could not manage such problems on their own and felt that insurance would help them manage these risks better. Interviews with microinsurance operators proved that health, crop, and livestock insurance could be potential microinsurance products for the poor.

Table 9: Risk transfer ranking

Risk exposure	Ranking
Illness	1
Flood	2
Drought	3
Accident	4
Crop damage	5
Death of household member	6

Figure 19: Percentage of respondents ranking top 1, 2 and 3 risk



Source: IDI Q34/ Q15.

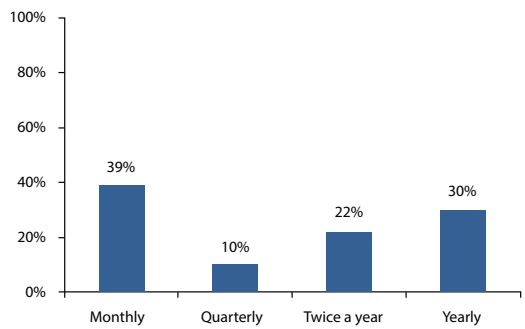
7.2 Product characteristics

7.2.1 Affordability and payment schedule

Given the high cost of distributing microinsurance products, affordability and scalability are key issues for the microinsurance sector. The research shows that people can afford to pay for an insurance policy at an average of US$15 per year (IDI Q38), which is about 1.8% of a household's annual income (the average household's annual income is US$816; see Section 5). This finding is confirmed by the research undertaken in other contexts. It was found that in West Africa, health microinsurance clients allocate no more than two per cent of their annual income (Galland 2005 in Wipf et al., 2006).

Figure 20 (below) shows that, out of 236 respondents who were willing to pay for insurance, 39% would prefer to pay their insurance premium on a monthly basis and 30% on annually basis.

Figure 20: Preferred frequency of premium payment



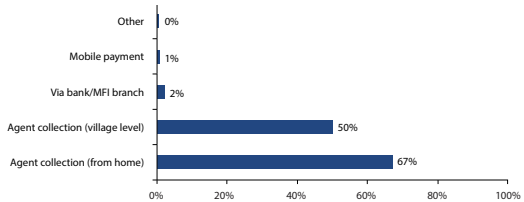
Source: IDI Q35 (n = 236).

7.2.2 Product forms

Of the 236 respondents who wished to transfer their risk to an insurance company, 97% were willing to subscribe to insurance as a family package, while only 3% were willing to subscribe to individual insurance (IDI Q38). Most respondents, see Figure 21 (below), were willing to subscribe to insurance preferred having an insurance agent come and collect the premium at their doorstep or at least at the village level. Some MFI have in the past used this method in villages placed in Africa simply combining payment and collection in one visit to multiple clients in the same village. Though costly the method has been proved useful to improve trust and to encourage policyholders to pay their premium or borrower to pay their debts regularly. (Banerjee, A.V.; Duflo, E., 2011)

Most people in this study would not prefer to pay by mobile phone. This is likely due to the relatively low usage of mobile payment systems in the provinces where the survey was conducted. Mobile platforms can give a number of advantages for both microinsurers and their clients. For insurers, mobile premium collection and claims payment reduce transaction costs which can push down the cost of premiums and therefore allow the penetration of new customer segments. For customers, premiums become more affordable, claims can be settled faster, and policies are administered more easily (Tellez, undated). Nonetheless, evidence from the implementation of World Food Programme's cash scholarship in other Cambodian Provinces, has highlighted that beneficiaries become accustomed to mobile payments quickly (WFP, 2013). This confirms that initial reluctancies apart, mobile payment systems could are definitely a viable tool for microinsurers in Cambodia.

Figure 21: Percentage of respondents preferring different forms of premium payment

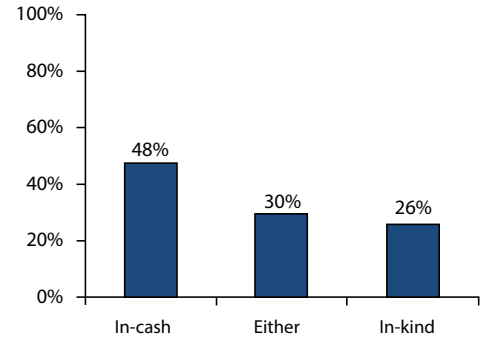


Source: IDI Q36.

When asked what form of benefits they preferred, almost 50% of respondents said they would prefer to receive benefits both in the form of protection, with some benefits returned if they did not claim any benefits during the policy period; the other 50% said they would prefer purely protection as benefits (without the benefits returned if there was no claim) (IDI Q39). This suggest that mesoinsurance[3] or micropensions[4] could definitely have a role in the country as it confirms that people are willing to save, as FGDs and previous IDIs underscore, that people could be very interested in any tool that allows them saving individually or at the household level.

Figure 22 (below) indicates that people prefer to receive insurance benefits in cash rather than in kind (a form of noncash insurance benefit, such as health treatment). This is due In most cases to the fact that the poor tend to be vulnerable to cash flow shocks when facing any kind of risk or misfortune.

Figure 22: Percentage of respondents preferring various forms of benefits

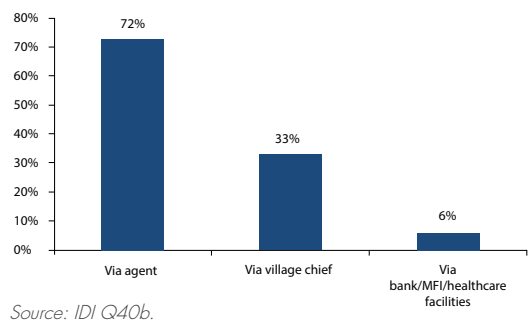


Source: IDI Q40.

7.2.3 Insurance claim preferences

Receiving insurance benefits on time and the ease with which claims can be made are critical points for microinsurance clients. Figure 23 (below) shows that most respondents prefer to have an insurance agent help them reimburse or settle a claim (a current practice among MFI microinsurance operators) or wish for the village chief to help the claimant obtain his/her benefit payment. Banks and MFIs are not completely excluded (6%) as potential places where reimbursement could be cashed out.

Figure 23: Preferred claim reimbursement (% of respondents)



Source: IDI Q40b.

3 Micro-insurance typically targets individuals and families, or a group of up to several hundred people within a small community. Meso - insurance, refers to larger communities, associations or cooperatives ranging from thousands to millions of people. Macro is the term used to describe cover for entire countries or regions, with hundreds of thousands to many millions of people involved.

4 A micro-pension is basically a long term voluntary savings product accumulated over a long period, in order to yield returns at a later date. Savings are managed and invested in financial or capital markets by professional fund manager at low costs, accessible to poor customers.

8 IMPLICATIONS FOR INSURANCE PRODUCT DESIGN

The willingness to transfer risk (see Section 7) (accident, illness of household members, and crop failure) is strongly correlated with the livelihood and income patterns. In fact, where most respondents indicated that their main livelihoods were rice farming and manual labor. Crop failure in this context refers to factors that lead to the loss of crops, such as floods or drought.

From the findings on product benefits, there is no clear evidence that clients need protection plus benefits returned in case there is no claim during the policy period, based on respondents' response to being asked about which kind of insurance they would like to buy. However, the expert interviews revealed that insurance benefits should be linked both to protection and benefits returned if there is no claim during the policy period. For example, one informant stated that "clients think they are likely to pay and receive nothing at the end of the day if they don't die. They feel as though it is a further burden on them to pay more" (expert interview Q5). Ideally, if there is any benefit returned (in case there is no claim), savings should be linked with insurance benefits because savings utilization is the most effective risk-coping mechanism among the target population.

Most households prefer monthly and yearly premium payment schedules, although this varies by occupation. 40% of laborers and small traders prefer to pay premiums on a monthly basis, whereas rice farmers generally prefer to pay on an annual basis (42%). This is because rice farmers' income generation is seasonal (with most income being generated from December to April). Given the strong need for collecting premiums at the doorstep or village level, insurers should partner with existing trusted financial service providers such as MFIs or strong institutional community savings groups.

The two preferences (health/accident and crop insurance) should be linked to clients' primary livelihoods (rice farming versus manual labor) and products that clearly cater to these livelihoods (health and accident insurance versus crop insurance). Cross-tabulations of primary occupation and the top ranked risks to transfer to another organization demonstrate that that 93% of respondents who worked as laborers and small traders identified health as the primary risk they wished to transfer, while 58% who worked as rice farmers identified crop failure as the primary risk to be transferred.

Based on these findings, Table 10 (below) identifies the most recommended high-level product designs.

Table 10: High-level recommendations for product design

High-Level Product Characteristics	Most Recommended Products	
	Health (and/or accident) insurance	Crop insurance (flood or drought)
Target market	ID poor and non poor populations who have primary occupation as labourer or small trader.	ID poor and non poor populations who have primary occupation as rice farming.
Product packages	Family package	N/A
Forms of benefits	Protection-linked savings (or protection plus benefit returned if there is no claim).	Protection-linked savings (or protection plus benefit returned if there is no claim).
Forms of benefits (in-kind/in-cash	1st priority is in-kind. 2nd priority is in cash.	In cash.
Access to health facilities	1st priority is private clinic. 2nd priority is public health facility.	N/A
Premium payment schedules	Monthly	Yearly
Forms of premium collection	At doorstep or village collection.	
Claim reimbursements	An insurance agent helps to reimburse.	

A man transports hay to feed his cows in Kampong Speu province. (Photo: UNDP Cambodia)

9 RESPONDENTS' UNDERSTANDING OF MICROINSURANCE

This section examines the target population's level of understanding of micro insurance. It also looks at clients' perceptions of the benefits of insurance and the challenges they face, and which promotion activities clients and non-clients favor.

9.1 Non-clients' knowledge

The current level of knowledge of about insurance among non-clients is relatively low. One quarter said that they had heard of insurance, while the remaining three quarters had not heard of insurance (IDI Q56). This finding is reflective of the current low level of microinsurance penetration in Cambodia. FGD participants in Kandal mentioned they had seen insurance advertisements on TV, but were not very sure what they meant. Of those who had heard of insurance, the majority (70%) were aware of the concept of insurance benefits, while a quarter understood that subscribers had to pay a premium. Around one fifth of respondents had heard of insurance but did not know about the process of benefit coverage (IDI Q57). At the very least, they knew that insurance had benefits and in order to receive these benefits, people had to pay. From a private sector development point of view, this is a positive sign for insurers.

Non-clients who said they had heard of insurance were also asked with which products they were familiar. The results highlight that most of them were aware of health insurance but very few knew about credit life and funeral insurance (IDI Q58). This is most likely because of the current limited supply of microinsurance products except health microinsurance.

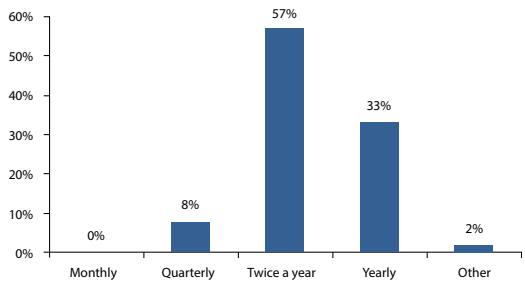
The behavior and attitude of respondents appears to be typical at this stage of Microinsurance penetration, as it is proved by the literature. According to the theory of financial education behavior change (Tower and McGuinness, 2011), in fact, individuals need to first be aware of the risk management tools. They have to acquire a better knowledge of insurance products and terms. This, in turn, will enable them to increase their skills to better manage the risks they face, and their attitude towards insurance will change, regarding it as an important and beneficial tool. The theory suggests that only then a change in behavior can occur, increasing the penetration of insurance.

9.2 Insurance clients' experience

Out of 302 respondents, 17% were microinsurance clients and 98% of these clients subscribed to insurance as a family package (IDI Q44). All clients were subscribing to AFH's health microinsurance program in Kampong Thom. These clients were paying a premium amount of approximately US$16.80 for annual health policy coverage for a family (IDI Q46). On average, clients had subscribed for a year and a half (IDI Q48). Figure 24 (below) indicates that 57% of respondents paid their premiums on a semi-annual basis, while 33% paid their premiums on an annual basis.

Comparing this finding with the data presented in section 7 highlights that the payment terms currently specified in MI policies differ from the requirements of the majority of respondents. This research has highlighted that monthly payment schedules are the most preferred option. Although this mismatch between supply and demand is likely due the limited supply of insurance products, it may also help explain why people are reluctant to buy a MI policy.

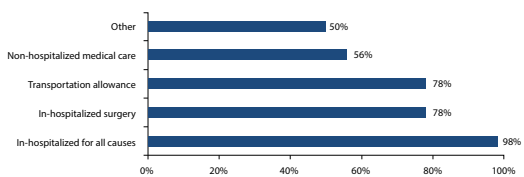
Figure 24: Frequency of premium payments (clients)



Source: IDI Q45 (n = 51).

Figure 25 (below) shows that most clients said they had received in-patient healthcare services for all causes of illness and surgery, and a transportation allowance to travel to hospital. Some clients mentioned they had also received outpatient medical care and very few said they had received other benefits such as an in-patient daily allowance.

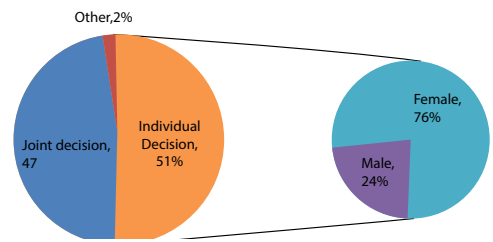
Figure 25: Percentage of respondent receiving various types of benefit



Source: IDI Q47.

Almost half of clients (n = 51) jointly decided to subscribe to insurance, while 51% said that they or their spouses had made the decision individually (IDI Q50). Women accounted for three fourths of the individual decisions made (either as the main income earner or the spouse of the main income earner). This indicates that women play a significant role in making the decision to subscribe to insurance for their household.

Figure 26: Decision to subscribe to microinsurance (clients)



Source: IDI Q50 (n = 51).

When asked which were the most important information factors that clients needed to examine prior to subscribing to insurance, respondents cited insurance benefits, the insurance premium, and their trust in or the reputation of the insurer (see Figure 27 below). The findings from the FGDs gave priority to trust in the insurer and recognition of the insurers by the local authorities, followed by an understanding of insurance and accessibility. Microinsurers in India have used a number of techniques to gain the trust of potential clients (UNDP, 2006). These include public reimbursement of claims, for example at village meetings, which has the secondary advantage of being a marketing opportunity. Microinsurers have also used exposure tours, where village leaders from villages with high microinsurance penetration visit other villages to demonstrate the advantages of having insurance as a way to increase trust. Where claims have to be rejected, microinsurers make sure to give clear reasons to all the villagers.

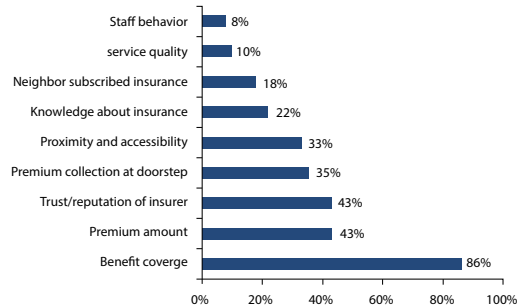
The FGD participants felt strongly that recognition by the local authorities and the trustworthiness of the insurer were important factors (Table 11 below) to buy a MY policy. They pointed out that if the local authorities did not recognize an insurer, they could not trust the insurer or the insurance products. Participants also explained that unless they understood the insurance benefits properly, they would not know whether these met their needs. Finally, they said that, if an insurer were to locate in the village, it would be easier for them to access and gain some familiarity with the insurer. This result needs to be read together with the willingness of having a MI agent collecting the premium, and underscore once more that significant trust needs to be built around any Mi institution before considerable amounts of clients could subscribe.

Table 11: Product attribute ranking

Product attribute	Ranking
Recognized by local authority	1
Understanding about microinsurance	2
Proximity/accessibility	3
Trust of insurer	4
Premium collection	5
Benefit coverage	6
Branding and reputation of insurer	7
Pricing	8
Service quality	9
Friendly staff	10

Source: FGD.

Figure 27: Top three important factors to consider when subscribing to Insurance (clients, % of respondents)



Source: IDI Q51.

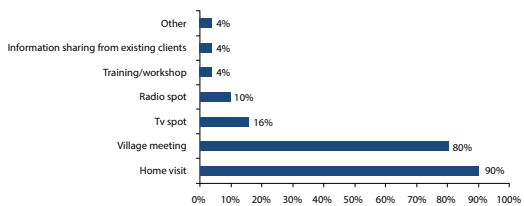
9.2.1 Effectiveness of insurance

When asked about the reason that pushed them to subscribe to insurance, respondents felt that understanding the benefits of insurance, perceiving the possibility of unforeseen events, and attractive insurance benefits were among the main reasons for subscribing that encourage them to go for formal insurance. When asked about the perceived impact of insurance in terms of providing better protection, 90% of respondents (51 clients) thought insurance would provide them better protection, although the FGD participants in Kampong Thom said they were not satisfied with the healthcare services offered by public health facilities. The results of the IDIs also substantiate this finding. A third of micro health insurance clients were not satisfied with the unfriendly staff they had encountered at public health facilities, while 22% said the insurance benefits were insufficient (low benefit coverage) (IDI Q52). Other challenges included struggling to pay for and understanding the process of insurance.

9.3 Promotion activities

All 52 clients confirmed that they wanted to know more about insurance (IDI Q54). As highlighted by Figure 28 (below) most clients prefer microinsurance to be promoted in person (through home visits and village meetings). Very few mentioned TV and radio advertisements. Evidence from the Expert's interviews confirms that the Radio has already been used to advertise some microhealth products. A Village Chief confirmed that village meetings tend to be the most effective way to promote microinsurance among both poor and non-poor clients

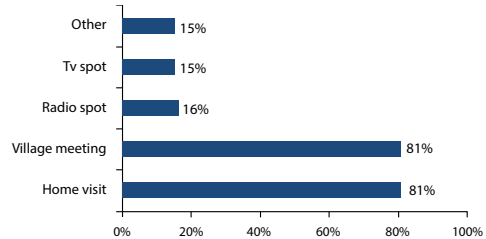
Figure 28: Preferred promotion activities (clients, % of respondents)



Source: IDI Q55.

While non-clients have limited knowledge of insurance, 94% of the 251 non-client respondents were willing to learn more about insurance (IDI Q59). This should serve as incentive for potential insurers who are looking to invest in long-term business with the Cambodian population. As for clients, non-clients also preferred microinsurance promotion activities in the form of home visits and village meetings with very few mentioning TV and radio spots (see Figure 29 below). Other preferred promotion activities include workshops, training, and drama.

Figure 29: Preferred promotion activities (non-clients, % of respondents)



Source: IDI Q60.

The data proves that village-level meetings and home visits (see Table 12 below) should be priorities in helping both clients and non-clients learn more about insurance. FGD participants also felt that promoting insurance products through drama and having existing clients share information were good ways of educating people about insurance. Their rationale for the preferred promotion activities is the following: (i) people learn better at village meetings: they share ideas with each other and pay more attention to the content of the meeting; (ii) home visits allow face-to-face explanation, making it easier for people who cannot travel to attend village meetings; (iii) many people are likely to gather in the village to watch an event, and it is easy to understand. People do not appear to like TV and radio spots as much because they are less easy to understand. There are numerous radio channels, but these cater only to a small audience.

Table 12: Promotion activity ranking

Promotion activity	Ranking
Village meeting	1
Drama	2
Home visits	3
Peer pressure	4
TV spot	5
Radio spot	6

Source: FGD

10 IMPLICATIONS FOR INSURANCE PROMOTION AND EDUCATION

The ID-poor and non-poor populations selected for this study had low education levels (18% had never attended school, 55% had completed primary school, while only 17% had completed secondary school). Their ability to comprehend new ideas such as microinsurance may therefore be limited. Nonetheless, the study did highlight that almost 80% of respondents were open to the idea of insurance when phrased in a way that they could understand (willingness to pay to transfer their risk to a third-party organization).

Insurance promotion and education campaigns must be simple and straightforward. Some respondents mentioned that they had seen insurance advertisements on TV, but were still not sure what insurance meant. Most respondents also felt that insurance promotion and education should take place through home visits or village meetings with support from the local authorities (mainly the village chief and council). Village meeting organizers should make an effort to ensure that women are well represented. Findings on the subscription decision process indicate that of the 51% of clients who said they had decided to subscribe to insurance as individuals, women accounted for twice as many decisions as men.

Table 13 (below) lists some recommended promotion and education activities and practical implementing strategies.

Um Sarun cooks palm juice to make sugar in Chaong Maong village in Kampong Chhnang province. (Photo: UNDP Cambodia)

Table 13: High-level recommendations for promotion and education activities

Category	Remarks
Modes of promotion and education	Home visit and/or village meeting. TV and radio spots are likely to be better for branding than education. People have seen TV spots about insurance but remain unsure about insurance. Face-to-face communications (such as village meetings) provide an opportunity for the audience to ask any questions they may have.
Target groups	Women as priority. In decision making on insurance subscription, women play significant role as individual decision makers.
Trust and reputation of insurer	Partnering with trusted financial service providers and getting support from local authorities are keys to success in building trust and reputation of insurers.
Benefit coverage	FGD participants confirmed that if they do not understand about product benefits, they will never know if a product is suitable with their needs. They therefore cannot make the decision to subscribe to insurance.
Premium amount	They need to know how much to pay in order to receive the benefits.

11 CONCLUSION

Microinsurance can help increase economic growth by insuring people from lifecycle- and livelihood-relaMicroinsurance can help increase economic growth by insuring people from lifecycle- and livelihood-related risks. Low-income people can use microinsurance, where it is available, as one of several tools (specifically designed for this market in terms of premiums, terms, coverage, and delivery) to manage their risks. This has the associated effect of contributing to poverty and vulnerability reduction. As such, microinsurance can be intended both as a financial service for the poor but especially as a contributory social insurance tool capable of pursuing/fulfilling important policy purposes.

The Royal Government of Cambodia recognises the value of microinsurance identifying it as a priority sector to be supported and promoted. This recognition has led to the development of a specific regulatory framework for microinsurance as part of a short-term action plan (2011-2014) under the National Financial Sector Development Strategy. The successful development of a microfinance industry in the country has, in fact, opened up a market opportunity for the development of the sector.

The study has both confirmed common features on the risk patterns of the poor, which suggest Microinsurance as a suitable instrument to tackle vulnerability as well as highlighted country specific ones. Almost all the respondents in this study had been exposed to some kind of risk. The most common risks encountered were illness of a household member and crop failure due to drought or floods. The use of less effective and reactive risk management strategies is widespread given the low penetration of insurance. The most important coping mechanism is the use of household savings. Borrowing money from friends and relatives, MFIs, and moneylenders was also ranked highly.

Respondents' answers and perceptions reveal that both supply and demand of Microinsurance are mature enough for the sector to be developed. Interviewed Insurers recognise the potential of the Cambodian market and assured their interest in investing in it. They see the important role of the government in raising awareness and wish to collaborate with the regulator to make the regulation beneficial to both insurers and insurees. On the demand side, despite the low penetration of the market, the vast majority of Cambodian low-income populations expressed an interest in learning more about microinsurance and had a strong desire to transfer certain risks to micro insurers. Pertaining to this opportunity; health, accident and crop insurance are identified as key areas where potential microinsurance investors could focus on. Trust and simple products appear to be key in determining MI failure or success, as the collaboration with local authorities appears to be one of the most preferred ways of overcoming the lack of trust. Insurance should also be promoted based on the product benefits as well as just affordability given that clients ranked benefit coverage higher than premium amounts.

Despite the growth in Cambodia's insurance and microfinance sectors, the current level of understanding of microinsurance among the rural poor and non-poor population is low. However, there is an opportunity for raising awareness of

insurance, thus potentially opening up an untapped market for insurers. In this survey, only approximately one quarter of non-clients said they had heard of insurance. Limited comprehension of the insurance concept caused by low financial literacy is a major barrier that needs to be negotiated in order for the microinsurance industry to flourish. Despite a low level of understanding, the majority of respondents indicated a desire to pay to transfer risk to a third-party organization and to know more about microinsurance. This shows a high potential acceptance of insurance. As follows from the analysis of risks encountered, the three most common risks (illness, accident and crop failure) were also the risks that respondents wished to transfer.

There are significant opportunities for microinsurers to do business in Cambodia. At the current stage of development, there is a relatively low level of competition. An exact market size is currently unknown, and would depend on the particular products and market segments served, but potential microinsurance clients form the majority of the country's population. In addition, the growth in trust in the financial sector evidenced by the rise of the microfinance industry means that more people are likely to become potential clients.

While this study has gone some way toward identifying the needs for and understandings of microinsurance among the low-income population, there are a number of areas for further research. In particular for insurers, in order to grow their client base, comprehensive market studies are required to segment the customer base, calculate the market size of different segments, develop and refine product concepts and evaluate potential promotion and education campaigns.

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APPENDIXES

Data (percentage of respondents)

Figure 11: Purpose of household saving (% of respondents)

	Freq.	Percentage	% of respondents
Medical expense	198	28%	86%
Food/Clothes	164	23%	71%
Children education	108	15%	47%
Purchase assets	88	12%	38%
Unable to find job/generate income	60	8%	26%
Other	56	8%	24%
Retirement	21	3%	9%
Marriage	9	1%	4%
Funeral	2	0%	1%

Figure 13: Risk Exposure (% of respondents)

	Freq.	Percentage	% of respondents
Illness of household member	259	26%	88%
Crop failure	144	15%	49%
Death of livestock	103	10%	35%
Death of household member	104	10%	35%
Property damage caused natural disaster	80	8%	27%
Accident	76	8%	26%
Unable to find job/generate income	59	6%	20%
Business failure	57	6%	19%
Over indebtedness	39	4%	13%
Other	30	3%	10%
Migration failure	24	2%	8%
Disability	14	1%	5%
Thief / robbery case	4	0%	1%

Figure 15: Risk-Coping Mechanism (% of respondents)

	Freq.	Percentage	% of respondents
aving utilization	184	19%	63%
Loan from relatives/friends	135	14%	46%
Loan from moneylender/ vendor	115	12%	39%
Loan from MFI	112	11%	38%
Sell/pawn asset	91	9%	31%
Support from relatives/friends/neighbor (including remittance)	86	9%	29%
Reduce expense	60	6%	21%
Find extra job	62	6%	21%
Showing Health Equity Card to public health facilities	55	6%	19%
Other	28	3%	10%
Migration to work	20	2%	7%
Claim for insurance benefit	14	1%	5%
Take children out of school to work	15	2%	5%
Donate from government	12	1%	4%
Do nothing	5	1%	2%

Figure 17: Uses of health equity card to cover healthcare costs (% of respondents)

	Freq.	Percentage	% of respondents
Medical Drug cost	87	23%	99%
General practitioner visit/consultation cost	75	20%	85%
Hospitalization cost	64	17%	73%
Transportation cost	63	17%	72%
Meal cost	58	15%	66%
Accommodation for accompanied person	27	7%	31%
Other	6	2%	7%

Figure 18: Most effective risk-coping mechanisms (% of respondents)

	Freq.	Percentage	% of respondents
Saving utilization	138	23%	48%
Loan from relatives/friends	89	15%	48%
Loan from moneylender/ vendor	83	14%	29%
Loan from MFI	69	11%	24%
Sell/pawn asset	54	9%	19%
Support from relatives/friends/neighbor (including remittance)	52	9%	18%
Find extra job	41	7%	14%
Showing Health Equity Card to public health facilities	33	5%	11%
Reduce expense	16	3%	6%
Other	15	2%	5%
Claim for insurance benefit	8	1%	3%
Do nothing	2	0%	1%
Migration to work	4	1%	1%
Take children out of school to work	1	0%	0%
Donate from government	1	0%	0%

Figure 19: Desire to transfer risk by occupation (% of respondents)

	Top 1	Top 2	Top 3
Illness of household member	54%	20%	7%
Crop failure	12%	16%	8%
Accident	6%	16%	17%
Unable to find job/generate income	6%	11%	15%
Other	5%	5%	6%
Over indebtedness	4%	4%	6%
Death of livestock	4%	6%	5%
Property damage caused natural disaster	3%	7%	13%
Business failure	3%	4%	5%
Death of household member	3%	8%	13%
Disability	0%	2%	1%
Migration failure	0%	0%	3%
Thief / robbery case	0%	0%	1%

Figure 21: Preferred forms of premium payment (% of respondents)

	Freq.	Percentage	% of respondents
An agent collects premium at doorstep	158	56%	67%
An agent collects premium at village level	118	42%	50%
Pay at bank/MFI branch office	5	2%	2%
Pay through mobile phone	2	1%	1%
Other	1	0%	0%

Figure 22: Preferred forms of benefits (in kind/in cash, % of respondents)

	Total	Percentage	% of respondents
In-cash	112	46%	47%
Either	70	29%	30%
In-kind	62	25%	26%
Other	-	0%	0%

Figure 23: Preferred claim reimbursement (% of respondents)

	Total	Percentage	% of respondents
Agent helps to reimburse	171	65%	72%
Village chief helps to reimburse	78	30%	33%
Reimburse from bank/MFI/healthcare facilities	14	5%	6%
Other	-	0%	0%

Figure 25: Benefits received by clients (% of respondents)

	Freq.	Percentage	% of respondents
In-hospitalized for all causes	49	27%	98%
In-hospitalized surgery	39	22%	78%
Transportation allowance	39	22%	78%
Non-hospitalized medical care	28	16%	56%
Other	16	9%	32%
In-hospitalized daily allowance	9	5%	18%

Figure 27: Top three important factors to consider when subscribing to Insurance (clients, % of respondents)

	Freq.	Percentage	% of respondents
Benefit coverage	44	29%	86%
Premium amount	22	14%	43%
Trust/reputation of insurer	22	14%	43%
Premium collection at doorstep	18	12%	35%
Proximity and accessibility	17	11%	33%
Knowledge about insurance	11	7%	22%
Neighbor subscribed insurance	9	6%	18%
Service quality	5	3%	10%
Staff behavior	4	3%	8%

Figure 28: Prefe rred promotion activities (clients, % of respondents)

	Total	Percentage	% of respondents
Home visit	46	43%	90%
Village meeting	41	39%	80%
TV spot	8	8%	16%
Radio spot	5	5%	10%
Training/workshop	2	2	4%
Information sharing from existing clients	2	2	4%
Other	2	2	4%

Figure 29: Preferred promotion activities (non-clients, % of respondents)

	Total	Percentage	% of respondents
Village meeting	191	39%	81%
Home visit	192	39%	81%
Radio spot	39	8%	16%
TV spot	36	7%	15%
Training/workshop	11	2%	5%
Other	9	2%	4%
Information sharing from existing clients	7	1%	3%
Drama and comedy show	8	2%	3%

Questionnaire: MI Client and Non-client

QUESTIONNAIRE

Start time	.....		Interviewer	.....		Interview Number	.....
End time	.....					Date	__/__/____ dd/mm/yyyy

I. Introduction

The interviewer starts by introducing him/herself as follows:

1. "Hi, my name is _____.
2. I work for a research organization, EMC, which is doing a study for UNDP to learn about the need and understanding of insurance among low income people.
3. We have some questions about the shocks people normally face to seek for their need of insurance as well as their understanding. The questions should take about 30 minutes.
4. We won't use your name in reporting, so you can feel free to speak openly. We want to learn from you.
5. Do you have any questions for us to clarify?
6. Do I have your permission to conduct this interview? Yes No
7. You have right not to answer any question or stop the interview at anytime you want.

General guideline to complete the questionnaire

1. Unless otherwise specified for that particular question, when recording the interviewee's answer, always choose only one answer for each question. Some questions required the interviewer to write the note while some of them may say that you can choose more than one option.
2. General codes to be used to the rest of the survey (all questionnaire versions):

   77. Not Applicable (N/A)
   88. Refuse to answer
   99. Don't know

3. Interviewer should mark all the questions in this questionnaire unless there is a skip instruction provided.

II. General Information

1. Province	2. District	3. Commune	4. Village

5. Are you a bread winner/spouse of bread winner in family? ☐ 1. I am a bread winner ☐ 2. I am a spouse of bread winner	
6. Name (In Khmer)	
7. Telephone	
8. Sex ☐ 1. Male ☐ 2. Female	
9. Age	
10. Highest level of education ☐ 1. Primary school ☐ 2. Secondary school ☐ 3. High school ☐ 4. Bachelor ☐ 5. Master ☐ 6. Never attend school ☐ 7. Other (Specify.....)	
11. Marital status ☐ 1. Married ☐ 2. Single ☐ 3. Widow/widower ☐ 4. Other (Specify.....)	
12. Size of household	.....People
13. Number of household members by age groups	
< 5 years old	.....People
5 – 10 years old	.....People
10 – 18 years old	.....People
18 – 35 years old	.....People
≥ 35 years old	.....People
14. Do you have ID poor card? ☐ 1. Yes, ID poor 1 ☐ 2. Yes, ID Poor 2 ☐ 3. Yes, other (specify.....) ☐ 4. No	

15. Primary Occupations (Top 3 choices)		
☐ 1. Rice farming ☐ 2. Non-rice farming ☐ 3. Animal raising ☐ 4. Fishing ☐ 5. Small trading ☐ 6. Working as laborer ☐ 7. Working as civil servant ☐ 8. Other (Specify :.....)	Top 1	
	Top 2	
	Top 3	

16. Seasonal calendar of output of 3 primary occupations

Occupation (Taken from Q15)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Top 1												
Top 2												
Top 3												

Note: 3=high; 2=medium; 1= low

17. During 2012, which of the following months do you have money/crop/assets left over?

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Note: 5=highly surplus; 4= surplus; 3=sufficient; 2=shortage; 1=highly shortage

18. How often does your household earned money? And how much does it earn each time?

- ☐ 1. Once a day. US$_____
- ☐ 2. Once a week. US$_____
- ☐ 3. Once a month. US$_____
- ☐ 4. Once every 3 months. US$_____
- ☐ 5. Once every 6 months. US$_____
- ☐ 6. Once a year. US$_____
- ☐ 7. Other _____. US$_____
- ☐ 8. Irregular

19. Does your household save (keep at home, save with savings group, with bank, or any other forms of savings) any part of the earned income?

- ☐ 1. Yes, regularly
- ☐ 2. Yes, irregularly (Skip to Q.21)
- ☐ 3. No (Skip to Q.22)

20. How often does your household save? And how much does it save each time?

- ☐ 1. Once a day. US$_____
- ☐ 2. Once a week. US$_____
- ☐ 3. Once a month. US$_____
- ☐ 4. Once every 3 months. US$_____
- ☐ 5. Once every 6 months. US$_____
- ☐ 6. Once a year. US$_____
- ☐ 7. Other _____. US$_____

21. What are your household savings for? (multiple responses)

- ☐ 1. Medical expenses
- ☐ 2. Marriage
- ☐ 3. Funeral
- ☐ 4. Unable to find job/generate income
- ☐ 5. Food/clothes
- ☐ 6. Purchase assets
- ☐ 7. Children education
- ☐ 8. Retirement
- ☐ 9. Other (specify .....)

III. Needs of Insurance among Low Income People

22. Have you ever experienced any distress/shock?

- ☐ 1. Yes
- ☐ 2. No (Skip to Q.33)

23. What kind of shocks have you experienced? (multiple responses)

- ☐ 1. Illness of household member
- ☐ 2. Crop failure
- ☐ 3. Death of livestock
- ☐ 4. Business failure
- ☐ 5. Death of household member
- ☐ 6. Disability
- ☐ 7. Accident
- ☐ 8. Over indebtedness
- ☐ 9. Migration failure
- ☐ 10. Property damage caused by storm,flood, fire
- ☐ 11.Thief / robbery case
- ☐ 12. Unable to find job/ generate income
- ☐ 13. Other (Specify :.....)

24. How many times has below shocks happened to your household in the last 3 years? Put number of times only shocks that happen, do nothing with shocks that do not happen. (multiple responses for happened shocks)

1. Illness of household member/ myself	.....	2. Crop failure	.....	3. Death of livestock	.....
4. Business failure	.....	5. Death of household member	.....	6. Disability	.....
7. Accident	.....	8. Over indebtedness	.....	9. Migration failure	.....
10. Property damage caused by storm, flooded, fire…	.....	11. Thief / robbery case	.....	12. Unable to find job/ generate income	.....
13. Other (Specify ……)	.....				

25. What are main consequences of these shocks on your household? Shocks here refer to Q.23 (multiple responses)

- ☐ 1. Cannot work
- ☐ 2. Cannot afford to buy food
- ☐ 3. Cannot afford to send children to school
- ☐ 4. Cannot afford to save money
- ☐ 5. Cannot afford health treatment
- ☐ 6. Other (Specify :……)

26. How do you overcome with that shock as the result? (multiple responses)

☐ 1. Saving utilization	☐ 2. Support from relatives/friends/ neighbor (including remittance)	☐ 3. Migration to work
☐ 4. Sell/pawn asset	☐ 5. Reduce expense	☐ 6. Showing Health Equity Card to public health facilities
☐ 7. Loan from moneylender/ vendor	☐ 8. Take children out of school to work	☐ 9. Claim for insurance benefit
☐ 10. Loan from MFI	☐ 11. Loan from relatives/friends	☐ 12. Find extra job
☐ 13. Donate from government	☐ 14. Do nothing	☐ 15. Other (Specify :……)

27. Amongst all solutions above, what are the most effective solutions? Please put number of the most effective solutions (refer to Q.26) in following box. (multiple responses)

[.....]

28. For respondent with Health Equity Card only: Have you ever used the HE Card to cover health and other costs?

- ☐ 1. Yes
- ☐ 2. No (Skip to Q. 30)

29. For respondent with Health Equity Card only: If you have ever used it to cover health and other costs, what are specific costs to cover? (multiple responses)

- ☐ 1. General practitioner visit/consultation cost
- ☐ 2. Hospitalization cost
- ☐ 3. Transportation cost
- ☐ 4. Meal cost
- ☐ 5. Medical Drug cost
- ☐ 6. Accommodation for accompanied person
- ☐ 7. Other (Specify :.....)

30. For respondent with Health Equity Card only: If you have not used it to cover above costs, why have you not used it? (multiple responses)

- ☐ 1. Costs were not covered by the Health Equity Fund
- ☐ 2. Difficult to complete claim form
- ☐ 3. Do not have enough money to pay in advance for transportation, accommodation, and meals.
- ☐ 4. Other (Specify.....)

31. Do you have any shock prevention mechanism?

- ☐ 1. Yes
- ☐ 2. No (Skip to Q.33)

32. If yes, what are the prevention plans that you have?

- ☐ 1. Make Saving (including money and gold)
- ☐ 2. Animal husbandry
- ☐ 3. Engage with other NGO/informal network
- ☐ 4. Buying insurance (Specify .....)
- ☐ 5. Other (specify .....)

33. Do you want to prevent your shock by paying it to other organization?

- ☐ 1. Yes
- ☐ 2. No (Skip to Q.57)
- ☐ 3. Other (specify: .....)

34. If yes, please rank top 3 shocks that you wish to transfer from 1 the most importance to 3 the less importance		
☐ 1.Illness of household member ☐ 2.Crop failure ☐ 3.Death of livestock ☐ 4.Business failure	Top 1	
☐ 5.Death of household member ☐ 6.Disability ☐ 7.Accident ☐ 8.Over indebtedness	Top 2	
☐ 9.Migration failure ☐ 10.Property damage caused by storm,flood… ☐ 11.Thief / robbery case ☐ 12.Unable to find job/ generate income ☐ 13.Other (specify……)	Top 3	

35. Intentionally left blank

36. If yes, how often would you like to pay the premium?

- ☐ 1. Monthly
- ☐ 2. Quarterly
- ☐ 3. Bi-yearly
- ☐ 4. Yearly
- ☐ 5. Other (specify……)

37. How would you like to pay the premium? (multiple responses)

- ☐ 1. An agent collects premium at doorstep
- ☐ 2. An agent collects premium at village level
- ☐ 3. Pay at bank/MFI branch office
- ☐ 4. Pay through mobile phone
- ☐ 5. Other (specify……)

38. How much can you afford to pay for it?	Amount (in $) ……per year

39. Would you like to buy insurance in individual or family package?

- ☐ 1. Individual
- ☐ 2. Family

40. Which form of insurance would you like to buy?

- ☐ 1. Purely protection
- ☐ 2. Both protection and benefit return while nothing happen but with higher premium
- ☐ 3. Other (Specify :……..)

41. How would you like to receive the benefit? (multiple responses)

- ☐ 1. In-cash
- ☐ 2. In-kind
- ☐ 3. Either
- ☐ 4. Other (Specify :……..)

42. How would you like to reimburse? (multiple responses)

- ☐ 1. Agent helps to reimburse
- ☐ 2. Village chief helps to reimburse
- ☐ 3. Reimburse from bank/MFI/healthcare facilities
- ☐ 4. Other (Specify :……..)

43. Do you know any of the following organizations? (multiple responses)

☐ 1. Samic	☐ 2. VisionFund Cambodia	☐ 3. AMK
☐ 4. CMK	☐ 5. Chamroeun	☐ 6. PKMI
☐ 7. Action For Health	☐ 8. Acleda	☐ 9. Prasac
☐ 10. Other (Specify :……..)	☐ 11. None of the above (Skip to Q57)	

44. How do you involve with those organizations?

……
……
……

45. What type of services do you subscribe from those organizations? (multiple responses)

- ☐ 1.Primary health care services and health care cost when you/your family members are ill (Health insurance)
- ☐ 2.Write-off loan when you are disability or died (Credit life)
- ☐ 3.Get funeral benefit when you are died (Funeral benefit)
- ☐ 4.Other (specify……)
- ☐ 5.None (skip to Q.57)

IV. Knowledge of Local People on Insurance

1) For Member only

46. Do you buy insurance product for individual or family package?

- ☐ 1. Individual
- ☐ 2. Family
- ☐ 3. Other (Specify :.....)

47. How often do you pay premium?

- ☐ 1. Monthly
- ☐ 2. Quarterly
- ☐ 3. Bi-yearly
- ☐ 4. Yearly
- ☐ 5. Other (Specify :.....)

48. How much do you pay an annual policy?

Type	Amount (in USD)
1. Health insurance	.....per year
2. Funeral benefit	.....per year
3. Credit life	.....per year
4. Other (specify.....)	.....per year

49. What benefits do you receive when you have problems? (multiple responses)

Health insurance

- ☐ 1. Non-hospitalized medical care
- ☐ 2. In-hospitalized for all causes
- ☐ 3. In-hospitalized surgery
- ☐ 4. In-hospitalized daily allowance
- ☐ 5. Transportation allowance
- ☐ 6. Other (specify .....)
- ☐ 7. No comment

Funeral benefit

- ☐ 1. Lump-sum funeral costs
- ☐ 2. Corpse transportation allowance
- ☐ 3. Other (specify.....)
- ☐ 4. No comment

Credit life

- ☐ 1. Loan written-off
- ☐ 2. Cash payback
- ☐ 3. Corpse transportation allowance
- ☐ 4. Other (specify .....)
- ☐ 5. No comment

50. How long have you been a subscriber of insurance program?

1. Health insurance	..... months
2. Funeral benefit	..... months
3. Credit life	..... months
4. Other (specify.....)	..... months

51. Why did you subscribe it?

.....
.....
.....
.....
.....

52. Who in your household decide to buy it?

- ☐ 1. Me
- ☐ 2. My spouse
- ☐ 3. Joint decision making
- ☐ 4. Other (Specify :.....)

53. Can you rank the information that you need before deciding to buy insurance? Rank the top three important factors.

1. Knowledge about insurance
2. Proximity and accessibility
3. Trust/Reputation of organization
4. Premium amount
5. Benefit coverage
6. Service quality
7. Premium collection at doorstep
8. Staff behavior
9. Neighbor subscribed insurance
10. Other (Specify :.....)

Top 1	
Top 2	
Top 3	

54. What are challenges that you face as a client of insurance? (multiple responses)

- ☐ 1.Cannot afford premium payment
- ☐ 2. Slow claim settlement
- ☐ 3.Insufficient/low benefit covered
- ☐ 4. Proximity and accessibility
- ☐ 5. Unfriendly staff
- ☐ 6.Unfriendly services at public health facilities
- ☐ 7. Lack of trust on organizations
- ☐ 8. Don't understand the whole process
- ☐ 9. Other (Specify .....)
- ☐ 10. No comment

55. Do you think insurance can prevent you from the risk better?

- ☐ 1. Yes
- ☐ 2. No
- ☐ 3. Other (specify.....)

56. Would you like to know more about insurance?

- ☐ 1. Yes
- ☐ 2. No (Finish)

57. If yes, what are the promotion activities do you prefer to know? (multiple responses)

- ☐ 1. TV spot
- ☐ 2. Radio spot
- ☐ 3. Village meeting
- ☐ 4. Training/workshop
- ☐ 5. Drama and comedy show
- ☐ 6. Home visit
- ☐ 7. Information sharing from existing clients
- ☐ 8. Other (Specify :.....)

2) For Non-Member Only

58. Have you ever heard about insurance before?

- ☐ 1. Yes
- ☐ 2. No (Skip to Q.60)

59. If yes, what do you hear about it?

.....
.....
.....
.....
.....

60. Which of the following products do you know? (multiple responses)

- ☐ 1. Health insurance ☐ 2. Funeral benefit ☐ 3. Credit life
- ☐ 4. Other (Specify .....)

61. Would you like to know more about insurance?

- ☐ 1. Yes
- ☐ 2. No (Finish)

62. If yes, what are the promotion activities do you prefer to know more about insurance? (multiple response)

- ☐ 1. TV spot
- ☐ 2. Radio spot
- ☐ 3. Village meeting
- ☐ 4. Training/workshop
- ☐ 5. Drama and comedy show
- ☐ 6. Home visit
- ☐ 7. Information sharing from existing clients
- ☐ 8. Other (Specify :.....)

Interview note:

.....
.....
.....
.....
.....

Additional questions

Face to the high interest demonstrated to crop insurance two additional questions were asked to the village chief concerning each and every household and that have been integrated to the existing datset, these are:

63. Does XXX own any land? (Yes/no)

64. If Yes is It small or big? (Small/big)

Structured Questionnaires: Village Chief

QUESTIONNAIRE

Start time	.....		Interviewer	.....		Interview Number	.....
End time	.....					Date	__/__/____ dd/mm/yyyy

II. Introduction

The interviewer starts by introducing him/herself as follows:

1. "Hi, my name is _____.
2. I work for a research organization, EMC, which is doing a study for UNDP to learn about the need and understanding of insurance among low income people.
3. We have some questions about the shocks people normally face to seek for their need of insurance as well as their understanding. The questions should take about 30 minutes.
4. We won't use your name in reporting, so you can feel free to speak openly. We want to learn from you.
5. Do you have any questions for us to clarify?
6. Do I have your permission to conduct this interview? Yes No
7. You have right not to answer any question or stop the interview at anytime you want.

General guideline to complete the questionnaire

1. Unless otherwise specified for that particular question, when recording the interviewee's answer, always choose only one answer for each question. Some questions required the interviewer to write the note while some of them may say that you can choose more than one option.
2. General codes to be used to the rest of the survey (all questionnaire versions):

   77. Not Applicable (N/A)
   88. Refuse to answer
   99. Don't know

3. Interviewer should mark all the questions in this questionnaire unless there is a skip instruction provided.

General Information

1. Province	2. District	3. Commune	4. Village

5. Name		
6. Sex 1. Male 2. Female		
7. Age		
8. Highest level of education 1. Primary School 2. Secondary School 4. High School 5. Bachelor 5. Master 6. Other (Specify.....)		
9. Role in the community 1. Village chief 2. Deputy village chief 3. Member of commune council 4. Other (Specify.....)		
10. Telephone		
11. Number of households in the village		
12. Number of population in the village		
13. Number of females		
14. Number of poor households in the village	ID Poor 1	
	ID Poor 2	
15. Percentage of poor household members who are able to read in the village		.....%

Livelihood

16. What are the main livelihoods in this community? Please give approximate percentages of household involve in each livelihood activity.

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.....

Shock

17. Can you recall any serious shocks (both recurring shock affecting one household at a time and events that triggered difficulties within the community) in your community during the last 5 years?

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18. How is the effect (both financial and social) on community and each household?

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19. If same risks happen to all households, what are community solutions?

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20. What other shocks can be happened in your community in the future?

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21. What are the common shocks/risks facing by the poor?

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.....

22. How do they deal with these shocks/risks?

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.....

Insurance

23. Are there any insurance programs/operators in this village (including Community Base Health Insurance and MFIs)? If yes, please give the names.

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.....

24. Can you describe about these programs? (About type of products, premium, benefits…)

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.....

25. How many subscribers of insurance programs in this village?	

26. If none or few, why?

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.....
.....

27. What are profiles of majority clients? (Poor, non-poor, occupation, sex…)

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28. Have the programs helped villagers to cope with risks? Can you give example?

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29. Has there been any insurance promotion program in the village? If yes, how do they conduct? And if they have stopped, why?

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30. Have poor joined or participated in the promotion?

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31. Are poor willing to pay for insurance? What are barriers for poor to access to insurance?

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32. Do you think poor should be covered by insurance? Why/Why not?

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33. What is the best way to help them understand more about insurance?

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34. Do you have any suggestion regarding introducing insurance program to the village?

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Interviewer Note

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FOCUS GROUP DISCUSSION GUIDE

PARTICIPATORY RAPID APPRAISAL TOOLS

For the focus group discussion, three tools will be employed.

Relative Preference Ranking (Risk): To understand what types of micro insurance are the needs of rural low income household?

Product Attribute Ranking: Factors to be considered when make decision to buy insurance.

Relative Preference Ranking (Promotional activities): To understand the most effective method in disseminate micro insurance information to the target client.

The below section will illustrate the guiding principle for field facilitator and assistant field facilitator to use in the field.

Relative Preference Ranking – Risk

To understand what types of micro insurance are the needs of rural low income household?

Procedure

There will be two facilitators – moderator and assistant moderator.

Moderator: To facilitate and provoke the discussion, encourage participant to speak and keep the discussion on track and time.

Assistant moderator: To help coordinate the discussion and take notes/record in the tape recorders.

6-8 participants, who previously were involved in the structured interview, will be invited to participate to join the discussion. The exercise is best done in an undistracted environment.

Moderator will start by him/herself and the team. Thanks participants and let them know about purpose (we work for a research organization, EMC, which is doing a study for UNDP to learn about the need and understanding of micro-insurance among low income people) of the meeting and how long it will last. Their contributions in the discussion will be appreciated and regarded as highly confidential. Especially, there is no right or wrong. Ask them about their names and write on note stickers for them to put on their shirts. Then request them to introduce basic personal information such as age, occupation, number of children, and number of household member.

Moderator tells participants about purpose of the tool "to understand what the risks they are facing are and what coping mechanisms/solutions are?

Some help from moderator is required. Without mentioning which risks, ask people about their livelihoods, when they earn money, how they save, then ask them when do they need a large amount of money, what for, what event happened so that they feel stressed about having money (write down even if they say school expenses for example)

Put all the difficulties/issues on cards – one for each item (e.g. death of family member, crop failure, etc.).

Ask them to rank by taking its severity into account.

Ask them to pick up difficulties/issues they wish to transfer.

Key Questions for Moderator to ask Participants

What are risks in your life cycles and livelihoods?

First moderator probe, then prompt the answer.

Below are possible answers for the question.
Illness of household member
Death of household member
Chronic diseases
Education costs
Disability
Accident
Over indebtedness
Crop failure
Death of livestock
Migration failure
Property damage caused by storm, flooded, fire…
Thief / robbery case
Unable to find job/generate income
Ask what are coping strategies applied to each issue/difficulty? What works well? What does not?
Could you please rank in terms of its severity? Why this one is more severe than that one? Any comments/ suggestions.
Is there anything to change on the ranking?
Could you please pick up issues/difficulties you wish to transfer? Why do you need that?

Required Materials

Below are tools/accessories for using in the FGD: notebook, pen, cutting card, note sticker, marker, tape recorders, and flipchart drawn (prior to conducting fieldwork) as below.

FGD Code:

Relative Preference Ranking - Risk

Risks	Rank	Comments

Notes to be taken by Assistant Moderator

Number of participants including their name, age, occupations, number of children, size of household, etc.

Their comments/answers to all key questions above.

As well as what people tell each other when they discuss the risks/coping mechanisms. And

S/he will need to write down every single detail of the discussion.

The moderator should let participants know that they have done a great job by completing first tool. We now move to second tool..!

Product Attribute Ranking

Factors to be considered when make decision to buy insurance.

Procedure

Get the participants to describe in their terms what is good or bad about the risks that are being ranked to transfer to a company. Probe for further criteria/ components. Follow up with points of interest and encourage participation by different people.

The moderator tells participants about purpose of the tool (to know what are their decision factors when purchasing/transferring risks to a company?).

Get participants to list all the criteria/components generated in this way. You may get: 1) the covered benefits; 2) fee to transfer the risks; 3) how fast to get payment, etc.

Put all the criteria/components on cards – one for each criterion/component (e.g. distance/ proximity, fee to transfer the risks, etc.)

Ask them to rank factors in its relative importance.

Key Questions for Moderator to ask Participants

Can you explain what insurance is?
If you know some insurance companies/organizations, what have you heard about insurance? Is it good or bad? What is your experience?
How would you like to access?
What could be important for you?
What are key decision factors to decide to transfer the risks to a company? Probe, and then prompt. Below are possible answers for the question.
Knowledge about micro insurance
Trust/Reputation of organization
Proximity/accessibility
Premium amount
Benefit coverage
Service quality
Premium collection
Friendly staff
Could you please rank the factors by their relative importance?
Is there anything to change on the ranking?
Why is factor "A" ranked #? Why is factor "C" ranked #2? Please give comments all the ranking you have made.

Required Materials

Below are tools/accessories for using in the FGD: notebook, pen, cutting card, note sticker, marker, tape recorders, and flipchart drawn (prior to conducting fieldwork) as below.

FGD Code:

Product Attribute Ranking

Attributes	Rank	Comments

Notes to be taken by Assistant Moderator

Their comments/answers to all key questions above.

S/he will need to write down every single detail of the discussion.

The moderator should thank participants that they have done a great job by completing second tool. We now move to last tool..!

Relative Preference Ranking – Promotion Activity

To understand the most effective method in dissemination of micro insurance information to the target client.

Procedure

Moderator tells participants about purpose of the tool (Is to know what promotion activities that participants view as importance for them to understand micro insurance).

Ask them list down promotion activities they know.

Put all the activities on cards – one for each activity (e.g. radio spot, TV spot, etc.). Now you have all the activities that participants know.

Ask them to rank activities that they wish to have in its relative importance.

Key Questions for Moderator to ask Participants

What are radio channels most people in the village listen to? What program? What do they like most? Please give example.
What are TV channels most people in the village watch? What program? What do they like most? Please give example.
What are promotion activities that you know? Probe, and then prompt.
TV spot
Radio spot
Village meeting
Training/workshop
Drama and comedy show
Poster, game, face to face discussion/home visit
Information sharing from existing clients
Could you please rank the activities you wish to have by their relative importance?
Is there anything to change on the ranking?
Why is activity "A" ranked #1? Why is activity "C" ranked #2? Please give comments all the ranking you have made.

Required Materials

Below are tools/accessories for using in the FGD: notebook, pen, cutting card, note sticker, marker, tape recorders, and flipchart drawn (prior to conducting fieldwork) as below.

FGD Code:

Relative Preference Ranking – Promotion Activity

Promotion Activities	Rank	Comments

Notes to be taken by Assistant Moderator

Same as Relative Preference Ranking for Risk and Product Attribute Ranking, assistant moderator needs to take notes.

Their comments/answers to all key questions above. S/he will need to write down every single detail of the discussion.

EXPERT INTERVIEW GUIDE

Interviewees: PKMI, CBHIs, and MFIs
Time: One hour.
Introduction
EMC

Established in 2004, employee more than 30, offices in two countries…

UNDP Micro insurance Study

To elucidate micro insurance needs of rural poor. Identify market gaps and opportunities to offer micro insurance products;

To identify most effective micro insurance marketing and education campaign.

Questions on market needs (general)

When did you start micro insurance service? Specifically for what reason?

What are micro insurance products your organization currently offering?

How does it work?(Premium, Charge, Claim process)

Who are your target clients? (Male/Female, Poor)

Being a member of microinsurance, what are challenges your clients face?

Do they cover family or individual?

How do you market those products?

What do clients like and dislike about your products?

Did you recently engage in a marketing campaign (e.g. promotion, advertisement)?

What are the challenges to run a campaign?

What are key products' attributes to be considered when developing micro insurance products (what are most important factors for clients to subscribe any micro insurance product)? (premium, reimbursement process, etc…)

Besides your current product offering, do you see any other potential micro insurance products that suit poor's needs? (ID poor1, ID poor2)

If yes, what are they? Any suggestion on product development?

Prior to designing and offering new product, does your NGO/company conduct demand survey? If it does, does it use internal resource or commission to external service provider or receive supports from donor?

How important do you think of a demand survey prior to product development?

Specific questions

For PKMI

How do you market your product? Do you plan to invest more in this area?

What are your challenges to build partnership with MFIs and other distribution partners?

What are key successes of the partnership?

For MFIs

How do you see your micro insurance program/ business in next 5 years? Do you plan to apply for micro insurance license? If yes, why? If no, why not?

What are your challenges to build partnership with insurer (if you partner with insurer)? For PRASAC only: if they have stopped partnership with Forte, what makes them stop?

For CBHIs

Do you have temporary license for CBHI implementer? If you do, please share with us how to register and how do you see benefits of the license? If you don't, why?
How do you see your micro insurance program in next 3 years?
Is there any plan for transforming to enterprise? If yes, when and how?
Exit
Any concern, suggestion or comment?

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