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The Effectiveness of Microinsurance in Bangladesh : Can It Sustain?

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A B S T R A C T

Micro-insurance products designed for the low-income individuals. Micro-insurance differs from traditional insurance in terms of the size of premiums, coverage limits and target customers. The objectives of micro-insurance also vary amongst different stakeholders. For governments and policymakers, for instance, micro-insurance is a way to ensure inclusive growth and support the livelihoods of the vulnerable segment of the society. For a developing country like Bangladesh, micro-insurance seems like a boom that can help Bangladesh address its problems regarding poverty especially in the agriculture and health sectors. Yet, a stellar idea like micro-insurance may not be a proper solution to Bangladesh's problems. In the study, five parameters (Policyholders, Claims, Premiums, Employees, Coverage) involved in micro-insurance have been analyzed to get a generic idea about the effectiveness of micro-insurance in Bangladesh. The study shows the overall acceptance of the parameters on the basis of the policy-holders responses. From the findings it is evident that the claims resolution and employees performance are quite effective in the micro insurance industry; but the rest three parameters are not very effective. Thus, from the whole analysis, we can conclude that the micro-insurance in Bangladesh needs to be improved in certain areas for trust building and making it more effective among the stakeholders.

Keywords: claims, coverage, knowledge, micro-finance, micro-insurance, premium, operation.

I . INTRODUCTION

A. Background

Micro-insurance is a concept which bridges the two terms “micro” and “insurance” to provide a solution for this insurance deprived nation. Micro insurance refers to the protection of low income people against specific perils in exchange for regular premium payment proportionate to the likelihood and cost of the risks available. This way, the target segment, the 40% of the population of Bangladesh who are stricken by major poverty, becomes more complete. The major cause of this poverty is the

deprivation of land and non land asset, access to education, remunerative occupation and opportunities of diversified income sources. If productivity is increased, it will alleviate the poverty to a significant level. To aid this fact, many insurance companies have brought out a single comprehensive micro insurance package to cover for both life insurance and property risks. What it ensures is that the possibility that some peril may interrupt the income of the poor household is greatly reduced.

Micro-insurance was casually introduced in Bangladesh in the 1970s in the form of health insurance by an NGO called “Ganashasthya Kendra”. But more structured form of the concept of micro insurance stems from the idea of micro credit lending which initiated in 1980s. Micro-insurance can be defined as an affordable subset of a financial service that uses risk pooling to provide compensation to low income and poor individuals, entrepreneurs, house-

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holds or groups that are adversely affected by specific risks. While there may be great variance between different micro-insurance schemes, they generally share a number of key characteristics (Khan, 2013): 1) Targets low income and poor individuals and households, 2) Designed to pool risks faced by the insured, 3) Pricing is based on willingness to pay, and is proportional to the likelihood and cost of the risks involved, 4) Products are developed in collaboration with the communities they are supposed to benefit and 5) Products must be of substantive value to the poor in terms of addressing their vulnerability to poverty.

Micro insurance providers can be broadly divided into two categories: 1) Mainstream insurance companies, 2) NGOs/MFIs. Among the NGO/ MFIs, some are specialized in the provision of healthcare, while others provide a range of financial services as well (Ahsan and Barua, 2010). The sector is dominated by non-government organization microfinance institutions (NGO-MFIs). Other types of organizations which operate in this sector are private insurance companies and a couple of state-owned corporations (Khan, 2013). During early 2000, the Government of Bangladesh permitted Islamic insurance companies to operate; their insurance plans are known as "Takaful". Almost all major NGO's have micro insurance schemes which cover various factors such as outstanding loan balance, health, disability and in some cases even provide one time monetary benefit. In many cases, these micro insurance schemes are financed partly by donor funds. The areas in which micro-insurance has a prospect are mainly: dwelling, stables, stores and shops; pump sets, harvesters, threshers; handicrafts and household productions; and personal accident and hospitalization. Some MFI-NGO's are now offering the service of micro-insurance in the name of "self insurance" (Ali, 2011).

The micro insurance in Bangladesh has come a long way and currently it constitutes on average 30% of the income generated. At present, there are over 60 micro-insurance providers within the country and the growth rate of micro-insurance has been 33% in recent past, which is quite commendable. In the formal side, the most popular scheme is the Depository Pension Scheme (DPS), which gained popularity not because of its competitive premium rates, but because of people's familiarity with the term DPS as it was introduced earlier by some commercial banks.

One of the barriers for starting an insurance company is in the unavailability of the capital. None of the private

life insurance companies have been able to raise a capital of more than Tk. 30 crore whereas the ideal amount should have been greater than twice. A main lacking that has been pointed out is the lack of proper training (Ahmed, 2011). One of the major challenges faced by micro insurance is the lack of proper regulation. While there are clear guidelines for general insurance practices, rules and regulations are not as well put for micro insurance plans. For a healthy growth and consistent growth in the micro insurance segment, a proper set of rules and regulations must be set up and implemented (Ali 2009). The government of Bangladesh is trying to improve the insurance acceptance by embarking on a reform program. As a first step, the government has replaced the Insurance Act 1938 with the Insurance Act 2010.

B. Issue/ Problems

Bangladesh is situated in the delta formed by multiple rivers as they meet the Indian Ocean through the Bay of Bengal. Most of these rivers (Padma, Meghna and Jamuna for instance) are originated from the Himalayas which lie to the north of the country. The lofty Himalayas in the north and the funnel-like shape of the Bay of Bengal in the south have made Bangladesh one of the worst victims of the catastrophic ravages of natural disasters like floods, cyclones, storm surges, droughts, etc. These natural disasters render Bangladesh towards many losses: loss of agricultural production, loss of livestock, loss of livelihood and loss of lives (Sakib, 2012). And another notable fact about Bangladesh is that the country is highly dependent on its agricultural sector. A total area of 14.94 million hectares are cropped within the country, may it be singly, doubly or triply in a year. A staggering 47.5% of the total manpower of Bangladesh earn their livelihoods from this sector and cumulatively account for 19.29% of the country's GDP as of 2013.

When both of the above facts are combined, the consequence that natural disasters have on the economy of Bangladesh is overwhelming. Damages to the agricultural sector are defined as full or partial destruction of assets in the sector. This includes destruction to agricultural land, permanent plantations, irrigation or drainage systems, storage facilities, machineries, roads, etc. Production losses occur due to the loss of a full crop due to the calamity, or as a result of a decline in units yielded (Global

Facility for Disaster Reduction and Recovery, 2008). When methods are looked upon on how to tackle these production and financial losses which the farmers suffer, one of the solutions that are often mentioned is the use of micro-insurance.

In Bangladesh, there exist a huge number of small and medium enterprises. The definition of SMEs, though poses many controversies, consistently point out that the businesses contain a small number of employees (below 25 as per Bangladesh Bank) and a small spread of fixed assets other than land and building (below Tk. 5,000,000 as per Bangladesh Bank) (Bangladesh Bank, 2010). In many cases, the assets held by these SMEs are insured by insurance firms. In a case study by Aliber (2001), it was stated that low-income entrepreneurs are particularly vulnerable to risks. Lacking adequate financial and other assets, the poor are exposed to the smallest economic shocks. Their vulnerability is exacerbated by the fact that low-income persons tend to live and work in riskier environments than wealthier people, with a greater likelihood of illnesses, accidents and thefts (Aliber, 2001). This pointed out that as the family of most of the entrepreneurs depends highly on income from this business, the insurance policies specifically aimed towards them can also be micro-insurance focused.

In Bangladesh, “insurance” is limited to only a certain proportion of the urban community and almost non-existent within the rural community. This narrow focus of insurance can be attributed to numbers of factors. The first and foremost is the fear of the public of being cheated. People have preconceived ideas about the existing insurance policies and do not welcome the new ideas as much as the company hopes they would. The rules and regulations regarding this sector are very vague and subjective. The companies themselves are afraid of being cheated due to provision of wrong and misleading information regarding claims, opening of fake branches. In addition lack of planning, lack of capital and lack of motivation are three major reasons for which the insurance industry has not had its desirable influence over the country. .

The span of micro-insurance is not only limited to the poor farmers from Bangladesh’s agricultural sector. One of the major applications of micro-insurance can be in the public health sector. Bangladesh is a country where 88% of one’s health expenditure comes from ‘out-of-pocket’ expenditure, 10% from non-profit in-

stitutions serving households and only a mere 0.8% from pre-payment and risk pooling plans (Werner, 2009). This is enough to show why micro-insurance cannot be popular in Bangladesh. All these lead us to our research question: With so high potential in this sector and with so many companies serving the general population, why is the micro-insurance not a common tool used by the households throughout Bangladesh? Is the micro-insurance sector truly effective?

C. Objectives

The broad objective of the study is to find out the effectiveness of micro-insurance in Bangladesh. Specifically the study will look into:

- the level of knowledge of the existing policyholders on the policies that are being offered by the existing micro-insurance companies
- the coverage of micro-insurance within Bangladesh in terms of the assets that are being insured by the existing micro-insurance policies
- the problems faced by the policyholders in the process of insurance claims and settlements
- the problems faced by the policyholders in the process of payment of premiums
- the problems faced by the policyholders in the process of recovering the premiums following the maturity period
- the level of cooperation of the employees of the micro-insurance companies

II. INSURANCE INDUSTRY OF BANGLADESH

The insurance industry in Bangladesh is relatively small. Currently there are 77 insurance companies in Bangladesh (31 Life and 46 General). Of these 75 are private local, 2 public (1 Life and 1 General) and one foreign life insurance company. While the Insurance Act 2010 has been framed with the view to synchronize functions of the existing insurance companies, the regulatory body (IDRA) aims to overlook the industry and protect customer’s interests. The Insurance Act 2010 now recog-

nizes and brings under it other than the normal insurances, Islami insurances and micro insurance businesses. The act is making way for the micro insurance business opportunities in the insurance sector of Bangladesh, which has a great prospect for small and medium enterprises as well as the growing businesses, especially in the rural areas.

A. The Micro Insurance Industry

In 1980, Grameen Bank of Bangladesh started the revolutionary decision of lending money to poor people without collateral security. Inspired by this scheme, a life insurance company – Green Delta of Bangladesh – came forward in 1988 to provide financial security to the poor in the form of micro insurance at a small amount of monthly premium. Following this micro insurance spread among other life insurance companies at a rapid pace. To date, almost every life insurance company in Bangladesh operates at least more than one micro insurance project. In 2010, about two million new policies were sold under micro insurance, compared to a million in ordinary individual life insurance. The total micro insurance premiums in 2010 amounted to approximately half of ordinary and other life premiums.

For the last few years, micro-insurance portfolios of different companies have grown at an average rate of more than 20% per annum (Ali, 2011). This spectacular growth of micro-insurance in such a short period reflects the necessity and acceptability of micro-insurance among the masses in the country. Given that this trend is expected to continue in the years to come, premium income under the micro-insurance portfolio will likely overtake ordinary life premium (Mamun, 2016).

B. Types of Micro Insurance

A number of different types of micro-insurance is available in the market. Most commonly sold micro-insurance are mentioned below:

1. *General Micro Insurance*: This type of micro insurance aims to provide security towards everything other than life of the underprivileged in the economy. As a normal general insurance applies, the micro general insurance provides the same type of security

at a much lower premium. This type of insurance is rare in the micro insurance scenario. Only recently has it been started to be of use by SMEs (Small Medium Enterprises) due to insurance being a condition for micro finance. The insurance is still limited to events of fire.

2. *Micro Life Insurance*: Like normal life insurances, micro life insurances provide security against the policy holder's life. The premiums are lowered to make it available for the lower income group segment of the country. From the survey observations, this type of micro insurance is yet to be popular with the target market.
3. *Microtakaful (Islami Micro Insurance)*: This segment of micro insurance is the type of micro insurance being provided by Islami insurance companies.
4. *Deposit Pension Schemes (DPS)*: This is the most popular micro insurance plan launched by the commercial life insurers. This gained popularity not because of the benefits it provides in relation to its premium rate but mainly because of the familiarity among the common people of a deposit scheme introduced by some of the commercial banks with the same title. The premium rates of DPS is determined usually by dividing the amount of sum assured with the number of premium installments payable during the term of the insurance. At maturity, total amount of premiums paid during the term is payable together with the accrued bonuses. A policyholder, instead of receiving the total amount of premiums at maturity, may exercise the option of pension benefit.

C. Micro Insurance in Public Health

One major prospect of micro insurance is the public health sector. It has been stated that micro-insurance can lower both the ongoing, preventive health cost and also the high catastrophic health cost for families affected by poverty in Bangladesh. The micro-insurance scheme of India has been criticized and it has been stated that that scheme will not apply to Bangladesh. This micro-insurance will reduce the tendency of rural people to turn to minimally-trained village pharmacists or traditional healers. Instead they will seek professional healthcare due to risk pooling. But to achieve all these, the initiatives

must exercise adept level of professional management, product development, management information system and re-insurance.

III. METHODOLOGY

The study made use of both primary and secondary data and pertinent literature review. Forty existing policyholders of different micro-insurance companies were interviewed. In addition micro-insurance policymakers were also interviewed to understand the behavioral pattern of the policyholders and how it affects the policy. The secondary data includes various journal articles and reports on the micro-insurance sector of Bangladesh. This review helps us to understand the key factors that are posing barriers to the effectiveness of the policies.

A combination of non-probability judgmental and snowball sampling was used for sample selection. On the basis of co-ordination schema (Appendix 1) two sets of questionnaires were designed to carry out the survey:

- *Questionnaire for the existing policyholders of micro-insurance policies:* This is the main questionnaire for the research since most of the variables listed in the co-ordination schema are aimed at the existing policyholders of micro-insurance.
- *Questionnaire for the micro-insurance policymakers:* To cross check some of the complex variables and to check for the coverage of micro-insurance, interviews were carried out to some of the companies providing micro-insurance services.

The questionnaires were pre-tested and necessary corrections were made. Using SPSS package different statistical tests were administered. The tests that include: Index analysis, frequency analysis, correlation analysis,

one sample T-Test, etc.

IV. FINDINGS AND ANALYSIS

A. Knowledge of Policyholders regarding Micro-Insurance Aspects

As noted, the total number of insurance companies in Bangladesh is 77 of which 31 provide life insurance. Roughly 60 companies (both life insurance and MFIs) provide micro-insurance facilities (Khan, 2013). Majority of the respondents are policyholders of “micro life insurance”. The study noted that the most of the respondents (83%) do not have the appropriate knowledge regarding the number of companies currently in the industry (Table 1). Regarding the respondents’ idea about the other insurance offers of the company he/she is a policyholder showed that only 22.5% of the respondents are knowledgeable regarding other programs of the same insurance company. The study showed that 60% of the respondents have good understanding of the micro-insurance policy that he/she has taken. Regarding reason for choosing the micro-insurance policy shows that 70% of the respondents are aware of the repercussions of the policy. But quite a few (30%) adopted the policy being influenced by the words of another person or party.

B. Claims of Micro-Insurance

In the Insurance industry claims settlement is a major hurdle for the policyholders. The first stage of the claim process in micro insurance is to validate the claim of the policyholder by performing a thorough background check via independent third party. The study noted that 7 (17.5%) of the sample policy holders (40) actually

Table 1. Respondents’ knowledge regarding different aspects of the policy

	Knowledge	Aware	Unaware
	Knowledge regarding number of companies	17%	83%
	Knowledge regarding the chosen micro-insurance policy	24 (60%)	16 (40%)
	Knowledge regarding other programs of company	9 (22.5%)	31 (77.5%)
	Knowledge regarding the reason for choosing the micro-insurance policy	28 (70%)	12 (30%)

made a claim in the tenure of their policy, while 82.5% policyholders have never applied for an insurance claim. The policyholders of micro-insurance perceive that the background check on claims is quite thorough (Mean Index = 0.78) in a scale of +2 (Highly thorough) to - 2 (Highly careless) as noted from the responses.

Regarding acceptance rate of the claim the study noted about 71.4% (5 out of 7) of the respondents have experienced acceptance of their claim. The reasons for denial of the claims are mainly due to policy immaturity and policy nullification due non-payment of the premiums. The policyholders perceive that the acceptance rate of the claims is moderate (Mean Index = 0.48) in a scale of +2 (Very highly) to - 2 (Very low) as found from the responses.

The time taken for the companies to pay off the premium varies from 1-3 months with an average of 2 months. The policyholders' satisfaction is tested with the time taken for the company to evaluate, respond, and provide the claimed amount. It is observed that the policyholders are satisfied (1.00) with time taken for claim evaluation and response. The study also finds out that the respondents' satisfaction regarding amount they receive after a claim is made is not so strong (0.40).

C. Collection and Recovery of Premium

From the research, it is found out that the micro-insurance policyholders usually pay the premiums through three major ways: 1) *company offices*, 2) *company agents*, 3) *bank accounts*. The study noted that (Table 2) most of the payments are made through company office (37.5%) and company agents (40%). There are few (15%) who makes the payment through banks (15%), any of the three (2.5%) or other unique ways (5%). Hence we can conclude that there are a number of methods of premium

Table 2. Different medium of premium payment

Medium	Frequency	Percentage
Through office	15	37.5%
Through agents	16	40%
Through bank accounts	6	15%
All of the three mentioned above	1	2.5%
Other methods	2	5%
Total	40	100%

payment from different geographical locations of Bangladesh.

The study made two different considerations from the policyholders' perspective regarding premium payment. These are: 1) the policyholders' occupation, 2) the policyholders' expense patterns. The study noted that the premium collection process do not strongly consider the occupation of the policyholders (0.40) neither their expense patterns (0.35). The finding is strongly supported by the high correlation coefficient between these two variables ($r = 0.884$) found in the study.

Regarding incidence of fraud in micro-insurance companies 83% of the respondents have shown their concern, whereas 17.5% of the respondents are found direct victims of fraudulent activities. The typical fraudulent activities include: 1) fraud agents (32%), 2) fraud companies (36%) and 3) fraud paperwork (5%). The respondents seemed to have a generic negative perception of the companies when it came to effective handling of the frauds cases. According to the policyholders, the companies do not deal with frauds effectively (Mean Index = - 0.16), though, at a significance level of 5%, it cannot be concluded that the companies do not deal with frauds effectively.

From the managerial interviews it is found out that the time of payment of all the aggregated amount of the premium usually took two months from the completion of the necessary paperwork subsequent to the maturity of the insurance. But the study noted that the actual time of recovery of premium is a little over 4 months (4.11 months).

The policyholders were asked to mention how satisfied they were on the amount of premium recovered following the maturity of the policies. The results showed that the policyholders are somehow satisfied (Mean Index = 0.16) regarding the amount of premium recovered after maturity. At a significance level of 5 percent, the claim that the policyholders are satisfied with the amount of premium that they are recovering after the maturity cannot be accepted.

D. Employee Involvement in Micro-Insurance Operation

1. Employee behavior

Regarding behavior pattern of micro company in-

insurance employees it is found that about 10% of the respondents have experienced instances of misbehavior by employees/agents of the insurance companies. The perception of policyholders regarding the behavior of employees of the insurance firms supports above findings. The study observed that the respondents have a satisfactory perception towards the behavior of employees (Mean Index = 1.08).

2. Amount charged by agents

Regarding commission of agents the respondents think that it should not be more than 11.5%, which is a little less than the industry standard of 15%. This implies that according to the respondents the agents are paid more commission than they deserve.

3. Unrecorded payments

In the insurance industry, unrecorded payments can be held as the precursor for attempts at fraudulent activities. In this section we test whether the respondents have ever faced instances of unrecorded payment. The study noted that about 18% of the respondents have faced instances of unrecorded payment. This means that there are chances that these respondents are on the stepping stone of an attempt of fraudulent activity.

4. Knowledge of employees

This section of the findings understands the findings regarding knowledge of the employees. The study found that the respondents judge the employees to be knowledgeable (Mean Index = 1.16) and effective. The study further noted that a good percentage of the employees (25%) failed to explain the queries of the respondents.

5. Visits by agents

In this section we test whether the frequency of visit made by agents is high or low for those policyholders who have to pay the premiums via agents. The study noted that a significantly large proportion of policyholders (87%) believe that agents make regular visits. This also proves that the companies are serious about premium collection and utilize their employees effectively for this purpose.

E. Coverage of Micro-Insurance

The study tried to find out whether micro insurance is able to cover most of the insurance needs of the people of Bangladesh. The Table 3 shows the perception of the respondents regarding the different items needs to be insured and the items they have already insured. From the table we can see that the most common item they have insured is the life insurance. Most people use micro insurance schemes for having the security of life. Fifteen (15) respondents out of 40 have micro life insurances. Security against housing, vehicles, hospitalization, retirement savings plans, and weather take a back seat when it comes to micro insurance. Very little people have made micro insurance against these items. On the other hand items like cultivation, pest attacks and diseases, livestock, primary health care, maternity do not even appear in the picture. Due to the sample frame and lack of awareness amongst the consumer market, micro insurances are not taken against these items.

However out of these items hospital, primary health care, retirement plan and maternity seem to have a potential demand in the market. Micro insurance companies need to educate its consumer market and accommodate such flexible or varied micro insurance schemes. In terms of effectiveness, we may safely claim that micro life insurance is being certainly effective looking at the number of people who have insured their life by a micro insurance plan.

Table 3. Different items need to be insured, are already insured

Items	Items that need to be insured first (f)	Items that are insured (f)
Hospitalization	5	3
Primary health care	5	-
Maternity	3	-
Life Insurance	4	15
Retirement savings plans	5	1
Against weather	4	1
Against rising cost of cultivation	-	-
Against pest attacks and diseases	1	-
Livestock	-	-
Housing	3	1
Vehicles	7	1
Total	37	22

However in terms of the other items in the table, micro insurance has a long way to go.

V. SUMMARY, FINDINGS AND CONCLUSION

Micro-insurance can't be said to be a stand-alone industry in the insurance sector of Bangladesh. The reason of buying the insurance plan revolves around factors such as family security and future planning. In order to measure the effectiveness of micro insurance 5 parameters divided into 16 complex variables, and 44 simple variables are considered. Each simple variable's effectiveness perceived by the policyholders has been measured in order to measure the effectiveness of the industry. The first parameter that has been tested is "knowledge of the policyholders regarding micro-finance aspects" and it seems to be not very effective by 4 different tests. The parameter deals with knowledge on the companies and the policy being used by the policyholder as complex variables.

The second parameter, "the micro-insurance claims settlement" is tested with 5 different statistical tests and is found highly effective in the insurance industry of Bangladesh. With complex variables *acceptance of claim, amount of claim, and time required for claim settlement*, respondents gave us a holistic idea of the claim scenario in the micro insurance industry. The third parameter "collection and recovery of micro-insurance premium" is tested with a total of 6 statistical tools and was found to be non-effective in the micro-insurance industry. Starting from the method of collection, timing and frequency of collection, fraudulent activities during collection, and recovery of premium, showed in details as how this segment of the micro insurance industry is lacking behind in terms of effectiveness.

The fourth parameter, "employee involvement in micro-insurance operation" was tested with 7 statistical tools and found to be marginally effective. The complex variables taken into consideration while dealing with this parameter include the perception of the policyholders on the behavior of the micro-insurance employees, *amount charged by agents*, any sort of misbehavior, instances of unrecorded payments, etc. The fifth and final parameter, "the coverage of micro-insurance" deals with the variety

of insurance schemes available in the micro insurance industry is found highly ineffective. This basically means that there is a gap between the demand of the policyholders of micro-insurance in Bangladesh and the policies provided by the insurance companies in this industry.

Overall it can be said that the micro-insurance sector of Bangladesh is not very effective. Thus, for sustenance and further growth, the micro-insurance in Bangladesh needs to be improved in certain areas for stakeholders' trust building, reliance and conviction.

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Appendix 1: Coordination Schema

Parameters	Complex Variables	Simple Variables	Values	
Knowledge of policyholders	Knowledge on companies	Number of companies providing similar programs	Explanatory	
		Types of programs available	Yes / No	
	Knowledge on particular insured policy	Understanding of the policy undertaken	Yes / No	
		Rationale behind choosing the policy	Explanatory	
Insurance claim	Acceptance criteria of claim	Acceptance rate of claim	Checklist of ranged percentages	
		Extent of background check done on the claim	Likert scale	
		Reasons for denial of a claim	Checklist	
		Handling of challenges to the denial of a claim	Likert scale	
Insurance claim	Amount of claim	Judgment criteria to determine amount	Explanatory	
		Satisfaction level on the received amount	Likert scale	
	Time of claim	Time taken to evaluate claim and respond	Checklist of ranged time limit	
		Time taken to pay the claim if acceptance criteria is met	Checklist of ranged time limit	
		Satisfaction level on the time of claim	Likert scale	
Insurance premium collection and recovery	Medium of premium collection	Through office	Checklist	
		Through agents		
		Through mobile		
		Through bank accounts		
	Timing and frequency of premium collection	Consideration of policyholders' job	Likert scale	
		Consideration of policyholders' expenses	Likert scale	
	Recovery of premium	Fraud during premium collection	Instances of fraud	Yes / No
			Types of fraud	Checklist of items
Effectiveness in handling the fraud			Likert scale	
		Time of recovery of premium	Checklist of ranged time	
Satisfaction level on the amount of recovered premium	Likert scale			
Agents of micro-insurance companies	Behavior of agents	Instances of misbehavior	Yes / No	
		Types of misbehavior	Checklist	
		Perception on the behavior of agents	Likert scale	
	Money charged by the agents	Perceived right amount	Checklist	
		Instances of unrecorded money	Yes / No	
	Quality of agents	Perception on knowledge of agents	Likert scale	
		Instances when an agent failed to answer a question	Yes / No	
		Regularity of agents	Yes / No	
Coverage of micro-insurance in terms of assets	Health care	Hospitalization	Checklist of items	
		Primary health care		
		Maternity		
	Life	Life Insurance		
		Retirement savings plans		
	Crop	Against weather		
		Against rising cost of cultivation		
		Against pest attacks and diseases		
	Property	Against fire	Checklist of items	
		Livestock		
		Housing		
		Vehicles (rickshaws for example)		