

Introduction

The Microinsurance Network (for its Consumer Protection Task Force) wishes to appoint a consultant to generate a paper defining the position to be adopted by the Consumer Protection Task Force and the Microinsurance Network regarding the necessity and scope of adjustments of consumer protection principles at global level so as to make them fit for the insurance challenges. If necessary, the paper should also propose any additional instruments or guidance that are required to effectively orient financial inclusion stakeholders at global level to the unique aspects of insurance.

The tasks and outputs of the consultant and a profile are set out in this document. Interested parties should submit a brief letter (maximum 4 pages) to the Microinsurance Network, including:

- brief description of their understanding of the project;
- key qualifications and capabilities to undertake the project;
- curriculum vitae of the consultant(s);
- table listing tasks and relevant deadlines and estimated working days; and
- Confirmation of availability to undertake the work by beginning of February 2015 and deliver the final paper and presentation by May 8, 2015.

Completed proposals should be submitted electronically to Manoj Pandey at mpandey@microinsurancenet.org no later than January 23, 2015. The evaluation and selection of submitted proposals will be done by February 6, 2015. Consultants will be contracted by the Microinsurance Network, which will also manage and administer the project.

The work is expected to be undertaken by May 8, 2015. Due to the nature of this consultancy, we will not be accepting more than one consultant for the task at hand.

Please direct any queries regarding this ToR to Manoj Pandey at mpandey@microinsurancenet.org.

About the Microinsurance Network

The Microinsurance Network (the Network) was originally established in 2002 as the CGAP Working Group on Microinsurance when sixteen experts and representatives from donor organisations saw the need for setting up an exchange and learning platform to ensure that the then new concept of microinsurance fulfils its potential. Since then, the Network has evolved as the knowledge platform for the donor and international organisations, NGOs and the insurance industry in the area of insurance for the low-income. It also works with and for a wide range of public and private stakeholders, among them universities and supervisory authorities.

The mission of the Network is to promote the development and delivery of effective insurance services for low-income people by encouraging shared learning, facilitating knowledge generation and dissemination, and providing a global multi-stakeholder platform. It believes that improved access to effective risk management tools will allow people to become more resilient and less vulnerable to daily and catastrophic risks. The strategic framework of the Network addresses the key challenges that microinsurance needs to overcome if it wants to be of value for low-income people around the world: increasing supply, improving client value, enhancing conducive environments, enabling infrastructures, and offering a performing and sustainable network of stakeholders. As of today, the Network has grown to have 72 institutional members representing over 240 experts worldwide in a dozen different working and discussion groups.

The Consumer Protection Task Force, established in 2010, contributes to the effective implementation of consumer protection in microinsurance by all stakeholders through consolidation and dissemination of experience and provision of guidance on good practice. The objectives of the task force are to:

- Provide a well-founded knowledge base on consumer protection in inclusive insurance;
- Provide guidance for responsible inclusive insurance for different stakeholders; and
- Support the endorsement of principles and guidance, and their implementation.

Scope of Work

1. Project Background

There are a number of international initiatives and institutions working within the realm of financial inclusion that have issued guidance or principles regarding consumer protection. These international principles and guidelines may or may not effectively address the unique challenges of insurance. In order to leverage existing consumer protection work at a global level as well as address the distinct issues relating to insurance, the Microinsurance Network Consumer Protection Task Force seeks to review and assess existing consumer protection principles, such as those provided by the Smart Campaign, OECD, World Bank, UN, GPFI, and others, to identify whether any of these need to or can be adjusted to fully and effectively cover inclusive insurance. A further step is then to define the extent and scope of necessary adaptations.

2. Objective

Objective: Develop a position on consumer protection principles and/or guidance for inclusive insurance which:

- Creates transparency and understanding of international principles and guidance for financial inclusion with regards to inclusive insurance, and
- Defines the extent and scope of necessary adaptations or additions to existing international principles and guidance for financial inclusion to fully and effectively cover insurance.

Questions to be addressed by the position paper include:

- Is there a need for additional consumer protection principles and / or relevant guidance for inclusive insurance?
- Can some of the existing principles be adapted to cover insurance questions?
- If yes, then what and for which target groups?
- What is the Task Force's position regarding consumer principles / guidance?

3. Methodology:

Inventory (3 days) Conduct research of existing consumer protection agendas and documents to update and expand upon the existing inventory (conducted in 2013) of relevant international principles / guidance and how they include insurance both in financial inclusion and in consumer protection. (E.g. what are the gaps and applications relating to insurance of current guidance provided by organizations such as GPFI, OECD, RFF, Smart Campaign, IAIS, ISO, Consumer International, and others?)

Identification of topics (5 days) Based on the inventory, identify topics that need to be adjusted or covered in consumer protection principles / guidance in order to adequately address inclusive insurance.

Recommendation for format / next steps (5 days) Develop a recommendation for either separate consumer protection principles or guidance document or the arguments for not having separate principles but integrating adaptations into existing principles / guidance. Specify the stakeholders with whom to work, and the audience that will be reached. The paper should provide clear ways for the Task Force to contribute at a global level to the process of developing international principles and guidance for financial inclusion.

The previous three components should be compiled into a concise position paper for review by the Consumer Protection Task Force.

4. Deliverables & Timeline

- February 6, 2015: Selection of consultant
- March 6, 2015: 2-page Word document overview summarizing initial research and providing an outline for the position paper
- April 6, 2015: submission of first draft, for review by the Consumer Protection Task Force
- May 8, 2015: final position paper (Word document) with a PowerPoint presentation of key findings.

Consultant Profile – Evaluation Criteria & Qualifications

The preparation of the document will be entrusted to the consultant providing a maximum of 13 work days. The terms of the contract prohibit the reimbursement of overhead costs. No travel is anticipated (final presentation to Network board can be done virtually).

Evaluation Criteria / Required qualifications:

- Demonstrated knowledge of and technical capability in consumer protection, development economics and insurance.

- Understanding of the global financial inclusion agenda and discussion about existing principles for the donor community, for policymakers or for the industry, in the broader field of financial inclusion and the insurance sphere in particular
- Profound technical knowledge in at least one of the two areas:
 1. Regulation, policy and supervision of insurance
 2. Insurance Industry:
 - (a) Insurance product areas, life and non-life including agriculture, and health insurance products.
 - (b) Insurance process, from education and marketing, sales (agency and brokerage), underwriting and technical aspects (pricing, reserving, role of the actuary and other professionals, financial management), claims processes, customer service.
- Excellent communication skills with the ability to discuss complex policy issues in writing in English and the ability to deal with a wide range of people, from supervisors and other government officials, industry and insurance customers.
- Working experience in the field of the financial inclusion in developing countries.
- Ability to mobilize on a short notice and to deliver high quality finished products under tight deadlines.

Appendix:

Background readings:

- CGAP (2012) Financial Inclusion and the linkages to stability, integrity and protection: insights from the South African experience.
(<http://www.cgap.org/publications/financial-inclusion-linkages-stability-integrity-and-protection>)
- Gibson (2011) Case Study: Strengthening Consumer Protection in the South African Microinsurance Market.
(http://www.microinsurancenetwerk.org/fileFinMark_Trust_SA_Case_Study_on_Con_s_Prot_in_MI_31_10_11.pdf?PHPSESSID=432061088f6260b77531a906dffa94b8)
- International Association of Insurance Supervisors (IAIS) (2012). Application Paper on Regulation and Supervision Supporting Inclusive Insurance Markets.
(http://www.iaisweb.org/view/element_href.cfm?src=1/16664.pdf)
- Magnoni, Zimmerman and Camargo (2013): “Pure” Intentions and Practice: Challenges and Good Practices in Consumer Protection in Microinsurance.
(http://www.microinsurancenetwerk.org/publication/fichier/MiN_BMZ_Consumer_Protection_Final.pdf)
- Wiedmaier-Pfister, Voss (2012): Discussion Paper Consumer Protection in Microinsurance BMZ/ MIN (<http://star-www.giz.de/fetch/4Q0o44X0001F0g6aN9/giz2013-0411en-microinsurance.pdf>)