



## CONDENSED MILK #13

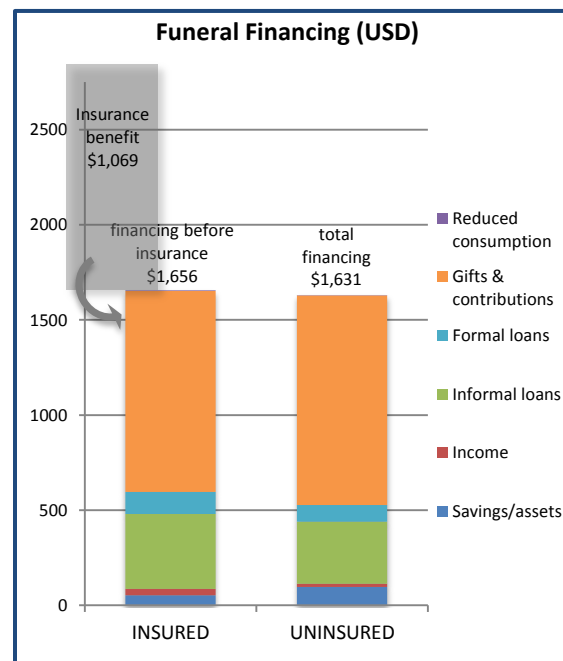
### “Doing the Math” with Funeral and Life Microinsurance in the Philippines

#### Studying MicroEnsure’s funeral and life insurance in Iloilo

MILK partnered with microinsurance intermediary MicroEnsure to study the value of a life and funeral insurance product offered to clients of the microfinance institution TSKI in the Philippines. The product is mandatory for TSKI borrowers and provides a funeral assistance benefit and a life benefit, both in cash, the bulk of which is paid several months after the death. We interviewed insured and uninsured families who had suffered the recent death of a family member, exploring the role of insurance in financing funeral costs and adapting to the ongoing financial consequences of the death.

#### What did we learn?

- ⇒ In the Philippines, contributions from friends and family are a primary coping mechanism for funeral expenses. In our study, gifts from friends and family were substantial, but not sufficient to cover the total funeral costs. However, loans from friends and family made up for much of the remaining needs.
- ⇒ The funeral coverage for insured beneficiaries was somewhat redundant given the support of friends and family. However, delays in paying these claims may have limited social pressure to spend more on the funeral.
- ⇒ The bulk of the benefit was used to pay off funeral-related borrowing, but substantial portions also went towards productive investments and replacing the deceased’s lost income.
- ⇒ Due to the product’s structure, benefits varied widely. Those who received the largest payouts (husbands of TSKI clients) were not always those with the greatest need (women who lost husbands and on average suffered greater lost income).
- ⇒ Insured families spent USD 373 more on funerals than uninsured. This suggests a possible “bigger box” effect: the insurance may have led the insured to spend more, though there are also several other credible explanations for this difference.



The full publication for this study is available on MILK’s website

**MILK Brief #13: “Doing the Math” with Funeral and Life Microinsurance in the Philippines**

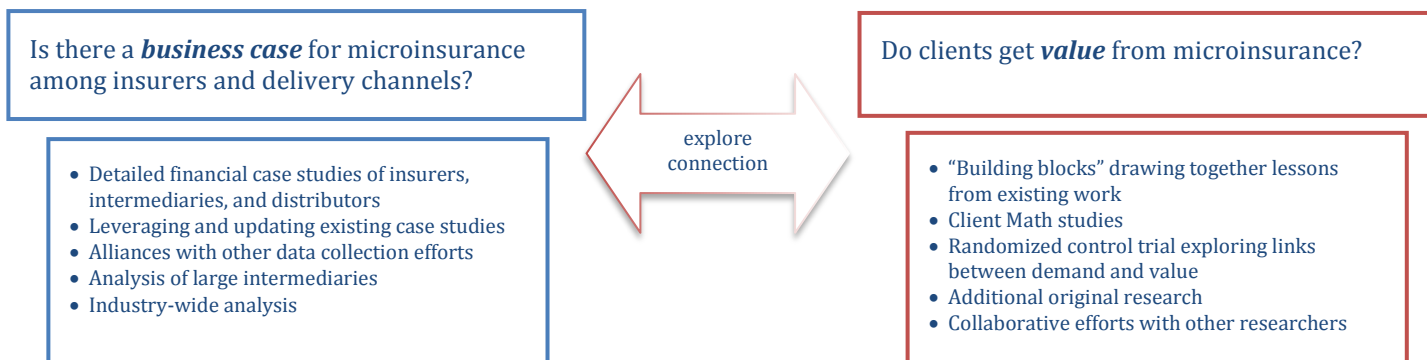
Barbara Magnoni, Derek Poulton, Emily Zimmerman & Birgit Schubert

<http://www.microinsurancecentre.org/milk-project>

This Client Math study was conducted by the MILK Project



**Microinsurance Learning and Knowledge (MILK) is an initiative of the MicroInsurance Centre that is working to gain insight into two questions:**



## MILK Publications

Available on the MILK website at <http://www.microinsurancecentre.org/milk-project/milk-docs.html>

### MILK Briefs

- MILK Brief #1: What is MILK?
- MILK Brief #2: Client Value Landscape Study
- MILK Brief #3: Business Case Landscape Study
- MILK Brief #4: What We Know About the Financial Value of Microinsurance for Poor Clients: A Snapshot
- MILK Brief #5: Changing Role of Family Networks in Coping with Risk
- MILK Brief #6: Research Design for Measuring the Client Value of Microinsurance
- MILK Brief #7: A Microinsurance Puzzle: How do Demand Factors link to Client Value?
- MILK Brief #8: "Doing the Math" - Cashless Funeral Microinsurance in Colombia
- MILK Brief #9: What is "Client Math"?
- MILK Brief #10: "Doing the Math" with Property Insurance in Ghana
- MILK Brief #11: Doing the Math: Health Microinsurance in Maharashtra, India
- MILK Brief #12: "Doing the Math" in Karnataka, India
- MILK Brief #13: "Doing the Math" - Funeral and Life Microinsurance in the Philippines
- MILK Brief #14: The Business Case for Life Microinsurance in the Philippines: Initial Findings

### Literature Reviews

- Is There a Business Case for Microinsurance? A review of recent literature
- Do Clients Get Value from Microinsurance? A systematic review of recent and current research

### Discussion Notes

- MILK Discussion Note #1: Doing the Math: Can Delayed Payment of Claims Erode the Value of Life Microinsurance?
- MILK Discussion Note #2: Are Existing Health Financing Mechanisms Sufficient for Poor Women in Guatemala?
- MILK Discussion Note #3: Counting Lives Covered: Getting it Right

### Coming Soon!

- Protecting those Left Behind: An Experimental Study of Life Microinsurance Purchase Decisions of Compartamos Banco's Borrowers in Mexico
- "Doing the Math" with Catastrophe Insurance in Haiti
- "Doing the Math" with Life Microinsurance in Mexico
- "Doing the Math" with Calamity Microinsurance in the Philippines
- "Doing the Math" with Property Microinsurance in Coastal Colombia
- Multinational Microinsurance-only Intermediaries: Is there a business case?
- Agricultural microinsurance: High potential but low demand