



CONDENSED MILK #8

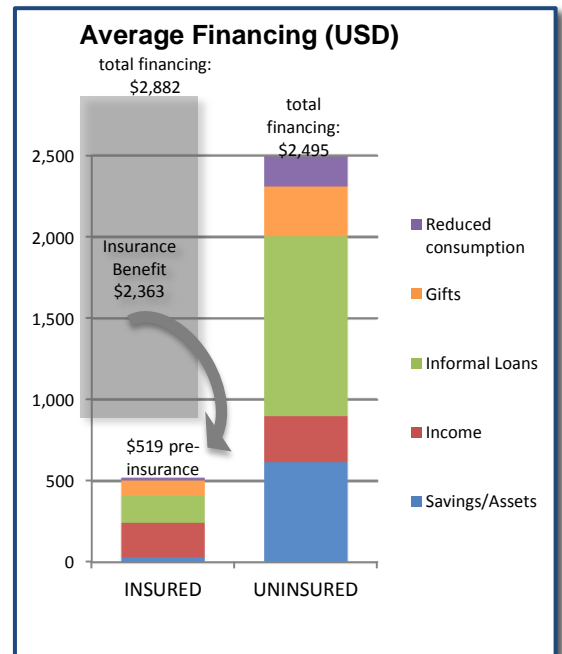
“Doing the Math” with Funeral Microinsurance in Colombia

Studying MAPFRE’s CODENSA funeral insurance

MILK partnered with MAPFRE Colombia to study the role a funeral insurance policy can play in coping with the financial consequences of a family member’s death. The “Seguro Exequial” product provides a standard funeral package through one of several affiliated funeral homes, as well as the support of a family assistant to help organize the funeral. We interviewed family members of insured and uninsured people who had recently died to gain insight into what the costs associated with the shock were, how they were financed, and the role that the insurance product played.

What did we learn?

- ⇒ Insurance covered most of the families’ financing needs.
- ⇒ Insured families used relatively few financing strategies to cover the cost of the funeral, and they did not rely heavily on the most burdensome strategies, such as reducing consumption or depleting savings.
- ⇒ The cashless component of the product reduced pressure to raise funds quickly to cover immediate expenses when the death occurred.
- ⇒ While most uninsured families were able to cover the full cost of the funeral, doing so compromised their ongoing financial wellbeing. These families turned to burdensome strategies such as drawing down savings and reducing consumption.
- ⇒ The uninsured were also often forced to “churn” through various short-term loans and other responses.
- ⇒ The support of a family assistant added value by reducing days of missed work to plan the funeral and by making the process of planning and paying for the funeral more seamless.



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

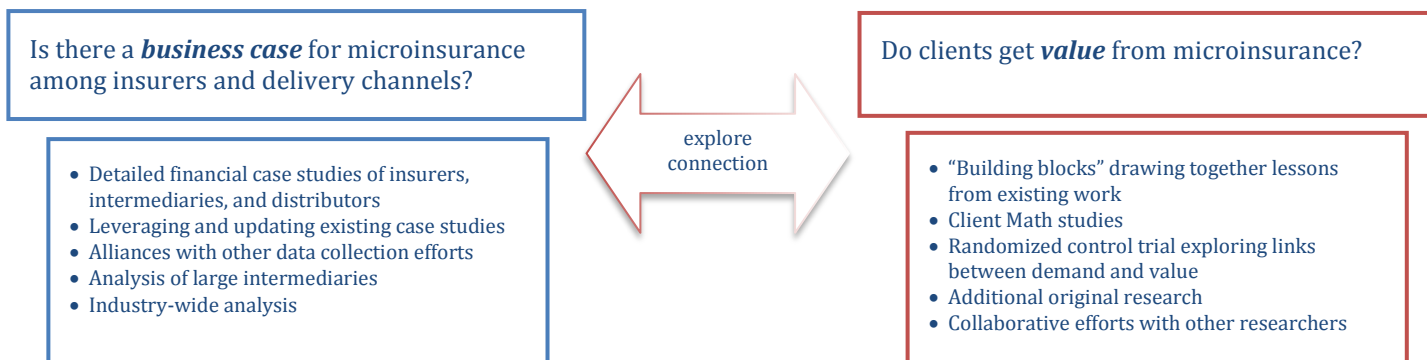
MILK Brief #8: Doing the Math - Cashless Funeral Microinsurance in Colombia

Barbara Magnoni & Derek Poulton

<http://www.microinsurancecentre.org/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