

# Strategies for Sustainability

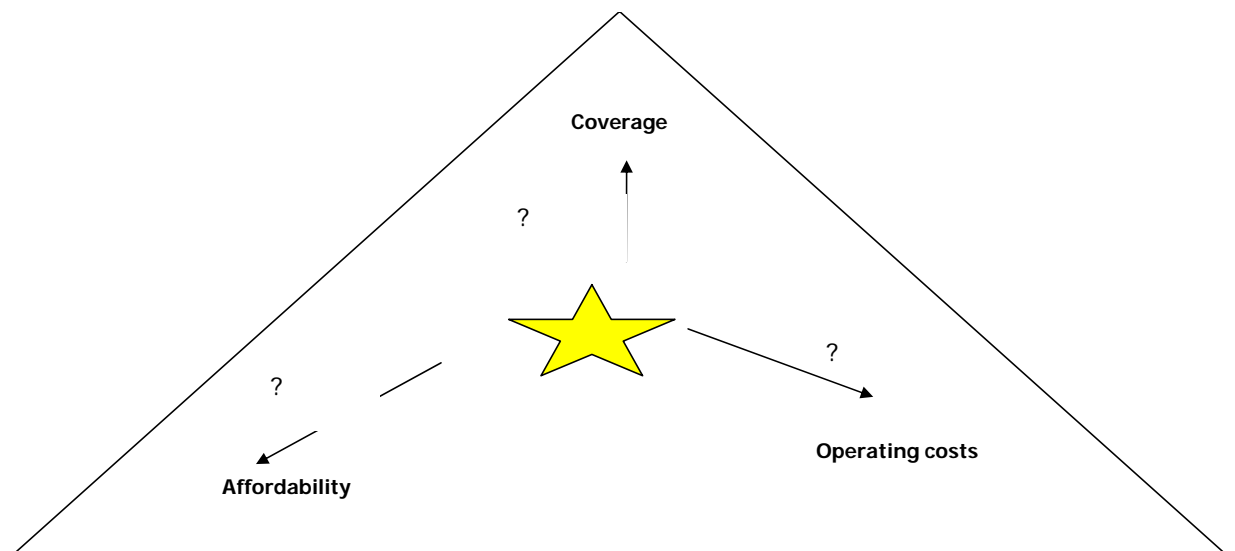
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## Striking a balance

Figure 1. Striking a balance: the microinsurance challenge





# Principal strategies

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1. Limit benefits
2. Focus on efficiency
3. Diversify income sources
4. Good management



## 1. Limit benefits

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- Start with credit life
- Cap benefits
- Target benefits
- Focus on big ticket items



## 2. Focus on efficiency

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- Provide member benefits
- Use low cost premium payment methods
- Rely on inexpensive distribution systems
- Control costs
- Buy benefits in bulk



## 3. Diversify income source

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- Cross-subsidize/augment from other products or markets
- Use an endowment fund to subsidize product/operations
- Access government subsidies



## 4. Good management

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- Disciplined organization
- Bench mark
- Own the risk