AAC MIS

The Americas Association of
Cooperative/Mutual Insurance Societies

USAID Semi Annual Report
For period of June 1 – December 31, 2005
Cooperative Agreement AFP-A-00-00036-00

Cooperative Insurance: Mitigating the Socio-economic Impact of HIV/AIDS and Poverty in the Americas

8201 Greensboro Drive, Suite 300 • McLean, Virginia 22102 • USA
telephone: +1 703 245-8077 • fax: +1 703 610-9005 • e-mail: info@aacmis.org •
www.aacmis.org

AAC/MIS Cooperative Agreement AFP-A-00-04-00036-00
Period: June 1 – December 31, 2005
Cooperative Insurance: Mitigating the Socio-Economic Impact of HIV/AIDS and Poverty in the Americas

TABLE OF CONTENTS

PROGRAM A: COOP-SEGUROS/DOMINICAN REPUBLIC PROJECTS **4**

COMPONENT A1: THE PROGRAM OF SOCIAL RESPONSIBILITY FOR THE PREVENTION OF HIV/AIDS **4**

MODULE DEVELOPMENT 4
TRAIN THE TRAINER ACTIVITIES 5
COOPERATIVE EDUCATIONAL ACTIVITIES 6
MEDI-COOP *6*
COOPROHARINA *6*
World AIDS Day Activities *7*
New Cooperatives Involvement *7*
DISSEMINATION 7
ANALYSIS 7

COMPONENT A.2: COOPERATIVE FINANCIAL PREPAREDNESS **8**

COOPERATIVE FINANCIAL INFORMATION DATABASE 8
FINANCIAL DISCIPLINE SOFTWARE 9
COOPERATIVE RISK EVALUATION 9
The National Teachers Multiple Service Cooperative (COOPNAMA) *9*
La Telefónica Multipurpose Cooperative *11*
COOPCIBAO Cooperative *12*
COOPERATIVE FOUNDATION DEVELOPMENT 13
ANALYSIS 13

COMPONENT A3: INCLUSION OF CATASTROPHIC ILLNESSES (INCLUDING HIV/AIDS) IN INSURANCE POLICIES **14**

INSURANCE PRODUCT DEVELOPMENT 14
Accelerated Benefit HIV 70% *14*
Prestamos Más (Loans Plus) *16*
PREMIUM DISCOUNT FOR PARTICIPANTS IN HIV/AIDS PREVENTION EDUCATION 16
ANALYSIS 17

COMPONENT A4: GOVERNANCE AND MANAGEMENT RE-ENGINEERING **19**

STRATEGIC PLAN REVISION 19
ORGANIZATIONAL STRUCTURE 20
HUMAN RESOURCES DOCUMENTATION 20
RE-ENGINEERING 20
Premium Collections *20*
Claims Processing *21*
BOARD POLICY MANUAL DEVELOPMENT 21
GENERAL MANAGER MENTORING 21
General Manager's Report to Board of Directors *21*
ANALYSIS 22

PROGRAM B: LA EQUIDAD/COLOMBIA PROJECT **23**

ALLIANCE PARTNERSHIP DEVELOPMENT 23
Pilot Project with Corporación Mundial de la Mujer Bogotá 23
Alliance with Corporación Mundial de la Mujer Medellín 24
Alliance with Fundación Mundo Mujer - Popayán 24
Alliance with Corporación Mundial de la Mujer Bucaramanga 25
OTHER ALLIANCE DEVELOPMENT 25
Microfinance Alliance Outreach 25
Agreements to offer microinsurance to cooperatives and other organizations 26
ANALYSIS 27

PROGRAM C: LA CENTRAL DE COOPERATIVAS DE AHORRO Y CRÉDITO FINANCIERAS DE NICARAGUA 27

SOFTWARE DEVELOPMENT 28
BENEFIT PLAN BROCHURE 28
BENEFIT PLAN EDUCATION/PROMOTION 28
OFFERING INSURANCE OPTIONS WITH LOANS 28
FEASIBILITY STUDY FOR POTENTIAL INSURANCE COMPANY FORMATION 29
MICROFINANCE WORKSHOP 29
RESULTS 29
ANALYSIS 32

PROGRAM D: ORGANIZATIONAL CULTURE STRENGTHENING 33

COOP-SEGUROS, DOMINICAN REPUBLIC 33
EQUIDAD COMPAÑÍA DE SEGUROS, HONDURAS 34
SEGUROS FUTURO, EL SALVADOR 34
ANALYSIS 35

PROGRAM E: DISSEMINATION 35

WORLD BANK VIDEO CONFERENCE PRESENTATION 35
2005 MICROINSURANCE CONFERENCE, MUNICH, GERMANY 35
INTERNATIONAL DEVELOPMENT PRACTITIONER FORUM 36
AAC/MIS ANNUAL CONFERENCE SESSION 37

PROGRAM F: ENABLING ENVIRONMENT FOR COOPERATIVE LAW 37

OTHER DEVELOPMENTS 38

FIELD SUPPORT LEADER WITH ASSOCIATE AWARD 38

LIST OF ATTACHMENTS 39

USAID Semi Annual Report
AAC/MIS Cooperative Agreement AFP-A-00-04-00036-00
Period: June 1 – December 31, 2005
Cooperative Insurance: Mitigating the Socio-Economic Impact of HIV/AIDS and Poverty in the Americas

PROGRAM A: Coop-Seguros/Dominican Republic Projects

Component A1: The Program of Social Responsibility for the Prevention of HIV/AIDS

HIV/AIDS Prevention Education Activities: Between June and December 2005, a total of 11,340 persons from the Coop-Seguros cooperative network participated in 18 activities focusing on three target audiences: youth, cooperative members and directors, and the workplace. To date, a total of 14,098 people have been reached with HIV/AIDS education and information through this program. Highlights during the reporting period include the following:

Module Development

Because of widespread misinformation and lack of awareness about the impact of HIV/AIDS in the Dominican Republic, there was a need to create standardized and up to date educational materials designed especially for cooperatives to use in their HIV/AIDS educational programs. It was important that these materials were based on latest research and information available, so Dr. Maria Castillo, project manager of USAID-Dominican Republic's Health and Population Team, was consulted throughout the process. Coop-Seguros developed two basic modules in a colorful pamphlet format:

- Module I (see Attachment 1) serves as a basic primer on HIV/AIDS information and issues. The cover highlights official program logo (red ribbon with cooperative logo against the map of the Dominican Republic) and the official slogan "Understanding is not enough … we are all part of the solution!). The module begins by providing basic information and definitions of HIV and its relation to AIDS, how HIV transmission can be avoided (i.e. sexual abstinence, mutual fidelity of couples, condom use, avoiding sharing of needles or contact with contaminated blood, etc); and how the HIV virus is not transmitted (i.e. through casual contact, shaking hands, sharing utensils, swimming pools, mosquito bites, via perspiration, tears or saliva, etc). The main causes of VIH infection are also explained (i.e., vertical transmission from mother to child through pregnancy, childbirth or nursing; sharing needles, contact with contaminated blood, and unprotected sexual relations). The module then describes the Coop-Seguros Program of Social Responsibility for the Prevention of HIV/AIDS and how it relates to cooperative members through member education prevention and promoting HIV/AIDS anti-discrimination and anti-stigma workplace policies. A brief summary of the official HIV/AIDS workplace policy adopted by participating cooperatives is given, along with an overview of the catastrophic illness insurance policies being developed with HIV/AIDS benefits. The module also includes a brief seven question "test" which can be

used during educational sessions to ensure that key concepts are understood by target audiences (i.e., methods of HIV/AIDS prevention; how HIV is transmitted, awareness of stigma/discrimination, etc). A list of participating cooperatives and program contact information are also included.

- Module II (see Attachment 2) provides more in-depth information regarding issues related to HIV/AIDS transmission as well as discrimination/stigma awareness. The first section focuses on sexually transmitted diseases (STDs) including HIV and other STDs which can also be carriers of the HIV virus. Brief descriptions the most frequent types of STDs are provided (i.e., HIV, syphilis, gonorrhea, genital herpes, hepatitis B and C, and others). The next section explains which STDs currently have no cure (i.e., AIDS, genital herpes, hepatitis B & C, etc) and which do have cures (i.e., gonorrhea, syphilis, etc) as well as the typical symptoms of STDs in a man and a woman. The materials include recommendations for avoiding sexually transmitted diseases, including abstinence, mutual fidelity, safe sex practices, condom use, avoidance of excessive alcohol or drugs, etc. The second section addresses HIV/AIDS stigma and discrimination issues. The section begins with explanations of stigma and how it is expressed, and when actual discrimination occurs, as well as the negative consequences and implications. It suggests several ways to avoid stigma and discrimination, such as recognizing the reality of HIV/AIDS in today's society; increasing education about HIV/AIDS in the community; clarifying myths and taboos about HIV/AIDS, developing attitudes of understanding and solidarity with infected persons; living with HIV/AIDS and application of Law 55-93 (the official anti-discrimination law in effect in the country). The final section discusses who the Coop-Seguros nondiscrimination/non-stigma policy can be implemented in cooperatives and a detailed overview of Law 55-93.

- In addition to Modules I and II, Coop-Seguros is also using donated printed materials from other HIV/AIDS programs in the Dominican Republic aimed at specific audiences including women, men, youth and families, all which are supported by USAID through Family Health International, Proyecto Conecta, COPRESIDA, PSI, Coalición ONGSIDA and other organizations.

- A one page promotional brochure (see Attachment 3) was developed to help promote awareness of *The Program of Social Responsibility for the Prevention of HIV/AIDS* among cooperative members. It is being distributed by all 56 cooperative owners and Coop-Seguros branch offices located within various cooperatives. The brochure gives a brief overview of Coop-Seguros, its cooperative orientation and democratic nature, and an overview of the goals of the program, and the fact they are the first Dominican insurer not to exclude for HIV/AIDS in their group life policies. A list of participating cooperatives and contact information is also included.

Train the Trainer Activities

- During the reporting period, 12 training sessions were held to orient 96 multipliers from the 15 participating cooperatives to better understand and use the new educational modules. Participants in these training activities were very open and receptive to the presentations and

the module content provided. Three training workshops were held to train an additional 77 multipliers from participating cooperatives in themes including: STDs, difference between HIV and AIDS, HIV/AIDS and STD prevention, discrimination and stigma, AIDS Law 55-93, and promotion of the new official AIDS policy of the Coop-Seguros network. To date a total of 296 adult and youth multipliers have been trained. Photos of various training events are in Attachment 4.

- A multimedia INFOCUS projector was purchased to use for multiplier training and with HIV/AIDS prevention educational activities with cooperatives. Most cooperatives do not have access to such audiovisual equipment, which can easily be transported along with a laptop. This greatly increases the flexibility of locations the training can be held, with presentations being projected against walls or screens.

Cooperative Educational Activities

MEDI-COOP

A report published by the Pan American Health Organization (PAHO) revealed that patients with HIV or AIDS in the Dominican Republic experience significant stigma and discrimination from doctors, nurses and other health care providers - as well as from members of society at large. For example, nearly a third of surgeons in the country reported feeling anxiety over treating HIV patients and one in 10 said they did not accept HIV-positive patients. In response to this trend, the National Multiple Services Cooperative for Doctors (MEDI-COOP), representing over 12,600 members throughout the country, held a medical conference which addressed stigma and discrimination awareness as well as the latest scientific advances in HIV/AIDS. A total of 268 medical doctors and health professionals participated in the conference. See Attachment 4 for photos.

COOPROHARINA

As part of the activities of the World AIDS Week, COOPROHARINA (a flour milling and bakery cooperative) led HIV/AIDS prevention education sessions at the Escuela Laboral Colombina Canario, a vocational school for the milling and bakery industries, from November 23-24, 2005. A total of 426 youth between the ages of 15 and 19 participated in the training. During the session the youths watched a USAID-funded video of young Daniela Mejia that tells the story of how she became infected with HIV through her husband at the age of 16. Only after her husband's death did she learn that she has been infected by HIV. Working with medical professionals, psychologist and nutritionist, she learns how she can live with the virus and how her friends and family can support her. At the end of the video, Ms. Mejia gave her personal testimony and answered questions from the audience, emphasized the reality of the risks of HIV among Dominican youth. This powerful personal testimonial brings the reality of living with HIV/AIDS, addresses myths and misinformation, and engenders support and understanding for HIV/AIDS victims. See Attachment 4 for photos.

World AIDS Day Activities

This year 85% of the participating cooperatives were involved with activities related to World AIDS Week (November 28 – December 2) and World AIDS day (December 1). Among the activities included educational interventions in secondary schools supported by the cooperatives (see COOPROHARINA event above), activities with employees at COOPCIBAO (a multiple service cooperative) and Coop-Seguros, as well as programs in three locations for members of the Cooperativa La Telefonica (employees of the Verizon company). See Attachment 4 for photos.

New Cooperatives Involvement

During the reporting period, two new cooperative owners of Coop-Seguros became involved in the program, ADIACOOP and COOP. Coop-Seguros is still working to involve the Las Mercedes Cooperative and El Progreso y La Alianza Cooperative which is formed by employees of the US Embassy.

Dissemination

- **Central American Congress on HIV/AIDS/STDs (CONCASIDA 2005):** Coop-Seguros HIV/AIDS Education Director Raysa Veras and Program Coordinator Desiree Gonzalez attended the Central American HIV/AIDS/STDS Congress (CONCASIDA 2005) in San Salvador, El Salvador from November 7-11, 2005. With over 3,500 persons in attendance from throughout Latin America, the conference brought together representatives from institutions working on HIV/AIDS from around the world. Staff learned about an innovative intervention strategy being used on the US/Mexican border, which led them to develop a similar strategy for cooperatives on the Haitian/ Dominican border. Research shared showed that the most effective prevention is abstinence and fidelity, which strengthens the message they will promote to cooperatives. At the meeting, Dr. Maria Castillo of the Health and Population Team at USAID-Dominican Republic introduced the Coop-Seguros program as "one of the most successful projects in the country."

- **III Inter-American Conference on Corporate Social Responsibility**: Coop-Seguros' HIV/AIDS Education Director Raysa Veras was awarded a scholarship to attend the III Inter-American Conference on Corporate Social Responsibility in Santiago, Chile from September 25-27, 2005. Among participants from 23 Latin American countries, Coop-Seguros was the only company in attendance working with HIV/AIDS which generated much attention, particularly as an insurer. The event was sponsored by the Inter-American Development Bank, together with the Confederation for the Production and Commerce (CPC) and the Government of Chile.

Analysis

- CHALLENGE: Baseline Data: Preparations continue to develop a survey to gather baseline data about current knowledge, beliefs, attitudes and practices of cooperative members of the Coop-Seguros. Given that USAID-Dominican Republic has considerable expertise and

experience in HIV/AIDS issues and research, Coop-Seguros is working to get their feedback on the process and instrument first before proceeding. Several quotes were obtained and Coop-Seguros is finalizing negotiations with one social research organization to clarify final points and potentially lower costs.

SOLUTION/STRATEGY: Pending review and input from USAID-Dominican Republic and the successful negotiation of terms with the social research organization, it is hoped that the baseline study will begin during the first quarter of 2006. The time line for the study is approximately 15 weeks.

- CHALLENGE: *Cooperative HIV/AIDS Prevention Committees:* While there are currently 11 functioning HIV/AIDS committees among the participating cooperatives, there have been challenges to get them all fully engaged in educational activities during the start-up period. Some cooperatives have strong and consistent in their activities while others have been less involved due to a number of internal or external situations such as preparations for their annual assembly, changes in board of directors, hurricanes, storms or constant electrical brown outs that impede group educational activities. Cooperative staff members face pressures to work on many local cooperative priorities as well.

  STRATEGY/SOLUTION: Staff will conduct an evaluation with participating cooperatives to identify existing barriers and define alternatives to achieve their goals. Increasingly, Coop-Seguros will need to focus on those cooperatives that have the greatest potential to reach larger numbers of people. While the program remains open to all interested cooperatives, there are not enough financial or staff resources available to give all 15 cooperatives individualized support, assistance and attention.

Component A.2: Cooperative Financial Preparedness

Cooperative Financial Information Database

The structuring of the Coop-Seguros cooperative database has made relatively good progress during the semester. Cooperative financial data has been gathered from IDECOOP (the government's cooperative registrar and regulator) that is being used to construct the Coop-Seguros affiliated cooperative database. However, cooperative data from this source has some limitations. For example, some data comes from the cooperative audited financial statements while other comes from non-audited sources; the data provided by IDECOOP is not currently up to date; and the IDECOOP cooperative data base does not include a classification of the members by gender nor age groupings.

A cooperative information sharing arrangement continues to be explored with The Association of Rural Credit Unions (Asociación de Cooperatives Rurales de Ahorro y Crédito, or AIRAC). This association provides a self supervision financial monitoring and technical assistance to rural based community credit unions.

The confidentiality and the prudent use of member cooperative financial and other data have surfaced as an issue to be revolved before shared information with Coop-Seguros. Some

cooperatives are reluctant to share their data with external organizations. There is ongoing dialogue with AIRAC to define an information sharing arrangement to address the aforementioned issues but a suitable arrangement has not yet been successfully negotiated. Meanwhile, the financial analyst has moved forward in gathering financial and membership data directly from 17 affiliated cooperatives and has move forward in constructing the Coop-Seguros cooperative data base.

Additionally, the Coop-Seguros cooperative data base effort has gone further as member cooperative financial data is put into a spreadsheet that shows performance evaluation by financial indicators. This is being done in anticipation of when the COLAC financial indicators software is fully designed and validated.

Financial Discipline Software

The redesign of the COLAC financial disciplines software underwent a delay due to difficulties in obtaining the chart of accounts from the cooperative demonstrating interest in the pilot software application. Defining applicable operating ratios that would be appropriate and specifically applicable is also a challenge. COOPCIBAO is a rural cooperative with total assets of US$4.6 million at the end of March 30, 2005 and multi-service platform consisting of the following operational components: animal feed production and distribution operation; a veterinary supplies distribution outlet; a general supermarket operation member and a community at large with a population; a savings and credit service for the cooperative employees and family members. An agreement was reached whereby the software modification will be completed by mid January of 2006 with one modified version applicable to Coop-Seguros and another version applicable to the multi-purpose cooperative COOPCIBAO.

Cooperative Risk Evaluation

During the period two project participating cooperatives were approached to undergo an actuarial and financial performance analysis of their self-insured mutual aid plans by the project financial and actuarial consultants.

The National Teachers Multiple Service Cooperative (COOPNAMA)

The 72,000 member national teacher multipurpose cooperative (Cooperativa Nacional de Servicios Multiples de Maestros or COOPNAMA) agreed to an independent actuarial study of its self managed mutual aid plan (life insurance) for members. Originally established in 1982, the plan currently covers nearly 200,000 cooperative members and their dependents (spouses, children and parents) and provides two levels of coverage for basic death benefits: Plan A with RD$30,000 (US$934) and Plan B with RD$15,000 (US$468). Monthly premiums are RD$18 (US$0.56) for Plan A and RD$8 (US$0.25) for Plan B. There is no age limit for members to continue in the plan.

A 30 page actuarial study was carried out by AAC/MIS consultant Bernardo Miranda. One of the main conclusions of the study found that the plan predominantly covers the death risks of affiliated family members (particularly aging parents) rather than the primary cooperative

members. Two thirds of plan participants are dependents, while only one third are cooperative members. Almost 70% of claims in 2003 and 2004 were for deceased parents. Consequently, the life insurance coverage provides a means by which members can gain access to financial resources (beneficiary death claims) to cover funeral and medical costs of the deceased parent, many of whom are beyond 70 years of age. The mutual aid plan is skewed to benefit a minority group of members whose parents happen to be quite advanced in age. The actuarial study performed by Miranda clearly demonstrated the urgent need to put age limit on insured persons in order to make the life insurance service more actuarially sound.

In addition to high levels of mortality under the current plan (via aging parents), it is estimated that death rates in the Dominican Republic may increase in coming years due to AIDS. According to United Nations AIDS Assistance report, current life expectancy in the Dominican Republic is 76 years, not taking into account the impact of AIDS. By 2010, life expectancy at birth is projected to drop to 67 years. With progressive increase in average age of plan participants, based on actuarial projections 8.3 people per thousand members would die in 2006, 11.2 would die in 2010 and 12.2 would die in 2015. Being a multi service cooperative with a membership distributed throughout the country, its member and relatives could be exposed to a higher risk of HIV infection and the death risk resulting from AIDS-related complications.

Another relevant conclusion of the actuarial study is that the COOPNAMA insurance plan has been largely subsidized by the cooperative's other financial activities. For 2006 there is a projected deficit of RD$6.2 million (US$80,900) when calculating premium income minus beneficiary payments (not including administrative costs). If the plan continues unchanged, that negative balance would increase to RD$-73.6 million (US$-2.29 million) in 2010 and RS$-321.4 (US$-10 million) in 2015. COOPNAMA was unable to provide either audited financial statements for 2004 or the current financial statements at the end of 9/30/2005. Thus, the financial analysis part of the proposed risk assessment work could not be performed. In conclusion, the study recommended that COOPNAMA design and implement an appropriate accounting and statistical data system for record income, expense and earnings which allow regular monitoring and management to protect the self-sufficiency of the plan.

Another important finding is that the life insurance provided by COOPNAMA does not have the benefit of reinsurance, a condition that represents a significant financial risk exposure to the cooperative. The plan currently has exclusions for hurricanes, earthquakes, floods and wars. In the event of a catastrophe, COOPNAME would be unable to help when it is most needed. With reinsurance, the plan would able to provide its members and their families with financial support in a catastrophe. Irregardless, a major catastrophic event causing large scale deaths of members and parents could place COOPNAMA in a severe financially distressed situation. It was recommended to COOPNAMA to contract a life reinsurance policy with a recognized and financial solid insurance company.

The conclusions and recommendations of the actuarial study were presented to the COOPNAME board of directors and general manager (see summary in Attachment 5). At risk is the future solvency of the plan. The following options were suggested:

- NO CHANGES, BUT INCREASING PREMIUMS: If appropriate premiums were established for each participant to cover beneficiary claims and administration under a RD$30,000 benefit option in 2006, cooperative members would pay RD$18/month, spouses RD$20, children RD$2, and parents RD$412. The average weighted premiums would be RD$36/month, which is double the current monthly premium (RD$18). This monthly premium would also have to increase over the years based on projected mortality rates to RD$68 in 2010, and RD$73 in 2015.

- CHANGE IN AGE LIMITATIONS, WITH STABLE PREMIUMS. To make the insurance plan financially viable (allowing sufficient surplus and reserves to cover contingencies) as well as affordable, the following two options were presented:

    - Establish an age limit of 70 years for <u>all</u> participants in the plan, which would reduce monthly premiums 1) from RD$18 to RD$14 in the RD$30,000 plan; and 2) from RD$8 to RD$7 for the $15,000 plan. This would generate an actuarial surplus of RD$137,197,972 or US$4.27 million. This would also allow the possibility of increasing plan coverage up to RD$35,000.

    - Establish an age limit of 70 years for all <u>dependents</u> in the plan (with no age limits for primary cooperative members) which would reduce monthly premiums 1) from RD$18 to RD$15 in the RD$30,000 plan, and 2) from RD$8 to RD$7 for the RD$15,000 plan. This would generate an actuarial surplus of RD$4,723,889 (US$146,978).

The COOPNAMA mutual aid plan is a good example of the pitfalls of self-insurance programs that large cooperative organizations venture into without being financially prepared. Often cooperative board directors and managers are attracted by the idea that they can provide a better quality and low cost life insurance service for members. However, often time these plans are actuarially unsound and therefore not financially viable. Unfortunately, many directors are not aware this reality until such time that independent actuarial study is performed. This is clearly the case of COOPNAMA. Providing that authorization can be obtained, the COOPNAMA actuarial study could serve as case study for use in risk management seminars that will be held as part of the ACC/MIS Coop-Seguros program.

La Telefónica Multipurpose Cooperative

A first visit was made by the project consultants to La Telefónica Cooperative (a multipurpose cooperative for Verizon employees) to meet with the President of the Board of Directors and the recently appointed manager. The purpose of the meeting was to propose the performance of an actuarial study of the cooperative's life insurance program and a financial performance and risk assessment.

While the meeting was cordial and several risk management aspects of cooperative were discussed as well as the outreach of the AAC/MIS – Coop-Seguros program, the president demonstrated reluctance to engage in the proposed independent risk assessment activities. The president deliberately pointed out that the cooperative had no ongoing life insurance activity for

it membership. The actuarial consultant, Bernardo Miranda, indicated that he was aware of a solidarity funeral group insurance scheme has been structured several ago, he admitted that such a service existed, but he did not consider this to an insurance service. Consultant Miranda indicated that the funeral service program is in essence an insurance service and that it would behoove the cooperative to undertake an independent actuarial study to determine whether it is financially viable. Although the president agreed to provide the information required for the actuarial study it has taken some time to produce the data. After a review of preliminary data, several inconsistencies where identified for the cooperative staff members to validate and adjust. La Telefónica will send the updated information so the actuarial evaluation of their funeral plan can proceed.

Concerning the financial performance and risk assessment of the cooperative, the manager showed interest in getting additional information on the know-how of doing this kind of analysis work. He was informed that Coop-Seguros was in the process of getting software that includes financial indicators to measure the cooperative's financial performance. On a second visit made to La Telefónica Cooperative, the AAC/MIS financial consultant Angel Castro shared with the manager the World Council of Credit Union's PEARLS financial indicators and evaluation system. He was pleased with the response given by the AAC/MIS - Coop-Seguros project team. The manager indicated that the requested financial information would be made available.

COOPCIBAO Cooperative

Located in the central part of Dominican Republic, COOPCIBAO is an established rural multipurpose cooperative of 520 rural producers dedicated to raising pork and poultry stock. The cooperative members have a 60% participation in the country's total pork stock production and similar participation in the poultry production. The gender composition of membership is 449 men and 77 women. The total assets of COOPCIBAO amount to approximately US$ 4.6 million at the end of March 2005.

COOPCIBAO in a pooling arrangement with other animal feed processors to import their basic grains supplies from the USA. The grains are the processed into stock feed in its own milling plant and then sold to member producers on cash or credit terms. It also has the additional services operations including: a veterinarian supplies store; poultry hatchery operation for sale to member and non members; supermarket for members and the community at large; cooperative savings and credit service department for employees and relatives. Most recently, it has established a cooperative saving and credit service with the participation of the COOPCIBAO employees and general membership.

During the reporting period, the COLAC financial discipline software developer interacted with the COOPCIBAO finance department to determine their chart of accounts, accounting procedures for each of the cooperative's operational activities, and the procedures followed to prepare the cooperative's consolidated financial statements. Of particular interest is to determine the adequacy of the accounting policies and procedures applied to control its diverse member services activities and cost centers. Another issue under technical discussion concerned the definition of operating ratios and norms applicable to the various service activity centers as well of relevant operating ratios applicable to the cooperative overall consolidated operations.

Somewhat delayed from the original target date, the software will be tested on pilot run basis in February 2006. After having tested and validated the software application, it will be offered to other Coop-Seguros affiliated cooperatives. COOPCIBAO has shown a keen interest in the risk mitigation advisory services offered under the AAC/MIS – Coop-Seguros project. An on site operational and risk assessment of this cooperative is planned for early February of 2006.

Cooperative foundation development

In May of 2005, new legislation was promulgated by the Dominican National Congress to regulate diverse types of non governmental organizations (NGOs) including private foundations. The intent of the new law is to more effectively regulate NGO operation by requiring more specific information concerning their stated purpose, founding members, and compliance with the new chartering rules. The new law also requires the submission of audited financial reports to a new governmental agency to be established to authorize the chartering and supervision of NGOs.

This development made it necessary for Coop-Seguros to hire a law firm to critically review the bylaws that it had previously drafted to charter its development foundation. A new time framework was defined to organize and hold the foundation's constitutional assembly and to request the chartering authorization from the new governmental agency. The Coop-Seguros' cooperative foundation's general assembly was held in late October of 2005 and instructions were given to the law firm to seek it official chartering with the new NGO regulatory authority.

Obstacles were encountered in registering the name of the Coop-Seguros Foundation – apparently other NGOs had similar names or acronyms. Rather than having the foundation tied to one organization's name, it was decided not to include "Coop-Seguros" in the title. The official name that eventually was authorized is the Fundación Dominicana para el Desarrollo Social y Cooperativa (FUNDESCOOP) or **The Dominican Foundation for Social and Cooperative Development**. The new target date for the chartering of the foundation is mid first quarter of 2006. The initiation of foundation funds raising programmed for the last quarter of 2005 were temporarily suspended until such time that the foundation has been officially chartered.

Analysis

- CHALLENGE: A basic assumption in this component has been that cooperatives would be ready and willing to share financial information with project consultants. The confidentiality and the prudent use of member cooperative financial and other data has surfaced as an issue to be revolved before shared information with Coop-Seguros. Some cooperatives have been reluctant to share their data with external organizations. This has been the case both with cooperatives who have self operated life insurance service as well as those who interested in financial analysis. There may be several reasons for this reluctance. The fear of having a major weakness exposed publicly to members makes the general manager look bad and a board that is not doing adequate oversight. It is also a delicate situation where cooperatives are owners of Coop-Seguros, and there is no desire to damage good business relationships.

In some cases, it may be that they do not have financial information to share to begin with.

SOLUTION/STRATEGY: Some potential strategies to counter this tendency would be: 1) to present (via workshops, meetings, bulletins, brochures and PowerPoint presentations) the benefits to managers and board directors of having a system of indicators in their cooperative that would allow the measurement of management and have a comparative reference with other coops; 2) to have available in the cooperative's computers a software or Excel file with their own indicators and values of other cooperatives without identifying the cooperatives; and 3) train cooperative managers and financial staff in the use and interpretation of financial indicators and early alert.

- CHALLENGE: A critical aspect of this program will be what the participating cooperatives do with the information, analysis and feedback produced by consultants. It is possible that despite all efforts, the information is ignored, put off or dismissed.

  SOLUATION/STRATEGY: In the case of COOPNAMA and its actuarial analysis, no action has been taken yet on their study's findings. The challenge with this cooperative will be to get their board of directors to focus and make a decision. It is highly politicized cooperative and there are national congressional elections taking place in the near future. Over the coming weeks and months ahead, a meeting with consultants, Coop-Seguros staff, and the COOPNAMA board of directors will take place to learn whether there are any unanswered questions or requirements for a decision on the application of the recommendations. It will be important to have follow-up visits with participating cooperatives to track progress.

- CHALLENGE: An important challenge in this component will be to get cooperatives to develop a committee and discipline for the self-evaluation of risks and their mitigation.

  SOLUTION/STRATEGY: This could be achieved through a series of workshops that involve the following: 1) a presentation to cooperative board leaders to create more awareness; 2) training of staff (committees) for self-evaluation of risks; 3) training for committees to define strategies and risk mitigation programs within their cooperatives.

Component A3: Inclusion of Catastrophic Illnesses (including HIV/AIDS) in Insurance Policies

Consultant Richard Koven and Actuary Bernardo Miranda worked with Coop-Seguros staff on the development of new insurance products that contain benefits for HIV/AIDS. Following is brief description and status update of each product:

Insurance Product Development

Accelerated Benefit HIV 70%

This product, offered as additional coverage ("rider") on VIDA-COOP and Group Life, is designed to offer up to 70% of the sum insured as a benefit in the event of first diagnosis of HIV. Benefits are paid for in medical services only (i.e., testing, primary medical care, psychological and nutritional counseling), not in cash, with services only at Coop-Seguros approved HIV/AIDS clinics. Due to the high cost of anti-retroviral drugs, they are not included in benefits – but are accessible via clinics. Beneficiaries of this policy will be under constant monitoring by Coop-Seguros, who must give prior approval. The benefit payable at death is reduced by the total amount paid in HIV medical services. Premiums are paid by either members or cooperatives, and benefits begin 180 days after the member takes out the policy.

During the reporting period, key elements of policy and administration procedures were developed. First, an outline of specifications for benefits, describing benefits and costs was produced (see Attachment 6). Through an actuarial analysis of HIV incidence base, it was determined that the premium to be charged for the benefit would be RD$8.7/RD$1000 annually or RD$0.78/RD$1000 monthly per sum insured under the death benefit. For example, for a RD$10,000 policy (approximately US$316), the annual premium would be RD$87 (US$2.75) vs. a monthly premium of RD$7.8 (US$0.25). The monthly rate is slightly higher premium than the annual rate (RD$93.6 or US$3.00) to cover additional administration processing costs.

Because few individuals would purchase an HIV 70% policy by itself, for practical purposes it was recommended that the HIV 70% benefit be "packaged" along with other living benefits including total permanent disability benefits and an accelerated benefit for terminal illness. Currently, the actuarial valuation of the Death and Total Permanent Disability benefits is RD$0.41/RD$1000 monthly per sum insured. Together with the Accelerated Benefit 70% (RD$0.78/RD$1000), this would produce a monthly premium of 1.19 per thousand of sum insured. For greater affordability and to incentivize purchases, it was decided that a rate of 1.0 monthly per thousand of sum insured could be charged for this package of benefits. To continue with our example, for a RD$10,000 policy covering Death, Total Permanent Disability, and the 70% HIV benefit (approximately $316), the monthly premium would be RD$10 (US$0.32).

The plan is to incorporate the HIV 70% benefit together with four benefits currently included in the Vida-Coop life insurance plan (total and permanent disability, accidental death and dismemberment, natural death and medical expenses for accidents). Examples of premiums for both single individual and entire families are listed below:

VIDA-COOP PLAN Monthly Premiums OPTION FOR A SINGLE INSURED (Includes Accelerated Payment of 70% of Sum Insured for HIV/AIDS)	
SUM INSURED	**MONTHLY PREMIUM**
RD$ 50,000 (US$1,578)	RD$ 84.00 (US$2.65)
RD$ 75,000 (US$2,368)	RD$ 125.00 (US$3.95)
RD$ 100,000 (US$3,157)	RD$ 167.00 (US$5.27)
RD$ 150,000 (US$4,735)	RD$ 251.00 (US$7.92)
RD$ 200,000 (US$6,313)	RD$ 334.00 (US$10.54)

VIDA-COOP PLAN Monthly Premiums For ENTIRE Insured Family Group (Includes Accelerated Payment of 70% de Sum Insured for HIV/AIDS)	
SUM INSURED	**MONTHLY PREMIUM**
RD$ 50,000 (US$1,578)	RD$ 179.00 (US$5.65)
RD$ 75,000 (US$2,368)	RD$ 269.00 (US$8.49)
RD$ 100,000 (US$3,157)	RD$ 358.00 (US$11.30)
RD$ 150,000 (US$4,735)	RD$ 537.00 (US$16.95)
RD$ 200,000 (US$6,313)	RD$ 716.00 (US$22.60)

Attachment 6 also includes documentation of the various administrative aspects of the HIV 70% benefit, including the official appendix to the Coop-Seguros group life policy for the benefit, application and processing procedures, and draft claim forms and claim analysis forms.

Prestamos Más (Loans Plus)

Under Coop-Seguro's current group life insurance for loans policy, the insurance pays the benefit (loan balance) to the cooperative, but does not grant any benefit to the family members to help with financial hardship caused by the debtor's loss of income. Also, if the debtor should contract HIV/AIDS, this policy would not offer any kind of benefit to the debtor or family members in case of death. As there is a high percentage of cooperative members whose only insurance is the loan insurance, Coop-Seguros felt it was appropriate to develop additional benefits.

This product offers additional life insurance up to a maximum of twice the loan amount and would be granted to the designated beneficiaries in the event of the occurrence of the same risk covered by the main policy (i.e. Death or Total and Permanent Disability). Because it is offered as additional coverage (rider) on loans made by the cooperative, the product is paid for by the cooperatives rather than the members. Cooperatives would choose whether they wanted to include the HIV 70% option coverage (as explained above) or not. To avoid anti-selection, the benefit will apply to all members who take out a loan. The costs of coverage are summarized below (note that this premium is only for the additional benefit and does not include the cost of the regular premium covering repayment of the loan balance):

Option	Premium	Example:
Addition Debtor Benefit WITHOUT HIV 70% Benefit	Rate per thousand of sum insured = 0.41	For a loan of RD$5000 (US$158), if the cooperative purchase the benefit without the HIV 70% benefit, a premium of RD$4.10 (US$0.13) will be charged.
Addition Debtor Benefit WITH HIV 70% Benefit	Rate per thousand of sum insured = 1.19	For a loan of RD$5000 (US$158), if the cooperative purchase the benefit with the HIV 70% benefit, a premium of RD$11.90 (US$0.38) will be charged.

Premium discount for participants in HIV/AIDS prevention education

To build synergy with the HIV/AIDS prevention education component and to incentivize participating cooperatives to purchase the HIV 70% benefit option, a discount on the Prestamos

Plus policy will be offered to cooperatives who participate in both. There are some challenges to resolve regarding the administration of the discount, including verification that the applicant is in fact the same person who attended the education program. Various methods of tracking are being devised. Following is a table of the proposed discounts based the percentages of cooperative members trained.

Table of Discounts for Cooperative Group Life Insurance (Savings, Loans, Managers/Employees, Funeral Expenses) for participating in HIV/AIDS prevention training programs				
Number of persons insured	% insureds trained			
	10% -25%	26% - 40%	41% - 65%	65% or more
Fewer than 5,000 (small)	2.5%	3.5%	5.0%	7.5%
5,001 to 15,000 (medium)	5.0%	6.0%	7.5%	10.0%
Over 15,000 (large)	7.5%	8.5%	10.0%	12.5%

Attachment 7 also includes documentation of the various administrative aspects of the new benefit under the Prestamos Más policy, including the rider terms and conditions, and detailed instructions for cooperatives on how to register those loans covered under the policy.

Analysis

Having done the actuarial work to determine the costs and benefits of the 70% HIV/AIDS and Préstamos-Más products, we are now in a position to begin evaluating the market potential. Among the main challenges and possible solutions are:

1. CHALLENGE: To get the cooperative market interested in purchasing life insurance with the inclusion of catastrophic illnesses, including HIV/AIDS: Most cooperative members that have a death benefit through group life insurance policies with Coop-Seguros are for loan protection (payment of the outstanding loan balance upon the death of a borrower) or funeral benefits. The amount for the funeral plans is low and is designed to cover only the costs of burial and does not provide additional benefits that help family members pay for terminal illness expenses (such as HIV/AIDS) or help cover loss of income generated by the death of a major breadwinner. Consequently, a major goal to be achieved is to have a larger percentage of cooperative members with life insurance that provides benefits to them and their families. However, the population lacks an "insurance culture" that values the acquisition of life insurance, which is an ongoing challenge.

   SOLUTION/STRATEGIES: Among the potential solutions being investigated are 1) increase awareness through presentations to the cooperatives' upper management (board, president, general manager) about the benefits and advantages of the life insurance plan for members and the cooperative; 2) develop a promotional campaign in the cooperatives about the benefits, advantages and how to acquire the life insurance plans, and 3) development of brochures to promote the life insurance plans among cooperative members.

2. CHALLENGE: Accelerated Benefit HIV 70% Costs: For greater affordability and to incentivize purchases, it was decided that a rate of 1.0 monthly per thousand of sum insured (RD$1/RD$1000) could be charged for the package of benefits, which include total

permanent disability benefit and an accelerated benefit for terminal illness. But since the current rate without HIV coverage is RD$.41/RD$1,000, even if Coop-Seguros gives a discount for participation in educational program, the net effect is that the rates have gone up. There are concerns that cooperatives may not react positively to increased rates – which of course also have increased commensurate benefits. This issue central issue of cost and how much the market will bear needs to be given more thought and consideration.

SOLUTIONS/STRATEGIES: One solution is to broaden the appeal to cooperatives by emphasizing the added value that the accelerated terminal illness benefit provides in addition to HIV/AIDS. Accelerated benefits for catastrophic illness are not common in the Dominican Republic, particularly in this lower income market. While we refer to the product as Accelerated Benefit HIV 70%, it may need a different name and focus for successful marketing. Another option is to possibly bring rates down by basing actuarial calculations on inherent risks and demographics of each particular cooperative. Present actuarial calculations are based on average national HIV rates, which may be very different from a local rates (for example a cooperative in center part of the country may not have as high a risk as one by the Haitian border). The whole question of whether they do such "experience-based" rating requires additional investigation. While it might be able to bring down that rate for some cooperatives, it could potentially increase the rate for others.

3. CHALLENGE: Develop an efficient marketing platform for life insurance plans through the cooperatives: Life insurance plans with catastrophic illness benefits (including HIV/AIDS) should be marketed through alliance programs with cooperatives, given that cooperatives know members best and are closest to them, and are in apposition to distribute insurance products directly to their members. This means working with a series of success factors which are described below: HIV 70% benefit be "packaged" along with other living benefits including total permanent disability benefits and an accelerated benefit for terminal illness.

   SOLUTION/STRATEGIES: Among the possible solution strategies to be explored include: 1) Development of mass marketing strategies of life insurance policies within the cooperatives. There are a number of issues which need to be explored (i.e., how would prospecting, objection management, closing of business, and post-sales service be handled? How would the marketing strategy of selling insurance linked to loans be implemented after the Préstamos Más plan terminates with the payoff of the loan?); 2) Development of product manuals for agents and cooperative promoters; 3) Development of training workshops for agents and cooperative promoters; 4) Development of incentive plans (commissions) for sales for cooperatives and for promoters; 5) Definition of sales goals for each cooperative. 6) Development of follow-up measurement instruments.

4. CHALLENGE: To have systems and process for proper management of operations for sales, collections and claims through the cooperative network. Cooperatives should have within their facilities clear and efficient systems and processes so that members can handle operations related to insurance (sales, premium payments, claim procedures, etc) and at the same time the cooperative can link these processes with the insurer (Coop-Seguros), avoiding loss of information, lack of attention to procedures, fraud and cash flow issues.

SOLUTION/STRATEGIES: Among the potential solutions being investigated are: 1) design of information flow processes between members/cooperatives/Coop-Seguros; Design and revision of forms (claims, etc); 3) design of computerized applications for the flow and control of information; 4) revision/adjustment of the computerized systems of the insurer to have adequate support for the life insurance plans (HIV 70% and Préstamos Más) in the operations for sales, collection, renewal, commission payment and claims payment.

Component A4: Governance and Management Re-engineering

Edwin Quiñones, AAC/MIS Vice President for Development and former President and CEO of Seguros Multiples in Puerto Rico, is working with the Coop-Seguros staff and board of directors to assess and implement strategies to strengthen and improve management and governance capacities. The following activities took place during the reporting period:

Strategic Plan Revision

While Coop-Seguros had an approved strategic plan for the years 2004-2007, due to recent accelerated growth in the company there was a concern that this growth be controlled as to not create future problems. As the company grows, are new needs in terms of capital, work space, organizational structure, and human resources. In addition, the new USAID project grant has added a new layer of staff and work and it is important that both the project work done by consultants and the ongoing business of the company done by staff be reviewed and planned for. It is important to get directors, consultants and staff all on the same page and to have a clear idea where both the company and the project are headed.

In late July, 2005 a three person consultant team consisting of Edwin Quiñones, Ángel Castro and Bernardo Miranda assisted the Coop-Seguros board of directors and staff in the formulation of strategic plan with the intent to provide the company with a clearly defined mission, corporate values and future vision of operations. The 23 page strategic plan defines the critical areas where Coop-Seguros needs to focus its energies and resources over a five year period (2005-2009). A translated copy of the strategic plan is located in Attachment 8. First, a detailed SWOT Analysis of strengths, weaknesses, opportunities and threats was developed. From that analysis, eight critical factors of success were identified for Coop-Seguros to prosper and achieve its objectives:

1. Penetration of the cooperative market that is not currently covered by Coop-Seguros.
2. Follow-up on human resource development program (*The Program for a Culture of Excellence in Service*)
3. Providing excellent client service based on institutional values
4. Improvement in organizational structure which allows for adequate performance in diverse functional areas of the company, such as: planning, auditing, marketing, operations, finances, human resources.
5. Strengthening institutional and member capital
6. Expansion and updating of office facilities that allow for future institutional growth
7. Strengthening of information technology platform, systems and processes

8. Strengthening of national and international strategic alliances

For each of the eight critical factors, a goal was developed, along with accompanying objectives, strategies and achievement indicators for success. Based on the new Strategic Plan, consultant Bernardo Miranda drafted a 2006 Operational Plan which further elaborates each goal with specific activities, persons responsible, start/finish dates and resources necessary to implement. Currently this document is being further refined and elaborated by staff. A copy of the 2006 Operational Plan can be found in Attachment 9. This document also includes forms which can be used for the quarterly evaluation of the Strategic Plan and Operational Plan for the board of directors to review progress.

Organizational Structure

In order to better manage the complex operations of a growing insurance company, there is a need to formalize and clarify a hierarchical structure of command. Coop-Seguros has grown quickly from a relatively small operation, so having a clear governance and management structure is imperative for future success. Mr. Quinones worked with the board of directors and general manager to further refine and update the company's organizational chart, which now consists of five departments (sales & marketing, finances, technology & communication, human resources & administration, and insurance technical area). The new organizational charts can be found in Attachment 10.

Human Resources Documentation

With an updated organizational hierarchy, it is important that all job positions have clearly defined roles, responsibilities and supervision. In the past, positions were not formalized. An HR firm, Reclutamiento y Asesoria a Resursos Humanos, was contracted to assist Coop-Seguros with the development of a position descriptions manual and compensation levels and salary grades for all positions. Coop-Seguros now has descriptions for all positions which include the position titles, supervisor reporting, a list of primary responsibilities, and educational and experience requirements. A translated example of a position description can be found in Attachment 11.

Re-engineering

Re-engineering refers to the process of creating staff teams which take ownership of reviewing, critiquing and implementing changes in key areas of Coop-Seguros' operations. Part of the training includes fundamentals of teamwork development, leadership and project management. Over the life of this project, key areas of operations will be reviewed and changed to improve customer service and satisfaction.

Premium Collections

A key success indicator in any insurance company is its premium collection rate. While an insurer may issue many policies, if it does not collect premium payments for the policies, they lapse and the company loses money. Given the increasing volume of premiums to collect and to

avoid a future crisis, a re-engineering committee was created to review and revise the premium collection process. Mr. Quiñones encouraged the employees to self-organize, call regular meetings, elect group leaders, even give their group distinct a name (this group refers to itself as the "Metamorphosis Collections Re-engineering Committee"). Such staff empowerment is a relatively new phenomenon in the company – and in Latin American culture generally. During the reporting period, the Metamorphosis group began to develop a flow chart of the premium collection process from beginning to end, with Mr. Quiñones' oversight and feedback. In the process, they learned the company had no formal policy for collection or cancellation of policies and will need to develop one for each.

Claims Processing

During the reporting period, the first re-engineering group (which refers to itself Las Poderosas Damas de Reclamación or the "Powerful Ladies of Claims") has continued working to develop a flow chart of the newly redesigned claims process. They also developed a policy for closing unpaid claims.

Board Policy Manual Development

During the reporting period, an extensive review of all past board meeting minutes was made to extract all previous policy decisions. This is an important governance reference tool to clarify past decisions, help prevent "re-invention" or "re-interpretation" of current policies, and to orient new board members. In the initial review, some policies were found to contradict policies made earlier. Mr. Quiñones is currently working with the staff and board to edit the policy document, which will be carefully reviewed by the board of directors and officially approved for future reference. A policy and procedure will be developed to ensure that the policy manual is regularly updated and available to board members.

General Manager Mentoring

In this unique opportunity for cooperative executive development, Mr. Quiñones is working one-on-one with Coop-Seguros' general manager Pedro Abreu on a customized performance improvement work plan. Based on self assessments and the consultant's observations, among areas identified are time management, delegation, office management, and meeting management.

In preparation for Mr. Quiñones' visits, the general manager was tasked with reading the following management issues and topics: articles on "Time and its Distribution," "Failing to Develop People," and "When and How to Delegate Responsibility"; books "Leading by Values" by Ken Blanchard and Michael O'Connor; "Developing the Leaders Around You," by John Maxwell; "Leading Teams," by Robert Teller, and "Management and Strategic Planning" by Jean Paul Sallenave. During consultant visits, Quiñones and Abreu have in depth discussions about each subject and topic and how it specifically relates to the company's present situation. Mr. Quinones also spent time observing Mr. Abreu in action and providing continued feedback.

General Manager's Report to Board of Directors

Mr. Quinones worked with Coop-Seguros' general manager and vigilance committees on the format and content of a regular monthly report to be given by the General Manager. Before, the general manager's report consisted of a two or three page document with limited information. Now, the regular monthly report to the board of directors contains systematized and organization information on strategic, financial and operational issues of concern to the leadership:

- Detailed financials using colorful pie charts and graphs to help communicate financial data, for example:
  - annual and monthly premiums written by type (auto, life, fire, other);
  - sales results for the previous 6 months with comparison of the past 4 years;
  - net premiums written by source (by associated cooperative owners, non-owner cooperatives, general public, other institutions);
  - results of premium collections for the previous six months with comparisons of the past 4 years;
  - general expenses (administration) breakdown by type of expense;
  - claims expenses made to date, broken down by totals, by type of claims (auto, life, fire, etc).
  - investments made and contributions made to reserves
  - distribution of premiums by cooperative owner
- Human resource issues update
- Information Technology initiative update
- Coop-Seguros HIV/AIDS program update
- Article and materials of interest related to business (i.e., insurance regulation issues from superintendent; insurer competitors in the market; news clippings related to claim issues (auto accidents,); HIV/AIDS updates and news; cooperative owner events/news;

Analysis

Considerable progress has been made in a number of key areas in the company that are helping Coop-Seguros improve its human resources, planning, operations, management, and governance. At this early stage of the project, it is difficult to gauge how these interventions are impacting the company right away. Clearly, Coop-Seguros is in a phase of growth and expansion where all these interventions provide much welcomed support and assistance. At the beginning of the project there were 40 cooperative owners, today there are 56 cooperative owners. Coop-Seguros is recapturing previously lost business. They have gained as reputation as a socially-responsible business which has their competitors concerned. Staff and board morale is high.

In terms of strategy, having an updated and revised strategic plan in place, along with a yearly operational plan, will to help the board and staff track progress and prioritize initiatives over the coming years. In addition to having a clear goals and objectives, they also have consensus among staff and board on a common direction which they did not have previously. In terms of operations, in addition to reviewing and revising key insurance functions there is now a working model for the staff to take ownership and control of challenges and initiate change processes. This is where the Program for a Culture of Excellence in Service is also playing an important role in promoting delegation skills (see Program D for details). In a hierarchical Latin American culture, staff empowerment is the exception to the rule. In terms of governance, procedures and

processes are being put into place that will allow better communication between them and the manager as well as documented policies for current and future reference. Another vital function Mr. Quiñones provides to the Coop-Seguros board is advice and counsel on many different issues, which they highly value.

Program B: La Equidad/Colombia Project

The goal of this project is to develop and sell through microfinance institutions a group life policy called "Amparar," which offers an affordable package of insurance benefits that were identified through extensive market research among low income communities in Colombia. To promote the product, the project is focusing on building partnerships with microfinance institutions and training staff to both understand insurance and market the policies to microfinance clients. La Equidad has begun a partnership with the network of microfinance institutions under the umbrella of the Fundación Mundial de la Mujer or FMM (Women's World Foundation). Affiliated with the worldwide Women's World Banking movement, collectively FMM represents the largest microfinance network in Colombia. Initial alliance partnerships discussions and presentations have taken place with the FMM network in the cities of Bucaramanga, Bogotá, Medellín, and Popayán. Below is a brief update on progress to date.

During the reporting period, a total of 21,701 insureds in 8,991 policies are being covered under the Amparar product, an increase of 2,536 policies or 39.3% from the previous reporting period (July 2005).

Alliance Partnership Development

Pilot Project with Corporación Mundial de la Mujer Bogotá

During the first semester of 2005, contacts were made with the Corporación Mundial de la Mujer de Bogotá (CMM/Bogotá, or Women's World Corporation of Bogotá). Founded in 1989, CMM/Bogotá's mission is to support the entrepreneurial activities of women who do not have access to formal financial services. With a head office and nine branches, CMM/Bogotá has a full time staff of 86, which includes 46 credit analysts and operations personnel. Rather than leap immediately into an alliance agreement, CMM/Bogotá preferred to first develop a pilot project. This pilot project is taking place in the Restrepo neighborhood and in the municipality of Soacha in the southern part of the capital area.

This pilot project has gotten off to a slow start. The idea of having pilot project was so the board could learn about client reactions to the product and the board could determine whether they should offer it. Apparently some board membes thought selling the policy would obligatory under the agreement (it is not). Despite several meetings with board members, regular contact with credit analysts, and microinsurance marketing and sales support, staff have not been actively promoting the product in the pilot project. The key culprit appears to be a lack of buy-in from the leadership which translates into low staff motivation. CMM/Bogotá has not developed a concrete microinsurance sales goal for their staff in the pilot project. It is clear that when insurance sales goals are managed (in the same way credit application goals are managed), staff

become concerned about getting to know the product, understand its benefits, promote and incentivize clients to purchase it. To count on sales incentives for credit applications alone is not enough – they must be measured by accompanying insurance sales as well. There is a new staff person who is taking interest in program. First obstacle they take a long time to decide … especially when they

Alliance with Corporación Mundial de la Mujer Medellín

Contacts were made to develop an alliance with the Corporación Mundial de la Mujer de Medellín (Women's World Corporation of Medellín, or CMM/Medellín), located in the city of Medellín, the third largest city in Colombia with a population of over 2 million. Founded in 1985, CMM/Medellín's mission is to provide microentrepreneurs, particularly women, with timely, efficient and competitive access to credit and other financial services. With a head office and six branches, CMM/Medellín has a full time staff of 73 (for a brief profile, see Attachment 12). For this alliance, CMM/Medellín wanted to make various changes to the Amparar product to better fit its clients' and organizational needs. For example, they asked to slightly lower coverages to reduce the price for increased accessibility to their clients. Based on their suggestions and requests, La Equidad made adjustments to the product. Having met CMM/Medellín's expectations, they then required a slightly higher commission rate and agreed to a sales commission arrangement whereby 20% goes to CMM/Medellín (15% for the institution and 5% commissions for sales staff) and 5% goes to the La Equidad sales promoter on staff who is exclusively working there under the alliance agreement. CMM/Medellín also requested the opportunity to see a women-only (reflecting their clients) microinsurance life product based on La Equidad's Equivida product which covers death, total and permanent disability. They requested additional coverages for catastrophic illnesses – and La Equidad made the changes. At this point, the alliance will sell the modified Equivida life insurance plan (not attached to loans) as well as the Ampara product (attached to loans). The plan is under final analysis by the board for decision.

A lesson learned in this experience is that one single product and one administrative methodology do not fit all alliance partners' needs. In Colombia there are considerable cultural and regional differences in populations by geographic zone. It is also important to keep in mind that the five existing affiliates of the Fundación Mundial de la Mujer (FMM) do not have a centralized administrative unit for their operations, which would have greatly facilitated development of the alliances. La Equidad has found that it is better to be flexible and allow adjustments to a standard product – or a different product - so that the insurance coverages are adapted to specific populations' needs, which consequently make them more attractive and easier to market. Moreover, when alliance partners are directly involved in the design of the product that they will be selling there, there is more institutional and staff buy-in.

Alliance with Fundación Mundo Mujer - Popayán

With a population of 215,000 people, the colonial city of Popayán is capital of the department of Cauca, situated in the Andean cordillera halfway between Bogotá and Quito. Over the past several months La Equidad has been working on an alliance with the Fundación Mundo Mujer – Popayán (or Women's World Foundation - Popayán, or FMM/Popayán). Founded in 1989,

FMM/Popayán's mission is to open access to credit resources for small entrepreneurs, particularly women. With a head office and five branches, they have a full time staff of 13 (for a brief profile, see Attachment 13). La Equidad has been in constant contact with the board and staff to help move implementation of the alliance forward. At this time, FMM/Popayán had to urgently update their information technology systems, which are key to a successful alliance. They have asked to delay the alliance until this update is finished so they can then focus on an alliance agreement and product promotion. While an alliance agreement has not yet been initiated, the constant follow-up by La Equidad's staff has strengthened and reinforced relations with FMM/Popayán, which bodes well for their commitment to work together in microinsurance promotion. FMM/Popayán recently began purchasing its institutional insurance from La Equidad as well.

Alliance with Corporación Mundial de la Mujer Bucaramanga

La Equidad's very first alliance with the Fundación Mundial de la Mujer Bucaramanga (FFM Bucaramanga - Women's World Foundation of Bucaramanga), continues to develop and grow due to the exclusive La Equidad promoter located within the organization. Several opportunities for improvement took place during the reporting period. The information technology systems for the management of the insurance program have been completed. Staff continues making progress with the training of credit analysts who offer the Amparar insurance product in conjunction with micro-loans. Proposals have been discussed to offer other types of insurance such as automobile, multiple risk and personal accidents, all directed at the low income population that uses the bank's services. Having constant technical assistance available from La Equidad and their employee on site has made significant inroads for the alliance.

One adjustment for this alliance has been the revision and modification of the incentive campaign for credit analysts. Under the original incentive campaign, credit analysts began promoting insurance more than loans to earn bonuses. Consequently, staff incentives have been lowered a little. With the modified incentives plan, the microinsurance sales continue to be favorable and the FMM/Bucaramanga's board no longer views this as a competitive situation between insurance and credit. By allowing the FMM/Bucaramanga board to have their concerns heard and adjustments made in the alliance agreement, their commitment and relationship with La Equidad has been strengthened.

Other Alliance Development

Microfinance Alliance Outreach

During the reporting period, La Equidad also approached various microfinance institutions in the cities where they currently have an agency (La Equidad has 20 agencies around the country). Direct contact was made by La Equidad's agency staff to identify their needs and present proposals accordingly. The analysis of the microfinance institutions was monitored from each of the agencies, with the managers being monitored by La Equidad's sales office and executive vice president. Multiple contacts were established and proposals presented, with advances made in making adjustments requested by groups according to their particular needs and characteristics. However, no additional agreements were signed during the reporting period. Proposals continue

to be studied by the organizations.

Approval of a microinsurance alliance with a microfinance organization requires a tremendous effort and much dedication on the part of the La Equidad staff. Many different steps and meetings must take place to make even small advances. Some organizations take a very long time to make a decision, as if it were a marriage between institutions. Because there is considerable competition between microfinance organizations, they often request to have exclusive products, with their own individual product names, and with particular characteristics. All of this has negatively affected La Equidad's original time line and projections for insurance policy sales.

During alliance development, there have been several incidences where microfinance institution boards have directors who are insurance company representatives or there are family relations between board directors and representatives of other insurance companies. So even though the Amparar proposal does get the board's attention, previous commitments or conflicts of interests sometimes get in the way of a favorable decision for the alliance.

Agreements to offer microinsurance to cooperatives and other organizations

Through presentations given by La Equidad at cooperative sector events and forums, such as the recent World Council of Credit Unions conference in July, 2006 (*Microcredit: Creating Access and Opportunities for More Colombians*), several organizations affiliated with La Equidad have inquired about selling microinsurance products. In these cases, La Equidad is taking a current insurance product (Equivida) and modifying it to alliance partners and their client's needs as a microinsurance product. La Equidad is also developing a new product based on a current product they have for small and medium businesses called Equi-Empresas (Equi-Business). The new microinsurance product under development is called Fami-Empresa (Family Business) which is designed for small rural family businesses (i.e. cobbler, family run store, food stands, etc) which offers multiple risks of businesses. The product offers less coverage and consequently lower costs than the Equi-Empresa product. For this product development to happen, the following steps need to be taken: identify needs and knowledge of target audiences; select adequate insurance products; revise and adjust insurance products with microinsurance concepts; train the sales force of the alliance organizations; assign a promoter that will provide direct follow-up and support; monitor alliances from agencies, sales office and the executive vice president.

Multiple microinsurance proposals and negotiations have gone forward. See Attachment 14 for a matrix providing a list of contacts established and the status of the alliance process. One agreement has been signed with the Crediservir Cooperative (a credit union with over 25,000 members and US$3.2 million in assets) in the municipality of Ocaña, North Santander in the eastern part of the country, where group life microinsurance based on Equivida with lower coverages and costs – and make it practically obligatory. Also another agreement was signed with the Crearcoop Cooperative (a credit union) in Bogotá to offer a similar group microinsurance policy (based on Equivida) to their 35,000 members.

La Equidad is finding that microinsurance concepts can be applied to other insurance products

that are currently offered through cooperatives and other group organizations, in addition to microfinance organizations. Among the ample base of cooperatives involved with La Equidad, many provide services to low income populations needing insurance protections. La Equidad's relationship with these cooperatives over time contributes to a greater agility in the analysis and adjustments of products required to move an alliance agreement forward. One challenge that has been observed is that some cooperatives have difficulty signing an agreement because their clients lack the ability to pay right away and the cooperative does not offer a pre-approved line of credit that supports the insurance scheme. These potential barriers will need further study to see how they might be remedied.

Analysis

CHALLENGE: La Equidad's original assumption that alliances between microfinance institutions would be set up and running as quickly and easily as their first alliance with the FMM/Bucaramanga did not turn out as expected. Their experience to date has shown that it takes a considerable amount of staff effort just to get to the point of an alliance agreement with microfinance institutions – not to mention the time and effort required for actual start-up. Alliances do take time, and no two alliances are like. Individual regional market differences and competition between microfinance institutions has led to demands for individualized customization of products, and distinct contract terms and commission rates. Having a dedicated staff person working within each microfinance partnership is a clear advantage, but also more expensive (and not always feasible due to space limitations within microfinance institutions). As the start-up has been slower than anticipated, results have been less than expected. As La Equidad continues to pursue alliances with microfinance institutions, they will have to modify their original timeline and projections for new insureds for the Amparar product.

SOLUTION/STRATEGY: With the principle objective being to increase access to affordable insurance to larger numbers of low income persons, La Equidad would like to expand their strategy beyond just the Amparar product and microfinance institutions to include other types of cooperatives and organizations with different microinsurance products. As reported above, La Equidad has found that they can more easily facilitate microinsurance alliances with member/owner cooperatives and other organizations with whom they have had a long term relationship. Working in tandem with their local agencies, they can provide support and orientation to partners. A revised projection of sales and total numbers of insureds reached will need to be done. La Equidad believes, and AAC/MIS concurs, that this is a broader and diverse strategy will product greater results.

Program C: La Central de Cooperativas de Ahorro y Crédito Financieras de Nicaragua

In this program, La Central de Cooperativas de Ahorro y Crédito Financieras, a federation of 14 credit unions in Nicaragua, is working to expand access of their savings, loan and funeral insurance benefits programs among its member cooperatives as well as other large cooperatives, microfinance institutions and associations, with the goal of achieving the scale necessary for profitable and sustainable operation. An exception under the Nicaraguan insurance law allows La

Central to offer members benefits in case of death, accident or sickness, without being incorporated as an insurance company. This program also aims to strengthen the operations of La Central's Department of Protection Benefits Programs (insurance department).

Software Development

In October of 2005, a computer science professional was contracted to develop a software program to facilitate operations for sales, collections, commission payments and benefit payments with insurance alliance partners. This software program builds on the existing financial accounting software used by La Central's credit union network and can also be adapted for use by microfinance institutions and other nonprofit organizations. This automation is critical for the efficient and cost effective functioning of the insurance benefits program and alliances.

Benefit Plan Brochure

A tri-fold advertising brochure was designed and printed to promote La Central's Benefits Plan among cooperative members. These brochures are being made available to all credit union members as well as potential alliance partners. A copy of the brochure and a translation in English is available in Attachment 15.

Benefit Plan Education/Promotion

During the reporting period, staff visited 27 cooperative agencies to train cooperative employees how to promote greater awareness about the advantages of the Benefits Plan to cooperative members. The new promotional brochures were distributed and explained as well as presentations providing an overview of the benefit plan and how it works.

Offering Insurance Options with Loans

A detailed proposal was developed to promote the "Family Protection" funeral plan in conjunction with loans made by cooperatives and credit unions. As loans are among the most common transactions, it provides a key opportunity to offer affordable insurance services. In addition to protecting cooperatives' loan portfolios, the insurance provides borrowers with insurance protection benefits they would not have otherwise. The insurance plan sold with loans would offer a benefit of up to $500 upon the death of a borrower, which could be either given to beneficiaries or cover funeral expenses. The cost of this benefit would be US$6.00 per year, which would be included with monthly loan payments. Cooperatives would receive a commission of US$1.00, and US$5.00 would be remitted to La Central's insurance department. La Central would also pay a small incentive (10% of the US$5.00 or US$0.50) as to the cooperative employee selling the policy with the loan. While this seems like a very small amount, it is considerable in Nicaragua, the poorest nation in Central America. The cooperatives also have the option to offer the Family Protection funeral plan to members who are not taking out loans, and also cover additional family members.

The proposal lists advantages for both cooperatives and La Central as well as key factors for success which include: commitment from cooperative board and staff; incentives for both

cooperatives and employees; simple management procedures; a simple product to explain and understand; and technical and marketing support from La Central.

Feasibility Study for Potential Insurance Company Formation

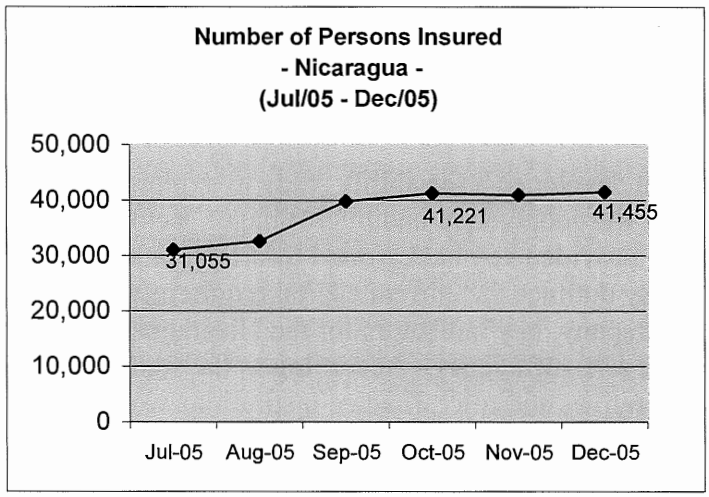
Consultant Bernardo Miranda developed a feasibility study to explore the possibility of creating a new insurance company for the cooperative and microfinance sectors in Nicaragua. While this is a long term goal, the study provided key background information and strategies to help move this vision forward. The study outlines the current capital requirements required by Nicaraguan law to create an insurance company, key indicators for the Nicaraguan insurance market, and the premium income required for self-sufficiency. According to the study, to form an insurance company participating cooperatives and microfinance institutions would need to put together US$600,000 in capital and generate annual premiums of US$1.8 million. In more simple terms, participating cooperatives and microfinance owners would need invest a specific amount of capital as feasible and also generate premiums equal to three times their contributed capital. The study also proposes that La Central begin offering a service to protect loan portfolios while simultaneously raising capital required to become a bona fide insurer under Nicaraguan law. A survey form included at the end will help La Central to evaluate cooperative and microfinance institution interest in such an endeavor, as well as market potential, loan portfolio potential and other key factors. After all information is tabulated, a complete feasibility study can be developed and shared with interested partners. A translation of the feasibility study is available in Attachment 16.

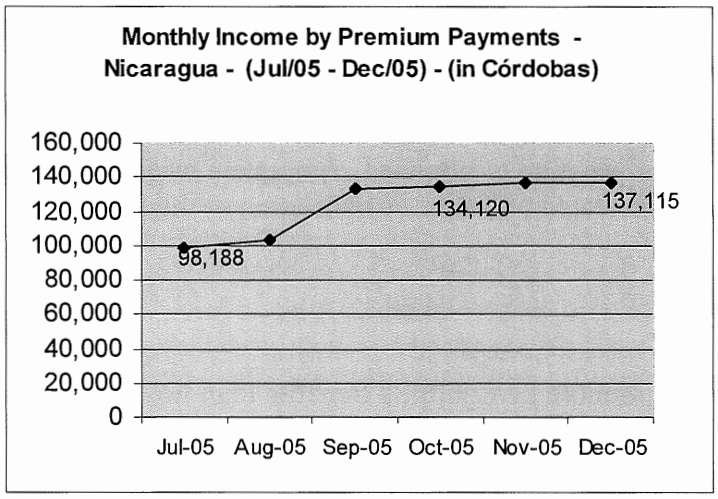
Microfinance Workshop

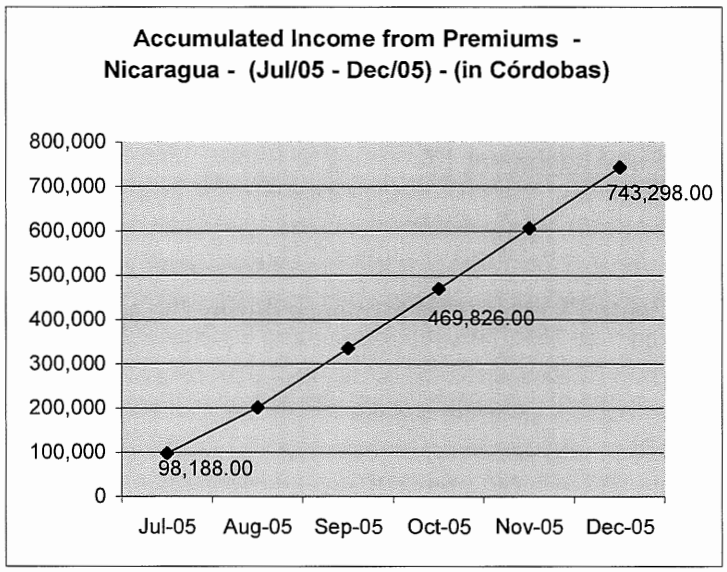
An orientation workshop to promote La Central's Benefits Plan was carried out with eight microfinance organizations on December 1, 2005 at the Hotel Princess in Managua.. The workshop, entitled *The Loan Portfolio Protection Program Proposal For Microfinance Institutions Against The Risks Of Borrower Death Or Disability* brought together nine representatives in addition to four staff members. The workshop began with an overview of the importance of microinsurance protections for low income populations, an overview of the insurance protection programs being offered to microfinance institutions, a presentation on the viability of creating an insurance company for the microfinance and cooperative sector in Nicaragua. A brief summary of the workshop is enclosed in Attachment 17.

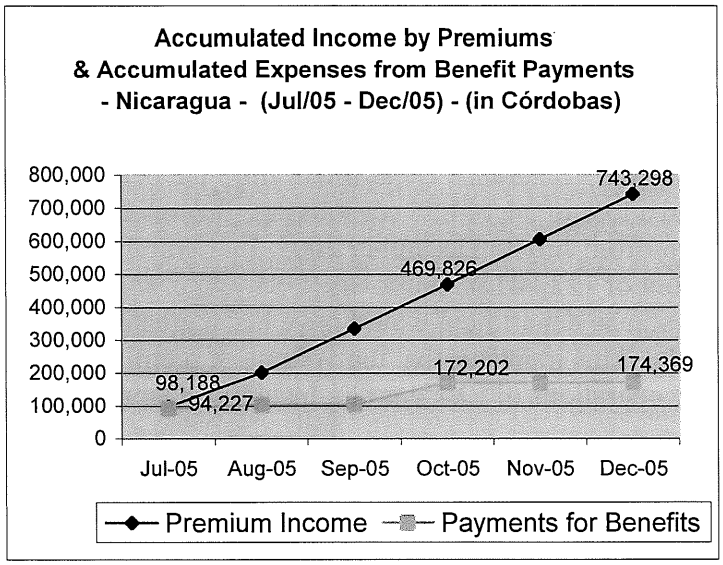
Results

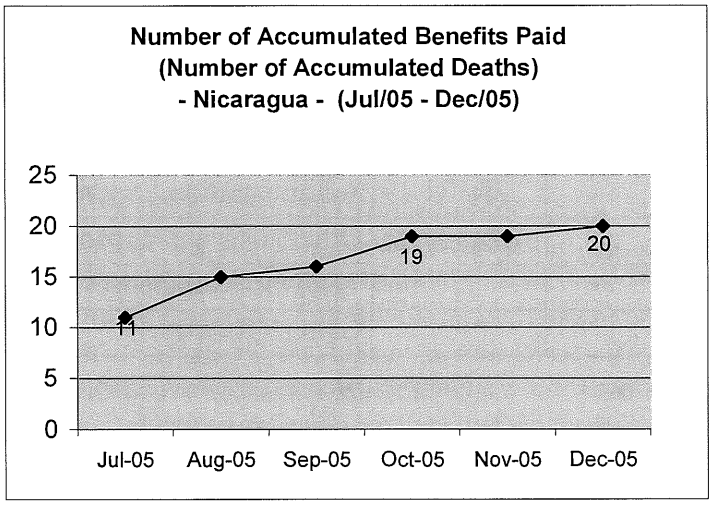
The main indicators of La Central's project performance during the second semester of the 2005 are as follows:

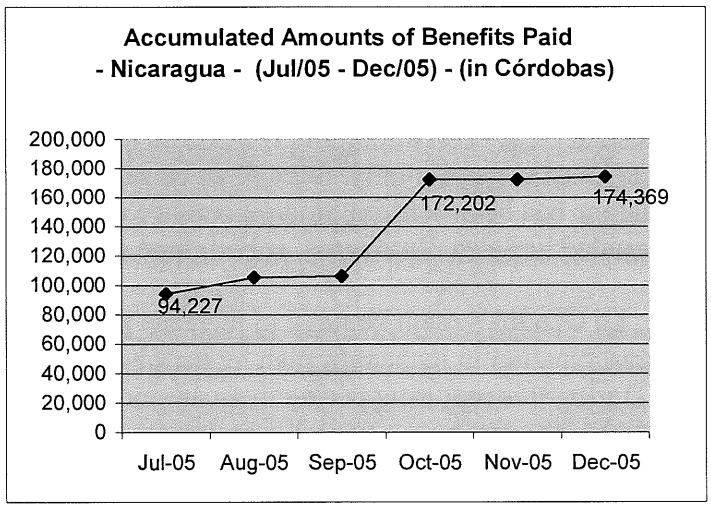

Number of Persons Insured
- Nicaragua -
(Jul/05 - Dec/05)
50,000
40,000
30,000
20,000
10,000
0
31,055
41,221
41,455
Jul-05
Aug-05
Sep-05
Oct-05
Nov-05
Dec-05


Monthly Income by Premium Payments -
Nicaragua - (Jul/05 - Dec/05) - (in Córdobas)
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
98,188
134,120
137,115
Jul-05
Aug-05
Sep-05
Oct-05
Nov-05
Dec-05


Accumulated Income from Premiums -
Nicaragua - (Jul/05 - Dec/05) - (in Córdobas)
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
98,188.00
469,826.00
743,298.00
Jul-05
Aug-05
Sep-05
Oct-05
Nov-05
Dec-05


Accumulated Income by Premiums
& Accumulated Expenses from Benefit Payments
- Nicaragua - (Jul/05 - Dec/05) - (in Córdobas)
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
743,298
469,826
98,188
94,227
172,202
174,369
Jul-05
Aug-05
Sep-05
Oct-05
Nov-05
Dec-05
Premium Income
Payments for Benefits


Number of Accumulated Benefits Paid
(Number of Accumulated Deaths)
- Nicaragua - (Jul/05 - Dec/05)
25
20
15
10
5
0
11
19
20
Jul-05
Aug-05
Sep-05
Oct-05
Nov-05
Dec-05


Accumulated Amounts of Benefits Paid
- Nicaragua - (Jul/05 - Dec/05) - (in Córdobas)
200,000
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
94,227
172,202
174,369
Jul-05
Aug-05
Sep-05
Oct-05
Nov-05
Dec-05

In terms of impact, it is important to note that La Central has exceeded their original goal of 30,000 insureds in two years by over 10,000 – a major achievement. This year, over 20 claims have been paid to date valued at US$10,167, an average of $508 for each claim. In a country where average annual income is under $300 year, that amount is significant.

Financial results of La Central's Insurance Department from the period between July and December, 2005 reflected a loss of 54,144.55 córdobas as illustrated in the figure below. However, considering that from July to December 2005, La Central received financial support from USAID in the amount of 123,841.43 córdobas (US$ 7,222.97), without the USAID financial support, the insurance department would have had a greater loss of 177,985.98 córdobas (US$ 10,380.91). This indicates that the volume of premiums being received is not yet sufficient to cover all the operations of La Central's Insurance Department.

Accumulated earnings statement July 1 to December 31, 2005 – Insurance Department – La Central of Nicaragua - Amounts in Córdobas			
INCOME		**EXPENSES**	
Premiums - Loans Plan	291,464.28	Payment benefits Loan Plan	84,781.31
Premiums - Saving Plan	447,380.25	Payment benefits Savings Plan	55,909.22
Premiums – Funeral Plan	21,757.70	Financial costs	42,762.31
Financial Income	28,731.19	Administration Expenses	660,025.13
Total Gross Income	789,333.42	Other costs and expenses	
		Total Gross Expenses	843,477.97
		Gain or (Loss)	(54,144.55)

Analysis

CHALLENGE: The primary challenge for long term sustainability of La Central's insurance department is to generate sufficient premium volume to cover both administrative expenses and eventual surplus for both reserves and member distributions. While there was a loss in this reporting period of C$54,145 (US$3,185), the previous semester showed a small surplus of C$16,572 (US$975). USAID support for administrative expenses (15% of administrative expenses) and technical assistance has been important, if not critical for long term prospects. While operating losses are to be expected initially, there must be sufficient prospects for long term growth. Another challenge has been forming microinsurance alliances with microfinance institutions, which as La Equidad has also discovered, is both time consuming and intensive.

STRATEGY/SOLUTION: La Central's main strategy to increase premium income has been to expand through increased participation in its benefit plan by member cooperatives and microfinance institutions. During this reporting period there are indications of expanding growth in terms of persons covered (41,000 surpassing their 2 year project end goal of 30,000);

increased premium volume (+25%), and accumulated income (+700%). While microfinance alliance building has been slow and labor intensive, La Central's natural forte is within its member credit unions. One possible alternative strategy may be to consider expanding to other large groups including non-credit union cooperatives, unions, associations, and federations. Among alternative strategies are to find ways to reduce administrative expenses, such as more efficient computer automation processes. Reducing administration is often difficult in a labor intensive start-up period.

CHALLENGE: Creation of an insurance company for the cooperative and microfinance sectors is a worthy long term goal, and the feasibility study has helped clarify opportunities and challenges ahead. While it is not expected that company formation will take place during the limited two year funding for this component, the most difficult challenge will be to obtain sufficient buy-in from a significant number of cooperatives and microfinance institutions. The two groups (credit unions and microfinance institutions) see each other as competitors, and relations are not particularly close. There is a widespread tendency for such groups to self-insure, which has its own set of inherent risks and potential rewards.

STRATEGY/SOLUTIONS: The analysis of potential interest by microfinance institutions will be most telling as to the short or long term prospects for the creation of a new insurance company. Assuming there is sufficient interest, a feasibility study will be developed based on that interest and shared with the group. We don't know until we try!

Program D: Organizational Culture Strengthening

In this program, advanced training in *The Program for a Culture of Excellence in Service* is being implemented among four cooperative insurance companies in the Dominican Republic, El Salvador, Guatemala, and Honduras. Training is led by Dr. Miguel Arrieta, executive director of the Instituto Para El Desarrollo Humano and Edwin Quiñones, AAC/MIS Vice President for Development. During the reporting period, the following training seminars took place:

Coop-Seguros, Dominican Republic

Coop-Seguros' second workshop took place from October 21-22, 2005in Santo Domingo and involved a total of 32 staff and board members. Building on concepts of service that were discussed in the first seminar, this seminar featured lectures on decision making processes and delegation, a review of previous seminar subjects and discussion on how program concepts can be applied to practical work situations.

In light of Coop-Seguro's recent growth, the importance of delegation was discussed at length – an area they need to improve if they are to sustain such growth. They discussed development of a "delegation work plan" that cultivates empowerment, encourages acquiring new management knowledge and technical skills, assuming new risks and increasing learning curves. Without position descriptions, managers don't know how to use delegation as a tool (position descriptions are being developed now). Most collaborative activities that are carried out are technical in nature, so individuals don't make decisions - the only person who makes decisions is the general manager. This cannot continue. After the seminar, an analysis will be made to determine what

things the General Manager does that do not correspond with his job, so they can be delegated to different positions within each department.

In decision making processes, having common understanding of shared values is key. The group discussed Coop-Seguros' corporate values, which include the following: excellence in service; team work; honesty and transparency; observing laws; solidarity and social responsibility; respect, identity; integrity; cooperation; and openness to criticism. For each value they identified key aspects, strengths or weaknesses. There was some very open and honest sharing, particularly about their weaknesses and what activities can be done to improve them in the future.

Equidad Compañía de Seguros, Honduras

Equidad's first workshop took place in Tegucigalpa from October 3-4, 2005 and involved a total of 29 staff and board members. As it had been a year and a half since their last seminar, it was important to review key program concepts with the group. Despite this long interval and the several new staff and board members, overall retention of the program values in the company continues to be strong. The first day the group identified and reviewed key concepts and then broke out to five small groups to discuss how each can be put into practice to strengthen and maintain the program. The second day focused on a lecture and review of the five basic principles of decision making, with group breakouts to discuss each theme and how it applies to workplace situations.

An *Excellence in Service* commission has been created involving board, management and operational staff. Among the many suggestions included: organizing a permanent and systematic orientation, with tools and resources on the Excellence program (i.e. possibly filming training events and sharing it with cooperatives); sharing each division's policies and procedures with all employees so that all are familiar with it, able to provide service and promote teamwork; and designing clear organizational structures, job positions and salary policies. Among the results of the program to date identified by staff included increased staff commitment (i.e. willingness to attend cooperative assemblies on weekends, attending training on holidays); and greater interaction between staff, clients and board members.

Seguros Futuro, El Salvador

This credit union federation owned cooperative insurance company was the focus for two workshops which took place from September 30-October 1, 2005 and November 18-19, 2005, with 21 staff and board participants each. Following similar content themes in seminars with other participating companies, the group focused on values identification, decision making, delegation and discussion on reading assignments.

Over the three years since the program begun, Seguros Futuro has tried to make a substantial change in its work environment. Seguros Futuro's staff-led Excellence Committee has been among the most active, having produced a staff and board training manual entitled "Seguros Futuro's System of Convivence." They have also developed a quarterly work plan of follow-up activities including readings and group discussions on themes such as "mutual assistance" and

"identity" and "company values." They also plan to develop a staff orientation manual and a "School of Insurance Leaders and Organizational Culture" with the training division to help promote the values and concepts. Attached is a translation of the Excellence Committee's report of activities during the reporting period and recommendations (Attachment 18).

Analysis

CHALLENGE: In addition to providing follow-on training and support in the development of a Culture of Excellence in Service, a major goal of this program was to have each company focus on achieving longer term sustainability of the program. While Excellence Committees have been developed in the companies and many activities are taking place to codify and perpetuate changes in their organizational culture, there is still a fundamental dependency on the trainer to provide training and key concepts based on the Vertical Living philosophy within the Program for a Culture of Excellence in Service.

SOLUTION/STRATEGIES: With the two year program (as originally proposed) coming to an end in May, 2006, staff from AAC/MIS and the Instituto para el Desarrollo Humano are beginning to draft next stage in the evolution of this program. There is universal agreement that the value of this program to the companies, but also the potential value it can have if brought to scale among other AAC/MIS member companies and their cooperative owners. In essence, the idea is to develop local trainers who are licensed and certified in the Vertical Living program, who can then provide ongoing training to cooperative insurance companies and their cooperative owners. Participating companies would need to take on part of the financial burden of maintaining the program through recertification of trainers as well as occasional follow-up consultations with the Instituto. A proposal and budget are being drafted. It is hoped that additional USAID funding may be available to support this activity.

Program E: Dissemination

World Bank Video Conference Presentation

On September 22, 2005 AAC/MIS staff participated in a video conference sponsored by the World Bank's Global Development Learning Network and the Central American Microfinance Network (REDCOMIF) entitled *Microinsurance for Microentrepreneurs in Central America.* This two hour session was broadcast live in Spanish via satellite to over 150 REDCOMIF microfinance representatives at videoconference centers in six Central American countries (Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama). The AAC/MIS presentation focused on how cooperative insurers are working with microfinance institutions in Latin America to help them offer their clients microinsurance products, highlighting current projects with La Equidad in Colombia and La Central de Cooperativas de Ahorro y Crédito in Nicaragua.

2005 Microinsurance Conference, Munich, Germany

AAC/MIS participated in the very first *2005 Microinsurance Conference: Making Insurance Work for the Poor: Current Practices and Lessons Learnt*, which was held from October 18-20,

2005 in Munich, Germany. Sponsored by the Munich Re Foundation and coordinated with the Consultative Group to Assist the Poor (CGAP) Working Group on Microinsurance, the program featured presentations on best practice case studies from organizations around the world that are making insurance protections accessible and affordable to low income persons. Executive Director Ed Potter and Consultant Karen Schwartz presented on two AAC/MIS member companies, Serviperú in Peru and La Equidad in Colombia. Over 90 experts from around the world participated in this very first microinsurance conference. A copy of the two presentations and a brief summary of the conference is available in Attachment 19.

International Development Practitioner Forum

A one day forum for international development professionals entitled *Achieving Progressive Organizational Change: Creating a Culture of Excellence in Service* took place on June 9, 2005 at the Hotel Washington in Washington, DC. Among the 62 participants who attended the seminar included staff from insurance cooperatives, NGOs and PVOs, consulting firms, international development consultants, and USAID officials. Participants received a substantial folder of background materials including copies of presentations, evaluations, typologies, and other information about AAC/MIS and its development work. The final program agenda and participant list is available in Attachment 20.

The program began with a presentation by Lawrence Harrison of The Fletcher School of Law and Diplomacy at Tufts University, who spoke on Cultural Values and Development and introduced the "Culture and Conditions of Economic Development" typology, which presented progress-prone and progress-resistant cultures. The typology looked at each system's worldview, values/virtues, economic behavior, and social behavior. He recommended strengthening the values that nurture development. Edwin Quiñones, AAC/MIS Vice President for Development then introduced the *Program for a Culture of Excellence in Service*. Dr. Miguel Arrieta Morales of the Instituto para el Desarrollo Humano in Puerto Rico explained the key elements of the *Program for a Culture of Excellence in Service*, including its strategy, objectives, courses, and certification process. Dr. Arrieta Morales gave a fairly detailed program overview that included the six basic courses and "Certification in Vertical Living." George Hickerson, President, Business Design Systems, Inc., then presented his findings from the program evaluation that highlighted the program's strong impact and results at the corporate, personal, and family levels. Martha Julia Ramirez Marroquín and Pedro Abreu then described the program's impact at the local level using their experience in Guatemala and the Dominican Republic, respectively, as examples. The forum concluded with all the speakers returning to the podium for final reflections, wrap-up, and possible AAC/MIS recommendations for next steps with comments from the participants.

Of the 62 forum participants, 20 (or 32%) completed the one-page evaluation at the end of the day's events (see summary in Attachment 21). Most of the participants responding felt the forum met their expectations and they enjoyed the forum. On average, the participants rated all the sessions as being relevant to very relevant. Mr. Hickerson's session on the program evaluation and Mr. Harrison's session on "Cultural Values and Development" received the highest average scores. Of the 20 responding participants, 16 stated that they might or would plan further research or action in organizational culture change as a result of the forum. Several participants

noted that the forum was "insightful" and "well worth the time," and they "appreciated the combination of theory and practical application."

For AAC/MIS this was an excellent opportunity to share lessons learned from one of its most successful programs that has potential applications for other development organizations. This event also provided an excellent opportunity for AAC/MIS, a relative newcomer to the area, to be introduced to the Washington, DC international development community.

AAC/MIS Annual Conference Session

A special encore two hour session on *Achieving Organizational Change: Creating a Culture of Excellence in Service* took place at the AAC/MIS Annual Conference from August 17-20, 2005 in San Salvador, El Salvador. Reflecting the same content and speakers from the Forum program above (sans Larry Harrison and his presentation), the session focused on the impact the program has had on the insurance cooperatives. This was the first time that the program was presented to the AAC/MIS membership, and the response was very enthusiastic. The session was among the most highly rated at the conference, achieving a 3.85 score out of 4.0 possible.

Thursday, August 18 -Session 4: Achieving Progressive Organizational Change: *Creating a Culture of Excellence in Service:*	**Average = 3.86**
(1) **Edwin Quiñones**, VP for Development, AAC/MIS, San Juan, Puerto Rico.	**3.81**
(2) **Miguel Arrieta**, Executive Director, Instituto para el Desarrollo Humano, Hato Rey, Puerto Rico.	**3.69**
(3) **George Hickerson**, President, Business Design Systems, Inc., Denver, Colorado	**3.56**
(4) **Pedro Abreu**, General Manager, Coop-Seguros, Santo Domingo, Dominican Republic	**3.58**
(5) **Martha Julia Marroquín**, Technical Manager of Casualty-Property Claims, Columna Compañía de Seguros, Guatemala City, Guatemala.	**3.69**

Program F: Enabling Environment for Cooperative Law

The Cooperative Law & Regulatory Initiative (CLARITY) led by the eight cooperative development organization grantees offered a one day workshop to explore principles that define the role of the state vis-à-vis cooperatives. A central point of discussion was whether there is a need for a separate cooperative supervisory authority and how to define principles for the operation of that or other state agencies that have some role over the regulation of cooperatives. The morning included panel sessions on international cooperative law reform and US cooperative law, with afternoon discussions on the role of the state in various cooperative regulatory activities. AAC/MIS staff moderated the break-out team on registration issues. Overall, the workshop provided a very practical experience. The collaborative initiative has been both a professionally rewarding and personally enjoyable experience among all CDOs.

Other Developments

FIELD Support Leader with Associate Award

AAC/MIS was part of a consortium of 27 financial service organizations led by Academy for Educational Development that was chosen for The Financial Integration, Economic Leveraging, Broad-Based Dissemination (FIELD-Support) Leader with Associates award (LWA) awarded by USAID's Office of Microenterprise Development. The team is comprised of10 core members and 17 resource organizations with a proven track record in reducing poverty and promoting sustained, equitable growth through microenterprise development, microfinance, value chain development, institution and human capacity building, and the promotion of other market-based approaches such as microinsurance. The program is designed to implement innovative, comprehensive, and integrated approaches to sustainable economic growth with poverty reduction. The new mechanism brings together core Leader Award funding ($10 million) and a streamlined process for Missions and USAID operating units to use their own resources to access FIELD-Support expertise. Under this mechanism, USAID operating units may issue Associate Awards up to a ceiling of $340 million, depending on available resources and demand from USAID Missions. FIELD-Support will operate through FY 2010, with a possible five-year extension through 2015. A brief description of the FIELD-Support LWA and the AAC/MIS Core Capabilities Statement is available in Attachment 22.

USAID Semi Annual Report
AAC/MIS Cooperative Agreement AFP-A-00-04-00036-00
Period: June 1 – December 31, 2005
Cooperative Insurance: Mitigating the Socio-Economic Impact of HIV/AIDS and Poverty in the Americas

List of Attachments

Attachment 1: Coop-Seguros HIV/AIDS Prevention Education Module I
Attachment 2: Coop-Seguros HIV/AIDS Prevention Education Module I
Attachment 3: Coop-Seguros HIV/AIDS Program brochure
Attachment 4: Coop-Seguros Training Event Photos
Attachment 5: COOPNAMA Actuarial Evaluation Conclusions & Recommendations
Attachment 6: Specifications for Benefits 70% HIV/AIDS "Life Viaticals"
Attachment 7: Specifications for the Additional Debtor Benefit - Loan Policy ("Loans Plus")
Attachment 8: Coop-Seguros Strategic Plan 2005-2009
Attachment 9: Coop-Seguros Operations Plan 2006
Attachment 10: Coop-Seguros Organizational Structure
Attachment 11: Sample Position Description – Coop-Seguros
Attachment 12: Corporación Mundial de la Mujer de Medellín Profile
Attachment 13: Fundación Mundo Mujer – Popayán Profile
Attachment 14: La Equidad Microinsurance Alliance Development, Second Semester, 2005
Attachment 15: Family Protection Benefit Plan – La Central, Nicaragua
Attachment 16: Feasibility Study for Potential Insurance Company Formation - Nicaragua
Attachment 17: Microfinance Workshop, Managua, Nicaragua
Attachment 18: Excellence Committee Report, Seguros Futuro, El Salvador
Attachment 19: 2005 Microinsurance Conference Agenda & Presentations, Munich, Germany
Attachment 20: Achieving Progressive Organizational Change Seminar Program & List
Attachment 21: Achieving Progressive Organizational Change Seminar Program Evaluation
Attachment 22: FIELD-Support Leader with Associate Description & AAC/MIS Core Caps

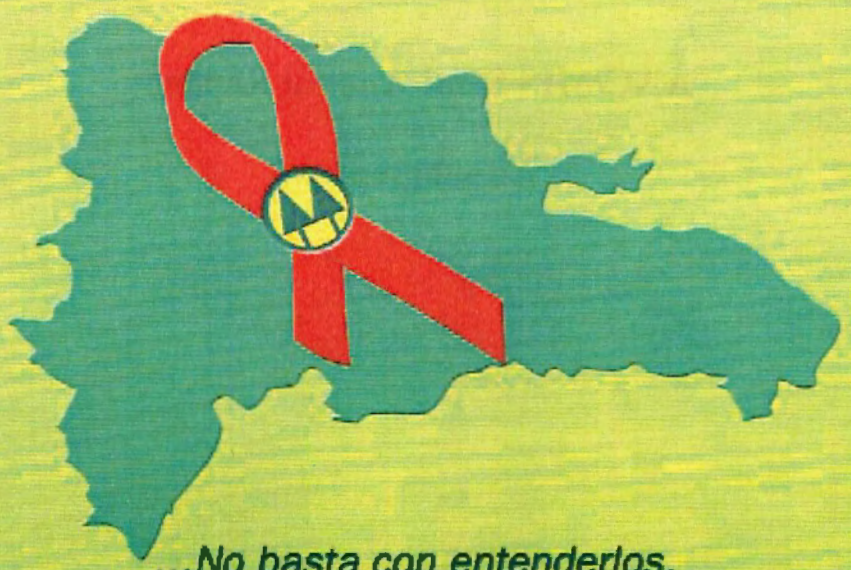
AAC/MIS Semi-Annual Report

Attachment 1

Programa de Responsabilidad Social para la Prevención del VIH/SIDA de

COOP-SEGUROS

Módulo I



...No basta con entenderlos, todos somos parte de la solución!!!

Cooperativa Nacional de Seguros, Inc.

AAC MIS

Asociación de las Américas de Sociedades de Cooperativas y Mutuales de Seguros (AAC/MIS)

Agencia de los Estados Unidos para el Desarrollo Internacional

Informaciones básicas sobre el VIH

¿Qué Significa VIH?

El VIH es el virus que produce el Síndrome de Inmunodeficiencia Adquirida, cuyas siglas son SIDA. De ahí que VIH son las iniciales de las palabras:

- Virus
- Inmunodeficiencia
- Humana

¿Qué es el SIDA?

Definiéndolo por el significado de las palabras que integran su nombre, podremos encontrar una acepción simple y comprensible del SIDA; veamos:

- ***Síndrome:*** Conjunto de enfermedades que se desarrollan al mismo tiempo.
- ***Inmuno:*** Relacionado con el sistema de defensa del cuerpo.
- ***Deficiencia:*** Defensa baja.
- ***Adquirida:*** Que se consigue por la infección del virus que produce el SIDA. Es la última etapa de la infección, en la cual el sistema inmunológico del cuerpo ya no funciona.

¿Cómo se puede evitar la transmisión del VIH?

- Abstinencia sexual.
- Una sola pareja sexual que no se involucre en un comportamiento riesgoso (FIDELIDAD MUTUA).
- Uso de Condones.
- Prevención de la transmisión de madre a hijo/a.
- Protección del suministro de sangre.
- No intercambiar agujas.
- Precauciones universales.

¡¡Nadie desarrollará SIDA sin haber sido infectado con VIH!!

- El SIDA no tiene cura y hasta ahora no se ha encontrado ningún tipo de vacuna para prevenirlo. Por eso le invitamos a utilizar la mejor defensa contra esta enfermedad:

¿Cuáles son las claves para evitar el SIDA?

- Abstinencia Sexual
- Fidelidad Mutua
- Protección

¿Cómo no se transmite el VIH?

- Con el contacto casual, apretón de manos, abrazos, por compartir platos, utensilios, teléfonos, baños, piscina.
- El VIH no se transmite a través del contacto cotidiano, la transmisión requiere el intercambio de fluidos corporales que contengan el virus.
- El VIH no se transmite a través de la picadura de mosquitos u otros insectos.
- El VIH no se transmite a través del sudor, lágrimas, tos o estornudos.

¿Cómo se infectan las personas con el VIH?

Existen cuatro formas básicas de las personas infectarse con el virus del VIH, que son las siguientes

- Transmisión de madre a hijo durante el embarazo, nacimiento o lactancia (Transmisión vertical)

- Compartiendo agujas, jeringas o instrumentos de perforación de la piel contaminadas con el virus SIDA.

- Por contacto con sangre o productos de la sangre, órganos o tejidos de una persona infectada.

- Relaciones sexuales sin protección.

¿Cuál es entonces la lógica?

- "Tener una única pareja sexual, que no se involucre en comportamiento riesgoso".

¿ Cuál es la visión más apropiada?

- "Somos los actores más importantes en el cuidado y protección de nuestros valores, entre ellos la VIDA Y LA FAMILIA, los cuales son úNICOS e IRREPETIBLES, es nuestra responsabilidad cuidarlos y defenderlos del VIH/SIDA"

PROGRAMA DE RESPONSABILIDAD SOCIAL PARA LA PREVENCIÓN DEL VIH/SIDA
Política de la Red de COOP-SEGUROS

El Programa de Responsabilidad Social para la Prevención del VIH/SIDA es la concreción, mediante la Red de COOPSEGUROS y en una dimensión profundamente humana, del principio de solidaridad del movimiento cooperativista de la República Dominicana, y una singular expresión de la efectividad de otro principio, el de la integración, en favor de seres humanos en especial dificultad, que ameritan estrechar nuestras manos en procura de vivir como parte del conglomerado humano, con derechos y con dignidad.

¿Qué es La Red de COOP-SEGUROS?

La Red de COOP-SEGUROS es una alianza estratégica entre la Cooperativa Nacional de Seguros, Inc. –COOP-SEGUROS- y el conjunto de sus Cooperativas Socias (cuya lista se incluye más adelante), para la definición colectiva de una política, el diseño de un programa y la articulación de esfuerzos encaminados a promover una actitud de responsabilidad social para la prevención del VIH/SIDA.

Justificación de esta Política

La Cooperativa Nacional de Seguros y las demás cooperativas socias participantes en la Red de COOP SEGUROS, en tanto instituciones que, además de su afianzada vocación social, son conocedoras del impacto socioeconómico de la pandemia del VIH/SIDA en el mundo y en particular en la República Dominicana, han asumido el compromiso de implementar una política sobre el VIH/SIDA, que se viabilizará a través del Programa que estamos presentando.

¿A quiénes está dirigido esta Política?

La Política de VIH/SIDA de la Red de COOP-SEGUROS está dirigido a los directivos, socios y empleados de COOP-SEGUROS y de las Cooperativas Socias participantes del mismo.

¿En cuáles fundamentos legales e institucionales se basa?

El Programa asume como fuente y base legal las normativas locales e internacionales derivadas de las experiencias resultantes de la lucha de la humanidad frente al SIDA.

En ese sentido, La Red de COOP-SEGUROS se compromete a respetar los conceptos postulados en la ley vigente sobre el VIH/SIDA, al mismo tiempo que garantiza el cumplimiento de los principios cooperativos de educación, solidaridad, colaboración entre cooperativas y compromiso con la comunidad.

¿En cuáles directrices se orienta?

1.- Prevención:

La Red de COOP-SEGUROS, mediante su Programa de Responsabilidad Social, implementará actividades de prevención del VIH/SIDA y facilitará a sus directivos, socios y empleados información actualizada, pertinente y confiable en sus actividades educativas.

2.- No estigma ni discriminación:

La Red de COOP-SEGUROS promoverá la no discriminación y no estigmatización de sus directivos, socios y empleados con VIH/SIDA, garantizando su permanencia como miembros de la cooperativa y/o en el empleo, sin importar su condición de salud, mientras puedan cumplir con estándares aceptables de desempeño y sus condiciones de trabajo no representen una amenaza para ellos.

- La Red de COOP-SEGUROS se compromete a mantener la confidencialidad de la información médica sobre los casos de VIH/SIDA en directivos, socios y empleados.
- La Red de COOP-SEGUROS se compromete a reubicar aquellos empleados de las cooperativas participantes en el programa que, por afectados del SIDA, requieran ser trasladados para la mitigación de su condición.
- La Red de COOP-SEGUROS velará para que las condiciones de trabajo y/o desempeño sean óptimas para sus directivos, socios y empleados.
- Los Directivos, socios y /o empleados de nuestra Red no serán sometidos sin su consentimiento a pruebas de VIH para fines laborales o de ingreso a las cooperativas.
- En caso de que una póliza de seguro de vida amerite una prueba previa de VIH/SIDA (por requisitos de los reaseguradores), se informará al asegurado para su aceptación o rechazo.

3.- *Solidaridad:*

- Dentro de los beneficios de la póliza de seguro de vida se incluirán las enfermedades catastróficas, entre ellas el VIH/SIDA, que se pagará, luego del primer semestre de afiliación, al beneficiario de la póliza, con alcance de hasta un 70% de la suma asegurada como "Viáticos en Vida".
    - Los beneficios serán suministrados en servicios médicos (consultas médicas, medios diagnósticos de imagen y laboratorio), medicamentos y alimentos. Estos beneficios se suministrarán a través de una red de proveedores de servicios de salud.
- Para los directivos, socios y empleados que no tengan esta póliza, se les canalizarán los servicios médicos mediante la Red de Proveedores de Servicios de Salud del Programa y se les garantizarán los mismos precios.
- El Consejo de Administración de COOP-SEGUROS y los Consejos de las cooperativas socias participantes en el programa serán los responsables de implementar y hacer cumplir esta política sobre VIH/SIDA, con el auxilio de los comités de VIH/SIDA de cada Cooperativa.
- Esta política de VIH/SIDA se monitoreará a través del seguimiento permanente de los diferentes comités de VIH/SIDA y se revisará o modificará por disposición del Consejo de Administración de COOP-SEGUROS.

El Programa de Responsabilidad Social Para la Prevención del VIH/SIDA fue una política discutida el sábado 29 de enero de 2005 y aprobada el 9 de Febrero 2005 por el Consejo de Administración de COOP-SEGUROS, integrado mediante representación de todas las instituciones cooperativas asociadas.

Programa de Responsabilidad Social Para la Prevención del VIH/SIDA

Una iniciativa concebida, definida y aprobada mediante la participación y el Consenso

A parte de los resultados procurados y las metas trazadas con el programa, de entrada, ha resultado grato y educativo el rico proceso seguido durante la concepción, definición y aprobación del mismo por parte de todas las instituciones y personas involucradas.

La participación, el compromiso colectivo y consciente, y el consenso fueron las características fundamentales del proceso que nos ha llevado hasta definiciones claras y nortes precisos.

¿Cómo informarse más y mejor?

- Para más información, favor comunicarse con la Oficina del Programa de Responsabilidad Social para la Prevención del VIH/SIDA de COOP-SEGUROS.

Teléfonos: 809 682 6118 Ext. 225 \ 1 809 200 6118

Fax: 809 688 7106

E-mail: coop.seguros@verizon.net.do

PRIMERAS INTITUCIONES PARTICIPANTES:

• COOPERATIVA LA ALTAGRACIA	• COOPCIBAO
• MEDICOOP	• COOPERATIVA LA TELEFÓNICA
• COOTRALCOA	• COOPNAMA
• COOPERATIVA LA VEGA REAL	• ENECOOP
• COOPERATIVA LA SOLUCIÓN	• COOPERATIVA MANOGUAYABO
• COOPDEFE	• COOFALCONDO
• COOPROHARINA.	• COOPERATIVA LA ECONÓMICA
• COOPACRENE	

Información sobre el VIH/SIDA

Encierra en un círculo las respuestas que consideres correctas:

1.- Es lo mismo el SIDA que el VIH

Si No

2.- Las formas de prevención del VIH/SIDA son:

a) La abstinencia sexual
b) La fidelidad
c) No abrazar personas con SIDA
d) Evitar picaduras de mosquitos
e) Uso del condón
f) Las a, b, y e son correctas

3.- El VIH se transmite por:

a) Lagrimas y sudor
b) Transfusiones sanguíneas
c) Sentarse en un asiento caliente
d) De la madre infectada a su hijo
e) Relaciones sexuales
f) Las b, d y e son correctas

4.- El VIH y/o SIDA afecta a:

a) Drogadictos
b) Bisexuales y trabajadores sexuales
c) Mujeres
d) Hombres
e) Todos estamos en riesgo

5.- A quién está dirigida la política de SIDA/SIDA de la Red de COOP-SEGUROS:

a) A los socios
b) A los empleados y directivos
c) Todas las anteriores son correctas

6.- Según la Política de SIDA de la Red de COOP-SEGUROS los socios y/o empleados de las cooperativas viviendo con el VIH/SIDA deben ser:

a) Excluidos de las cooperativas
b) Mantenerse en las cooperativas, valorizados y respetados
c) Debéa ser recluidos en centros apartados de las demás personas.

7.- Los viáticos de la Póliza de Vida de COOP-SEGUROS serán pagados luego de:

a) 1 año b) Luego de 6 meses c) Luego de 4 meses d) Luego de 3 meses

Adquiérelo a Crédito o de contado en una de nuestras oficinas

Cooperativa La Altagracia	809 581 8541 ext. 240
Coofacondo	809 296 0287
Cooperativa La Telefónica	809 683 1717 ext. 262/264
Cooperativa Los Ferreteros	809 566 5121 ext. 250
Cooperativa Vega Real	809 573 7540
Cooperativa de los Médicos	809 535 3009 ext. 232

COOP-SEGUROS
...Un Seguro Garantizado!!!

Para contactarnos:
809 682 6118 ext. 237 • 1 809 200 6118 del interior
Fax: 809 688 7106 • email: coopseguros@verizon.net.do

Oficina principal:
Ave. Bolívar #452, esq. Socorro Sánchez Plaza Gazcue II,
Local 1-C, Santo Domingo, D.N.

AAC/MIS Semi-Annual Report

Attachment 2

Programa de Responsabilidad Social para la Prevención del VIH/SIDA de

COOP-SEGUROS

Módulo II

...No basta con entenderlos, todos somos parte de la solución!!!

Cooperativa Nacional de Seguros, Inc.

AAC MIS

Asociación de las Américas de Sociedades de Cooperativas y Mutuales de Seguros (AAC/MIS)

Agencia de los Estados Unidos para el Desarrollo Internacional

A. Conociendo más sobre las ITS

1. Conociendo las Infecciones de Transmisión Sexual

- Las Infecciones de Transmisión Sexual, como indica su nombre, se propagan por medio de las relaciones sexuales y son popularmente llamadas Enfermedades Venéreas.
- Para referirse a estas enfermedades, regularmente se emplean las siglas ITS.
- Estas infecciones, que vienen incrementándose en todo el mundo, pueden ser causadas por hongos, parásitos, bacterias y virus. Se han descubierto más de 20 agentes causales.
- El contagio de estas enfermedades puede provocar desde esterilidad, embarazo ectópico, cáncer genital y otros daños a la salud hasta la muerte, como es el caso del SIDA.

2. Infecciones de Transmisión Sexual Más Conocidas

- Gonorrea o Blenorragia .
- Sífilis.
- Condilomas Acuminados o Cresta de Gallo.
- Chancro Blando o Chancroide.
- Herpes Genital.
- Hepatitis B y C.
- Clamidia.
- Linfogranuloma venéreo (Incordio)
- Pediculosis Púbica o Ladilla
- Tricomoniasis.
- Vaginitis
- SIDA.

B. Las ITS más frecuentes

La Sífilis

Se conoce también como chancro, se desarrolla en tres etapas por sus síntomas:

Primera etapa (de una a doce semanas tras su contagio):
Se presenta una ulcera o llaguita indolora, suele aparecer entre los 9 y 90 días después de que la bacteria haya entrado en el cuerpo ,en la zona de los genitales ,aunque también se puede manifestar en los dedos ,bocal pechos y ano.

Segunda etapa (de una a 6 meses después):
Se pueden producir erupciones cutáneas en pecho, espalda o extremidades

Se pueden hinchar los nódulos linfáticos en cuello, axilas, ingles...

Pueden caerse mechones de pelo y aparecer regiones inflamadas cerca de los genitales y el ano.

Tercera etapa (de tres a más años, 10-20 tras el contagio):

Síntomas:
Ulceras de la piel y órganos internos.

Artritis.
Pérdida de sensibilidad en brazos y piernas.

Dolores e incapacidad lesiones en chorrazo médula.

Gonorrea

Se conoce también como gonococia o blenorragia , es causada por una bacteria denominada gonococo .Puede transmitirse de unas personas a otras durante todas las etapas de su desarrollo,suele ser mas persistente y difundirse mas entre las mujeres que en los hombre ,al ser en ellas mas asintomáticas.

B. Las ITS más frecuentes

Gonorrea

Síntomas:

En los hombres: secreción purulenta por el pene, que con el tiempo se va haciendo mas fina y cremosa, sensación de escozor al orinar.

En Mujeres: leve aumento de la secreción vaginal .Sensación de ardor al orinar. Dolores abdominales y sensación de cansancios.

La Gonorrea también puede difundirse del pene a la garganta mediante el sexo oral.

Consecuencias

En los casos que no son tratados clínicamente o que no cumplen correctamente con las indicaciones médicas, las consecuencias pueden ser:

En el hombre:

- Esterilidad
- Daños en los órganos internos (próstata, vesículas seminales, uretra).

En la mujer:

- Infecciones de las Trompas de Falopio, los ovarios y toda la pélvis.
- Esterilidad.
- Dolor pélvico crónico.
- Embarazo ectópicos
- Consecuencias funestas en el embarazo y el parto. .
- Infecciones que pueden lesionar el tejido cardíaco y otros órganos.

En los recién nacidos:

Cuando los bebés se infectan a través del canal de parto de la madre infectada, pueden presentar:

- Infección en los ojos.
- Ceguera permanente.

Clamidia

Es una enfermedad de transmisión sexual causada por una bacteria que afecta a la uretra y al cuello del útero.

Se transmite por contacto de las mucosas de la vagina, boca, ojos, uretra o recto.

En el hombre: secreción por el pene que en un principio es transparente, para pasar luego a una textura cremosa.

Frecuente necesidad y a veces dolor al orinar.

En mujeres: secreción vaginal, dolores en el bajo vientre.

Estos síntomas son más reconocibles en el hombre que en la mujer y en ocasiones son difíciles de detectar, además son muy similares a la gonorrea.

Vaginitis o infección vaginal

En la vagina crecen y se desarrollo muchas bacterias que ayuda a mantener el ácido vaginal, evitando el crecimiento de hongos, micosis y otros organismos perjudiciales este medio se ve alterado puede darse la multiplicación de estos microorganismos.

Las Infecciones mas frecuentes son causadas por tricomonas, cándida y gardanella.

B. Las ITS más frecuentes

Herpes Genital

Provocada por un virus conocido como herpes simples, tipo 2.

Se transmite por contacto sexual, vaginal, anal –genital u oral aunque no necesariamente en todos los casos.

Se extiende con mucha facilidad en las mujeres, aumentando con el contagio el riesgo de cáncer de útero, y en caso de embarazo puede haber aborto o parto prematuro.

Síntomas

Después de las dos (2) primeras semanas, luego de la infección, aparecen los siguientes

Ulceras o ampollas ardientes en los genitales que pueden durar de dos a tres (2 a 3) semanas; fiebre parecida a la de la gripe; sensación de quemazón o ardor al orinar.

Consecuencias

- Lesión cerebral.
- Afección del recién nacido.
- En las mujeres embarazadas infectadas, mayor riesgo de parto prematuro y posible muerte del recién nacido.

La hepatitis B

Infección producidas por el Hepatitis B, esta ITS produce la inflamación del hígado, y es la única ITS que puede prevenirse mediante una vacuna. Síntomas: fiebre, perdida del apetito, malestar general con cansancio, nauseas y molestias de estomago, color amarillento de la piel y el ojo y dolor en la parte alta del abdomen.

Chancro Blando (Chancroide)

Es una infección muy contagiosa que a veces se confunde con la Sífilis y el Linfogranuloma Venéreo.

Síntomas

Aparece en los primeros cinco (5) cinco días después de una relación sexual con una persona infectada. Primero aparece una o varias llagas con pus. Dos (2) semanas después de la infección se forma una llaga cubierta de pus y muy dolorosa que se expande rápidamente aumentando de tamaño y haciéndose profunda.

Puede aparecer en la ingle o verija, ganglios agrandados a manera de bolas tan dolorosas que llegan a impedir los movimientos produciendo dolor al caminar. Estas bolas pueden romperse y dejar salir pus mezclado con sangre.

En el hombre

Estas lesiones o llagas son más frecuentes y visibles en los hombres y se localizan en el pene, prepucio y ano.

En la mujer

En las mujeres estas llagas se localizan en el clítoris, labios mayores y menores, entrada de la vagina, cuello del útero. En algunas mujeres estas llagas pueden no estar visibles pero durante la relación sexual o al defecar puede salir pus.

C. Cuáles ITS tienen cura y cuáles NO la tienen?

Entre las Infecciones de Transmisión Sexual (ITS) las hay que no tienen cura, mientras que otras sí las tienen; es conveniente saber diferenciarlas, a los fines de dar a cada una la atención más adecuada.

C. Cuáles ITS tienen cura y cuáles NO la tienen?

3. Infecciones de Transmisión Sexual que No Tienen Cura

- SIDA
- Herpes Genital
- Condilomas
- Hepatitis B
- Hepatitis C

4. Infecciones de Transmisión Sexual que Sí Tienen Cura

- Gonorrea
- Clamidias
- Sífilis
- Vaginitis (por cándidas, trichomonas, gardenellas y monilias).

D. ¿Cómo Saber si tienes una Infección de Transmisión Sexual?

Los síntomas son manifestaciones diversas que pueden advertirnos sobre la presencia de Infecciones de Transmisión Sexual, tanto en las mujeres como en los hombres. Vamos a conocerlos.

5. En la Mujer:

- Flujos, supuraciones o secreciones por la vagina.
- Dolor o ardor al orinar.
- Erupciones alrededor de los órganos sexuales.
- Inflamación o enrojecimiento de los órganos sexuales. Inclusive ano.
- Lesiones en la piel (verrugas, chancros o manchas).
- Dolores en el bajo vientre.

6. En el Hombre:

- Líquido espeso amarillo o blanco que sale por el pene.
- Ardor o dolor al orinar.
- Necesidad de orinar más seguido.

Es frecuente que, tanto en las mujeres como en los hombres, se presenten algunas manifestaciones que, aunque a menudo pasan desapercibidas o no se les presta la debida atención, pueden ser síntomas de que algo anda mal. En ocasiones puede ocurrir que, aún estando enfermos, no se presente durante años ningún síntoma, lo cual resulta ser más peligroso aún, pues esa persona, ignorando quizás su situación, seguirá teniendo relaciones sexuales e infectando a otras personas.

E. Lo que Nunca Debemos Olvidar

7. Es Importante Tener en Cuenta Que:

- Las ITS no atendidas a tiempo o mal tratadas dejan secuelas que pueden producir hasta la muerte.
- Si te infectas de una ITS, del mismo modo te puedes infectar del VIH.
- Las ITS son una puerta de entrada al VIH.

8. Recomendaciones Para Evitar Las Infecciones de Transmisión Sexual

- Abstinencia
- Tener relaciones sexuales con una pareja única (Fidelidad Mutua).
- Practicar el sexo seguro (besos, masajes, caricias, juegos sexuales sin penetración).
- Usar preservativo (condón) de forma adecuada cada vez que tengas sexo con penetración.

- Evitar el consumo excesivo de alcohol o drogas, ya que pueden hacerte perder el control y olvidar que debes protegerte.
- No te confíes en lo limpio o saludable que parezca una persona ante tus ojos.
- Precaución universal (usar guantes al estar en contacto con sangre u otros fluidos corporales de las personas).

F. Evitemos el Estigma y la Discriminación!

9. ¿En Qué Consiste el Estigma?

- El Estigma comprende el uso de una característica o atributo (como la condición de VIH) para desacreditar o desvalorizar a un individuo o grupo, y para apartarlos de los demás.

10. ¿Cómo se Expresa el Estigma?

El Estigma puede tener variadas expresiones. Entre las más comunes se encuentran:

- El Acoso.
- El Aislamiento durante las comidas y los recesos.
- Que se les pida usar baños separados u otras instalaciones.

11. ¿Cuándo ocurre la descriminación?

- La Discriminación ocurre cuando una persona es tratada de manera injusta sobre la base de que pertenece a un grupo particular (como las Personas que viven con VIH/SIDA).

G. Conociendo los Efectos y Aprendiendo a Evitar el Estigma y la Discriminación

12. ¿Cuáles pueden ser los efectos del Estigma y la Descriminación?

- Que las personas perciban el VIH/SIDA como asunto de otros.
- Que las personas infectadas se sientan culpables y avergonzadas.
- Efectos negativos en las Persona Viviendo con VIH/SIDA, como baja autoestima, depresión y desesperación.
- Que las personas no busquen asesoramiento y atención médica apropiada.

13. ¿Cómo Evitar el Estigma y la Discriminación?

- Reconociendo que el VIH/SIDA es una realidad que vive con nosotros.
- Aumentando los niveles de educación sobre VIH/SIDA en las personas y comunidades.
- Clarificando los mitos y tabúes sobre el VIH/SIDA.
- Desarrollando actitudes de comprensión y solidaridad con las Personas.
- Viviendo con el VIH y /o SIDA.
- Aplicando la Ley 55-93.

H. El Propósito de COOPSEGUROS: Predicar con el Ejemplo

14. ¿Cuáles son los Principales Componentes de la Política de Coopseguros de No Discriminación y No Estigmatización de sus Directivos, Socios y Empleados con VIH/SIDA?

- Garantía de permanencia como miembros de la cooperativa y/o en el empleo, sin importar su condición de salud, mientras puedan cumplir con estándares aceptables de desempeño y sus condiciones de trabajo no representen una amenaza para ellos.
- Mantenimiento de la confidencialidad de la información médica sobre los casos de VIH/SIDA en directivos, socios y empleados.
- Reubicación de aquellos empleados de las cooperativas participantes en el programa que, por estar afectados del SIDA, requieran ser trasladados para la mitigación de su condición.
- Empeño en que las condiciones de trabajo y/o desempeño sean óptimas para sus directivos, socios y empleados.
- No sometimiento, sin su consentimiento, a los directivos, socios y/o empleados de la institución a pruebas de VIH para fines laborales o de ingreso a las cooperativas.
- Información al asegurado, para su aceptación o rechazo, en el caso de que una póliza de seguro de vida amerite una prueba previa de VIH/SIDA, debido a requisitos de los reaseguradores.

I. Una Base Legal para Apoyarnos

15. ¿En qué Consiste la Ley 55-93 Sobre Sida?

El 19 de mayo del 1993, se aprobó en República Dominicana la Ley No. 55-93 sobre SIDA. Esta ley reglamenta una serie de disposiciones que obligan a las instituciones del Estado, en coordinación con las Organizaciones No Gubernamentales, realizar actividades permanentes de información y educación sobre el SIDA, así como a prestar la debida atención a las personas infectadas y afectadas.

16. ¿Cuál Concepción Fundamenta Esta Ley?

La de que el estigma y la discriminación son los principales obstáculos para la prevención del VIH/SIDA.

J. Conociendo las Disposiciones de la Ley

17. ¿Qué Dispone la Ley, en Relación al Diagnóstico de Infección por VIH?

Según el Artículo 2 de la Ley, queda prohibida la realización de pruebas para el diagnóstico de infección por el VIH, salvo en los siguientes casos:

- Cuando exista, e parte del médico, sospecha clínica y/o epidemiológica de infección de VIH, previa autorización del paciente.
- A solicitud del interesado, con prescripción médica.
- Cuando una persona fuera a donar sangre u órganos humanos.
- Estudios de investigación epidemiológica voluntarios (previa autorización del paciente) o anónimos no ligados a datos de identificación personal.

18. ¿En Cuáles Casos NO Deben Realizarse las Pruebas para el Diagnóstico de Infección por VIH?

Según lo establece el Artículo 3 de la Ley 55-93, dichas pruebas no deben aplicarse para los fines siguientes:

- Para fines laborales: como requisito de ingreso a un trabajo o como condición para la permanencia en el empleo.
- Para fines propios de la atención en salud: cuando los resultados de la prueba condicionen la atención al paciente.

K. Sobre el Impulso a la Prevención y la Atención a los Infectados, Según la Ley.

19. ¿Quiénes Deben Impulsar la Prevención del VIH/SIDA, Según el Artículo 7 de la Ley?

La prevención es el instrumento más importante para el control de la infección por VIH, deberá ser impulsada por todas las instituciones del país, tanto públicas como privadas, gubernamentales (OGs) y no gubernamentales (ONGs).

20. ¿Qué se Establece en la Ley con Relación a la Atención Médica a los Afectados de VIH/SIDA?

- Art. 4.- En el caso de las personas ceropositivas a la prueba de detección del VIH o con SIDA, la institución donde el paciente requiera cuidados médicos deberá prestarle servicios de atención integral de acuerdo a sus necesidades.
- Art. 5.- Las instituciones que ofrecen servicios de salud deberán proveer servicios de consejería y apoyo emocional con personal entrenado y calificado para informar al paciente sobre su condición de salud.
- Art. 6.- La información relativa a todos los casos en que se diagnostique VIH es de estricto carácter confidencial.

L. Sobre Derechos, Deberes y Restricciones

21. ¿Qué Orientan los Artículos del 20 al 26 de la Ley, con Relación a los Derechos, los Deberes y las Restricciones?

- Art. 20.- Las instituciones tanto públicas como privadas que presten servicios de salud están en la obligación de proporcionar atención integral a las personas infectadas por el VIH y a las personas con SIDA, respetando su dignidad, sin discrimen alguno, con apego a las normas éticas, técnico-administrativas y jurídicas.

- Art. 21.- Cuando se compruebe a través de pruebas de laboratorios que una persona es portadora del VIH, ésta deberá informar a su médico quiénes han sido sus contactos sexuales, y deberá informar a éstos su ceropositividad.

- Art. 22.- Los trabajadores o empleados ceropositivos al VIH no están obligados a informar a sus empleadores sobre su condición cerológica.

- Art. 23.- Las personas privadas de su libertad deberán ser tratadas como cualquier otra persona, no pudiendo ser sometidas a pruebas obligatorias para detectar la infección por VIH, salvo para fines de prueba en un proceso judicial.

- Art. 24.- A los niños y adolescentes infectados, y a los hijos de madres o padres Infectados, independientemente de su condición de portadores del VIH o no, no podrá negárseles por la referida causa su ingreso o permanencia en centros educativos públicos o privados, ni serán discriminados por motivo alguno.

- Art. 25.- Las personas diagnosticadas como portadores del VIH/SIDA no podrán donar sangre, semen, leche materna u órganos.

- Art. 26.- Todas las personas en conocimiento de su ceropositividad al VIH, deberán comunicar su condición a las personas con las que vayan a establecer relaciones sexuales.

Adquiérelo a Crédito o de contado en una de nuestras oficinas

Cooperativa La Altagracia	809 581 8541 ext. 240
Coofalcondo	809 296 0287
Cooperativa La Telefónica	809 683 1717 ext. 262/264
Cooperativa Los Ferreteros	809 566 5121 ext. 250
Cooperativa Vega Real	809 573 7540
Cooperativa de los Médicos	809 535 3009 ext. 232

COOP-SEGUROS
...Un Seguro Garantizado!!!

Para contactarnos:
809 682 6118 ext. 237 • 1 809 200 6118 del interior
Fax 809 688 7106 • email: coop.seguros@verizon.net.do

Oficina principal:
Ave. Bolívar #452, esq. Socorro Sánchez Plaza Gazcue II, Local 1-C, Santo Domingo, D.N.

AAC/MIS Semi-Annual Report

Attachment 3

Cooperativas Participantes en el Programa:

- Cooperativa La Altagracia
- Cooperativa Vega Real
- Cooperativa La Telefónica
- Coopdefe
- Cootralcoa
- Coopacrene
- Coopcibao
- Coopnama
- Cooproharina
- Cooperativa La Solución
- Medicoop
- Cooperativa Manogüayabo
- Enecoop
- Coofalcondo

Para contactarnos:

809 682 6118 ext. 237

1 809 200 6118 del interior

Fax: 809 688 7106

email: coop.seguros@verizon.net.do

Oficina principal:

Ave. Bolivar #452, esq. Socorro Sánchez Plaza Gazcue II, Local 1-C, Santo Domingo, D.N.

Programa de Responsabilidad Social para la Prevención del VIH/SIDA de *COOP-SEGUROS*

...No basta con entenderlos, todos somos parte de la solución!!!

AACOMIS

La cooperativa Nacional de Seguros, Inc. (COOP-*SEGUROS)* inició sus operaciones el 1ro. de enero de 1990. Su misión es proveer seguros adecuados a las cooperativas, sociedades afines y socios corporativos.

COOP-*SEGUROS* es la única empresa del mercado asegurador bajo la modalidad de una Cooperativa.

COOP-*SEGUROS* está dirigido por una Asamblea General de Delegados, que elige a los Consejos de Administración y de Vigilancia.

En el mes de septiembre del 2004, COOP-*SEGUROS* ha dado inicio a un Programa de Responsabilidad Social para la Prevención del VIH/SIDA, este programa cuenta con el apoyo técnico y finaciero de la Agencia Internacional para el Desarrollo (AID) vía la Asociación de las Américas de Cooperativas y Mutuales de Seguros (AAC/MIS) de la cual somos miembros.

El programa de Prevención del VIH/SIDA está dirigido a las 311,545 personas que conforman la Red de socios de COOP-*SEGUROS* y tiene los siguientes objetivos:

- Establecer y aplicar en forma permanente una política general para COOP-*SEGUROS* y sus cooperativas socias contra los riesgos del VIH/SIDA.
- Diseñar e implantar un programa de educación preventiva contra el VIH/SIDA y dar información a toda la red que sea homogénea y confiable.
- Fortalecer la gestión de las cooperativas socias y COOP-*SEGUROS* de los riesgos financieros por una propagación progresiva de la enfermedad.
- Crear conciencia del impacto del VIH/SIDA entre los directivos y gerentes de las cooperativas socias y las medidas para contrarrestar los efectos de la enfermedad en la cooperativa y sus asociados.

Con la puesta en ejecución de este programa COOP-*SEGUROS* se convierte en la primera aseguradora que no excluye a los infectados de VIH/SIDA de su cobertura de seguro de vida, después de seis meses de ser suscrita, además, los asegurados podrán recibir mensualmente cuotas de su póliza para costear sus medicamentos y/o sus honorarios médicos.

AAC/MIS Semi-Annual Report

Attachment 4

Adult Multipliers during second quarter training session
held at Vega Real Cooperative, La Vega

Youth multipliers during HIV/AIDS education training session

Youth multipliers receive diplomas from their training program
at Vega Real Cooperative, La Vega

Medicoop Medical Conference focusing on the latest HIV/AIDS medical advances
and anti-discrimination awareness with 268 medical professionals in attendance.

Training Sessions at COOPNAMA (teachers cooperative)

HIV/AIDS prevention education training with youth led by COOPROHARINA
(flour milling & bakery cooperative)

HIV/AIDS prevention education activities in schools of low income neighborhoods in Santo Domingo led by Manoguayabo Credit Union & Multiple Service Cooperative

HIV/AIDS activities in schools promoted by COOPDEFE (hardware cooperative)

Family oriented HIV/AIDS education activity at COOPCIBAO retreat

World HIV/AIDS Day promotional activity held on December 1, 2005
organized by La Altagracia Cooperative (credit union & multiple service cooperative)

AAC/MIS Semi-Annual Report

Attachment 5

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

The following is a summary of the most relevant aspects of this study:

1. ***Composition of the Mutual Assistance Plan Population Base.*** As of July 2005, the Mutual Assistance Plan shows a population of nearly 200,000 members, a little over a third of whom (37%) are *Direct Members,* and nearly two thirds are *Dependents* (Spouses, Children and Parents). Specifically, Spouses represent 10% of the affiliates, Children 37% and Parents 16%.

2. **Plan Population Average Age.** The Average Age of the various population groups is: Direct Affiliates, 45 years of age, Children, 22 years; Spouses, 49 years and Parents, 73 years.

3. **Distribution of Insureds by Gender.** Of the *Direct Member* population, 79% are Women and 21% are Men. Gender distribution among the *Dependent population* is quite balanced (48% Women, 52% Men).

4. ***Ratio of Direct Members to Insured Dependents.*** For each thousand *Direct Members*, there are 1,694 *Dependents*, of whom 283 are *Spouses,* 994 are *Children* and 418 are *Parents.*

5. ***Insureds' Annual Death Rate Trends.*** Death Rates per thousand members of the Mutual Assistance Plan have been growing gradually. In the year 2000, there were 5.96 deaths per thousand members, in 2001: 6.28, in 2003, 6.64, and in 2004, the rate rose to 7.38.

6. ***Atlas of Insureds' Death Rates.*** The reason for the high Death Rates is mainly that the Plan covers Mutual Assistance in the event of death with no age limit: this means that most claims for benefits come from members older than 70 years of age – the majority of whom come from the Parents' group.

7. ***Bias in Mutual Assistance Plan Beneficiaries.*** The *Parents* group, representing 16% of the affiliates, accounts for 69% of the deaths covered under the Plan. The *Direct Members* group accounts for 16% of the deaths, *Spouses* 8% and *Children* 7%.

8. ***Insured Population Projection.*** Based on member population projections for the next ten years, the Average age of the total Plan population will go from 41.1 years of age in 2006 to 42.2 years in 2010 and 43 years in 2015.

9. ***Impact of AIDS on Mutual Assistance Plan morbidity rate.*** It is estimated that death rates may increase in coming years in the Dominican Republic due to AIDS. According to a

publication of the United Nations AIDS Assistance Program, current Life Expectancy at birth in the Dominican Republic is 76 years, not taking into account the impact of AIDS; by 2010, life expectancy at birth is projected to drop to 67 years of age due to the impact of AIDS.

10. ***Trend toward future increase in insureds' mortality rate.*** The progressive increase in the Average Age and the estimate of greater mortality due to the impact of AIDS in the Dominican Republic means that Mortality Rate projections will increase progressively in future years. Based on the projections, this would mean that 8.3 people per each thousand members would die in 2006, 11.2 would die in 2010 and 12.2 would die in 2015.

11. ***Projected Plan deficits.*** Projected annual Plan income, considering only Premium Income minus the cost of Beneficiary Payments – not including Plan administrative costs – would mean deficits across the entire population. The projected deficit for 2006 would be RD$ 6.2 million; in 2010 the negative balance would be RD$ 26.9 million and in 2015 it would be RD$ 43.2 million.

12. ***Cumulative Deficit of Projected Plan.*** If the Plan income were to accrue in a fund (just Premium income minus beneficiary payments), projected for the next ten years, that fund would have a negative balance of RD$ 6.4 million in 2006; a negative balance of RD$ 73.6 million in 2010 and a negative balance of RD$ 321.4 million in 2015.

13. ***Premiums Required.*** If appropriate premiums were established that each affiliate type must pay to cover beneficiary claims and administer the Mutual Assistance Plan during the year 2006, *Direct Members* would have to pay RD$ 18 a month for a benefit of RD$ 30,000, *Spouses* would pay RD$ 20, *Children* would pay RD$ 2 and *Parents* would pay RD$ 146. The average (weighted) premium for the entire Population would be RD$ 36 per month. This premium is practically double the present premium (RD$ 18).

14. ***Progressive premium increase requirement.*** Benefit costs would be increasing annually, based on the increase in mortality rates for the population. This would mean that the actuarially established premiums would be higher every year. Thus the monthly premium required for a benefit of $RD 30,000 for the year 2006 would be RD$ 36; for the year 2010 it would be RD$ 68 and for the year 2015 it would be RD$ 73.

15. ***Actuarial Valuation based on a "Closed Group".*** Based on an Actuarial Valuation of the population as of August 2005, not including future income from new affiliates (considering it to be a "Closed Group"); the Future Benefits *of the Total of Mutual Assistance Plans in force as of that date* – assessed at their current actuarial value – amounted to RD$ 827.8 million. On the other hand, Future Income – assessed at its current actuarial value – amounted to

RD$ 470.8 million, which, added to currently available Assets (Funds) of (RD$ 5.275), generates an actuarial deficit of RD$ 357 million. This means that, during all the years they could potentially belong to the plan, *current members* will not generate enough income to pay for the benefits they would receive; therefore *current members'* benefits would have to be subsidized by *future members'* premiums, and these future members' benefits would in turn be subsidized by members joining subsequently (new generations). If we were to include Plan Administrative Costs in this evaluation, the actuarial deficit would be even greater.

16. ***Option of increasing premiums.*** Among the options for reducing the Plan's actuarial deficit would be increasing member premiums. Under this option, premiums would be raised at least to the level where the Plan's annual income would equal its costs (Expenditures). This would mean that a premium of RD$ 36 must be charged for 2006 for the RD$ 30,000 benefit and a premium of RD$ 18 must be charged for the RD$ 15,000 benefit.

17. ***Option of establishing an age limit to reduce the projected deficit.*** Among the alternatives to the above options that could be implemented to reduce the Plan's actuarial deficit without increasing premiums is establishing an age limit of 70 for all members – or at least their Dependents – for receiving the death benefit payment.

18. ***Benefit Amount Increase for age limitation option.*** If the death benefit age limit of 70 were implemented for ALL members, under the current Plan A premium level (RD$ 18), we could increase the RD$ 30,000 benefit to RD$ 35,000 for the next three years. If we implemented the age limit of 70 years for *Dependents* only, the benefit amount would be kept at the present amount.

19. ***Equity in delivering services.*** The Mutual Assistance service must be structured so that premiums will be sufficient to cover the following: (a) Casualties. (b) Direct or indirect administrative expenses, (c) contingency reserve to cover losses and (d) paying for reinsurance. Otherwise, there would not be enough equity among the cooperative members for the platform of multiple services their cooperative offers them. The ideal would be that each service offered by the cooperative would generate enough income to cover its own direct and indirect expenses, while still generating a surplus to contribute to the cooperative's capitalization.

20. ***Insufficient Current Accounting Data.*** We have noticed a delay in generating current, audited accounting data, which makes it hard to analyze and make timely decisions about various aspects of the cooperative's services. Certainly the lack of a timely, transparent data system represents a high cost in lost opportunity for the organization.

Recommendations:

1. ***Design and implement an appropriate accounting and statistical data system.*** Develop and implement appropriate systems and records for generating income, expense, earnings and related statistical variables for each of the member groups and plan types offered. These systems and records would enable us to monitor management and protect the self-sufficiency of each of the member plans and groups.

2. ***Consider options for making the Mutual Assistance Plan viable.*** Analyze and make decisions on the most appropriate option for eliminating the actuarial deficit that the Mutual Assistance Plan would show in the next few years. This professional's own recommendation would be to choose one of the options presented that would entail limiting the age for receiving the benefit to 70 years. Also, the insureds' premium must be sufficient to cover the direct and indirect costs of managing the plan, and also generate a surplus so additional reserves may accrue to cover contingencies.

3. ***Arrange for insurance or reinsurance.*** Arrange for insurance or reinsurance so the benefit may be offered to members in case of death due to hurricanes, earthquakes, floods and wars – which are currently excluded by the Plan – so that in the event of a catastrophe, instead of being unable to help when it is most needed, the Plan may be able to provide its members and their families with financial support.

4. ***Adopt the practice of making actuarial evaluations.*** Begin making quarterly actuarial evaluations of the Mutual Assistance Plan so that the Plan may maintain continual actuarial and financial balance.

Very truly yours,

[illegible signature]

Luis Bernardo Miranda Chavarria, Act.
AAC/MIS Consulting Actuary
bmiranda@racsa.co.cr

Study prepared as an activity of the COOP-SEGUROS / AAC/MIS Project Component B, Risk Mitigation in Participating Member Cooperatives

Notes:

1. *This actuarial study was prepared as an activity under the Cooperatives Risk Mitigation Project Component B, established as part of the HIV/AIDS Prevention Social Liability Program promoted by* ***COOP-SEGUROS*** *under the auspices of the* ***United States Agency for International Development (USAID) and the Americas Association of Cooperative/ Mutual Insurance Societies. AAC/MIS.***

2. *We would like to thank the cooperative's Boards of Directors and especially the Mutual Assistance and Information Departments for their support in providing the statistical and financial data of the Cooperative and its members.*

AAC/MIS Semi-Annual Report

Attachment 6

COOP-SEGUROS, National Insurance Cooperative, Inc.
- Dominican Republic -

Specifications for Benefits of up to 70% of Sum Insured payable as HIV/AIDS "Life Viaticals"

Prepared by:
Bernardo Miranda Ch., Act.
AAC-MIS Consultant.

1.- Introduction

As part of the HIV/AIDS policy established by the COOP-SEGUROS Cooperative Networks, the following article appears in the section entitled "Solidarity:" *"Catastrophic illnesses, including HIV/AIDS, will be covered by life insurance policy benefits of up to 70% of the Sum Insured payable after the beneficiary has been a member for 6 months, in the form of 'Life Viaticals' that will be supplied as medical services (medical visits, diagnostic imaging and laboratory tests), medications and nutrititional products. These benefits will be provided through a network of health service providers."*

To implement this policy, we have proceeded to outline the scope of this benefit, its rates, and the instruments and procedures necessary to implement it, and these are submitted in this document.

2.- Benefit Description

The *Benefit* that we will call *"ACCELERATED BENEFIT OF UP TO 70% OF SUM INSURED PAYABLE IN THE FORM OF HIV/AIDS LIFE VIATICALS"* would be a rider attached to any of the Group Life Policies whose benefits are payable to the members. For example, the VIDA-COOP policy.

The *Benefit* would NOT be offered in the Loan Portfolio Protection Policies, since the sums insured in these policies correspond to loan balances and these are payable to the cooperatives that granted the loan.

Benefit coverage of up to 70% of the Sum Insured will be payable if the insured is first diagnosed with HIV/AIDS six months after taking out this *Benefit* RIDER.

The benefit amount will be an accelerated payment of up to 70% of the Sum Insured, payable as "Life Viaticals." The benefits will be provided in the form of medical services, medications and/or nutritional supplements.

Attached to this document (in Appendix I) we submit the Proposed Document for the "Rider" to the Group Life Policy corresponding to this Benefit.

3.- Benefit Premium

Although this benefit is an accelerated payment from the Sum Insured that would be granted upon the death of the insured, its cost cannot be considered to be covered by the premium charged for the Death Benefit.

The frequency rate of the number of cases expected for each of the risks (i. – Death Risk; ii – Risk of acquiring HIV/AIDS), is different for each risk, so each one will have its own Risk Premium.

Thus, for example, considering the lowest estimate of the HIV Prevalence Rate for adults 15 to 49 years old in the Dominican Republic for the year 2003[1] (0.9%), we would have an expected frequency of 9 risk events (persons with HIV) for every 1,000 exposed; whereas, if we take the Average Mortality Rate for the 15 to 49 year old group corresponding to the EMSS-1997 Mortality Table, there would be 2 risk events (deaths) for every 1,000 persons exposed.

To establish the price for this benefit, a model was developed in Excel for the actuarial calculation of the respective premium, which is entitled "Cálculo Tarifa Adelanto 70% x VIHSIDA.XLS" ["HIVAIDS 70% Accelerated Benefit Rate Calculation.xls"].

As a result of this model, the premium to be charged for this benefit would be 8.7 annually or 0.78 monthly per THOUSAND OF SUM INSURED in the death benefit.

Technically, the above premium would be the lowest possible, and we would be starting with this premium based on the fact that initially we would expect a low frequency of claims. However, with passage of the next few years, the HIV claims rate will be increasing and therefore the premium would be increased in the future.

It is important to clarify that, because this benefit involves a cost for which a premium must be paid, until the RIDER is taken out and the respective premium is paid, Accelerated Benefits on the Sum Insured in the form of "Life Viaticals" MUST NOT BE granted.

For practical purposes, it is recommended that the premium for this benefit be "packaged" with the Death and Total Permanent Disability benefit premiums. Based on the actuarial valuation of these two benefits performed in May of 2004, the monthly premium that should be charged for these two benefits is 0.41. Packaging this premium with the monthly premium defined for this Accelerated Benefit of 70% of the sum insured for HIV/AIDS (0.78), **we would have a *Monthly Premium of 1.19* for the three benefits (Death, Total and Permanent Disability and Accelerated Benefit of 70% of Sum Insured for HIV/AIDS).**

Vida-COOP Plan Premiums.

With respect to the ***VIDA-COOP Plan,*** which comprises 4 benefits (a.- Total and Permanent Disability, b.- Accidental Death and Dismemberment, c.- Natural Death and d.- Medical Expenses for Accidents), this would be changed beginning January 2006 to include the new benefit of accelerated payment of 70 % of the sum insured for HIV/AIDS.

The new premiums that would be charged for the new policies underwritten and renewals of the VIDA-COOP Plan beginning in January 2006 will be as follows:

VIDA-COOP PLAN Monthly Premiums OPTION FOR A SINGLE INSURED (Includes Accelerated Payment of 70% of Sum Insured for HIV/AIDS)	
SUM INSURED	**MONTHLY PREMIUM**
RD$ 50,000	RD$ 84.00
RD$ 75,000	RD$ 125.00
RD$ 100,000	RD$ 167.00
RD$ 150,000	RD$ 251.00
RD$ 200,000	RD$ 334.00

VIDA-COOP PLAN Monthly Premiums For ENTIRE Insured Family Group (Includes Accelerated Payment of 70% de Sum Insured for HIV/AIDS)	
SUM INSURED	**MONTHLY PREMIUM**
RD$ 50,000	RD$ 179.00
RD$ 75,000	RD$ 269.00
RD$ 100,000	RD$ 358.00
RD$ 150,000	RD$ 537.00
RD$ 200,000	RD$ 716.00

It is important to make it clear that beginning in January of 2006, **ALL** VIDA-COOP Plan policies issued or renewed will have coverage for the HIV/AIDS accelerated payment benefit so as to avoid "SELECTION AGAINST THE INSURER," because if the original plan offer remains in force (the one that does not include the accelerated payment of 70% for HIV/AIDS), insureds with a greater level or certainty of HIV/AIDS risk would take the new plan and those who do not consider themselves greatly at risk would take the original plan.

In this same way, we would be promoting to everyone who attends the HIV/AIDS information and training programs the distribution of discount coupons for purchase of a VIDA-COOP Plan at their cooperatives.

4.- Benefit Application and Processing Procedures Plan.

We have designed a procedure for applying for and processing this benefit, which is attached in Appendix 2.

5.- Design of Forms for the various Benefit processes.

We have designed the following forms connected with the established Procedure for applying for and processing this benefit.

- Application for Accelerated Payment of "Life Viaticals" for HIV/AIDS. (Form AV-1)
- Analysis of Claim Acceptance - Accelerated Payment of "Life Viaticals" for HIV/AIDS. (Form AV-2)
- Payment Authorization Order for "Life Viaticals" (Form AV-3)

These forms are submitted in Appendix 3.

6.- Files and Registers.

The Claims Unit will have the support of the *Computerized Claim System* or, in its absence, of an Excel file (HIV 70% BENEFIT CLAIMS) for the respective claims register for this benefit.

The HIV/AIDS Program Unit will also have an Excel file ("HIV/AIDS 70% ACCELERATED BENEFITS PAID) for recording accelerated benefits paid on Life Viaticals and for generating the respective statistics.

7.- Activity Plan for completing implementation.

Appendix 4 presents the Activity Plan to be carried out to complete implementation of this benefit.

Sincerely,

Bernardo Miranda Ch., Act.
AAC-MIS
Consultant

APPENDIX 1

GROUP LIFE POLICY
APPENDIX FOR
ACCELERATED PAYMENT OF
UP TO 70% OF THE SUM INSURED AS
"LIFE VIATICALS" FOR HIV/AIDS

COOP-SEGUROS

National Insurance Cooperative, Inc.
RNC-401-500833

APPENDIX

ACCELERATED BENEFIT OF UP TO 70% OF THE SUM INSURED AS "LIFE VIATICALS" FOR HIV/AIDS

In compliance with the clauses, terms and conditions set forth in this Appendix and payment of the corresponding Premium giving the right to the benefit stipulated in this Appendix, it is hereby stated for the record that COOP-SEGUROS will accelerate payment of up to 70% of the Sum Insured in the form of "Life Viaticals"- consisting of Medical Services, Medications and Nutritional Supplements- to the Insured Member under this policy, when notice and written proof is received stating that the Insured Member has acquired HIV/AIDS.

1- Event (situation) in which the benefit is granted.

The "Life Viaticals" of this *Benefit* would be granted if the Insured Member is diagnosed for the first time as having acquired HIV/AIDS six months after having taken out the RIDER of this *Benefit.*

It is also a condition for granting the Benefit that the Insured Member be within the age range established for entitlement to insurance under the respective Group Life Policy (Being less than 70 and having become an insured member under the policy before the age of 65)

The Insured Member will be considered to have acquired HIV/AIDS in conformance with the following definition:

- AIDS is defined as: Any person who has an HIV-positive ELISA serologic test, confirmed by a supplementary Western Blot, and who also has a CD4 cell count of less than 500/mm3 and has one or more of the following diagnoses confirmed by microscopy or culture:

  1. *Candidiasis, esophageal, tracheal, bronchial or pulmonary.*
  2. *Cervical cancer, invasive.*
  3. *Coccidioidomycosis, disseminated or extrapulmonary.*
  4. *Cryptococcosis, extrapulmonary.*
  5. *Cryptosporidiosis, chronic intestinal (of more than one month's duration)*
  6. *Cytomegalovirus retinitis (with loss of vision).*

7. *Encephalopathy, HIV-related.*
8. *Herpes simplex.*
9. *Chronic ulcers (of more than one month's duration).*
10. *Bronchitis, pneumonitis or esophagitis.*
11. *Histoplasmosis, disseminated or extrapulmonary.*
12. *Isosporiasis, chronic intestinal, of more than one month's duration.*
13. *Kaposi's sarcoma*
14. *Non-Hodgkins B-Cell type lymphoma of undetermined immunologic phenotype or of any of the following types: small non-cleaved lymphocytic (Burkitt's or non-Burkitt's) or immunoblastic sarcomas, diffuse histiocytic lymphoma, undifferentiated lymphoma, reticular cell sarcoma or highly malignant lymphoma.*
15. *Immunoblastic lymphoma.*
16. *Lymphoma, primary, of brain.*
17. *Mycobacterial disease (other or unidentified species), disseminated or extrapulmonary.*
18. *Pneumocystis carinii pneumonia.*
19. *Recurrent pneumonia.*
20. *Progressive multifocal leukoencephalopathy.*
21. *Salmonella septicemia, nonrecurrent.*
22. *Toxoplasmosis of brain.*
23. *Wasting syndrome.*
24. *Mycobacterium kansasii, disseminated or extrapulmonary.*
25. *Tuberculosis, pulmonary or extrapulmonary.*
26. *M. avium or M. kansasii, disseminated or extrapulmonary.*
27. *Strongiloidosis, extraintestinal.*
28. *Lymphoid pulmonary hyperplasia or lymphoid interstitial pneumonitis.*
29. *Dementia complex or HIV encephalopathy.*
30. *Extrapulmonary infection or infection disseminated by microbacteria of other species, except Leprosy.*

2- <u>Benefits to be granted.</u>

The benefits to be granted –which will be called "Life Viaticals"- consist of payment in Medical Services (medical visits, diagnostic imaging and laboratory procedures), medications and nutritional products, of up to 70% of the Sum Insured under the Death Benefit. These "Life Viaticals" will be provided through a *Healthcare Providers Network* whose benefit processing information and procedures will be available at all of the Coop-Seguros Network Cooperatives participating in the HIV/AIDS Prevention Social Responsibility Programs.

If the Insured Member should die while the policy is in force, the designated beneficiaries will be paid the difference between the Sum Insured and the sum of the accelerated payments provided as "Life Viaticals" through this benefit.

3- <u>Assignment</u>

No assignment of the original policy to which this benefit is a rider will oblige COOP-SEGUROS to pay the benefit described herein. COOP-SEGUROS will not be responsible for the validity or legality of any assignments made without the authorization of and registration by the company.

4- Notification and Proof of having acquired HIV/AIDS

COOP-SEGUROS shall be given written notice and sufficient proof that the insured member has acquired HIV/AIDS in conformance with the stipulations set forth in the "Definition of AIDS" presented in clause 1 of this appendix.

5- Cancellation and Termination

Coverage under this benefit shall terminate automatically:

a) For failure to pay the respective premiums.
b) By decision of the Contracting party, through a written request to COOP-SEGUROS, accompanied by the policy. Correspondingly, COOP-SEGUROS shall record the cancellation on the policy.
c) When the Insured Member becomes seventy years of age.
d) When the contract ends for any reason.

6- Waiting Period

This benefit has a waiting period of one hundred eighty (180) days. This means that no accelerated payment of the Sum Insured in "Viaticals in Kind" will be granted if the Insured Member is first diagnosed as having acquired HIV/AIDS before this benefit has been in force for one hundred eighty (180) days.

7- Contestability

COOP-SEGUROS reserves the right to contest this benefit, for a period of two years, in the event that any information is withheld, or that false, incorrect or incomplete statements are made at the time the application is completed, along with its attached declarations, for the insurance to which this benefit is attached, and which altered the basic elements considered for acceptance of the risk.

8- Proof of Age

COOP-SEGUROS will have the right to demand satisfactory proof of age before granting this benefit.

Signed in Santo Domingo, Dominican Republic, at _____ o'clock _____ on the _____ of _____.

COOP-SEGUROS **National Insurance Cooperative, Inc.**

_____

AUTHORIZED SIGNATURE

APPENDIX 2

APPLICATION AND PROCESSING PROCEDURES FOR THE "LIFE VIATICALS" ACCELERATED BENEFIT

ACCELERATED BENEFIT OF 70% OF SUM INSURED FOR HIV/AIDS

APPLICATION AND PROCESSING PROCEDURES FOR THIS BENEFIT.

RESPONSIBLE PARTY	STEP	DESCRIPTION
Insured Applicant	**1.**	Visit the Main Offices of Coop-seguros (Av. Bolivar # 452 Esq. Socorro Sánchez – Edif. Plaza Gazcue II, Local 1-C) and request an interview with the Head of the HIV-AIDS Program. It is advisable to call (809) 682-6118 and make an appointment beforehand. During the appointment with the Head of the HIV-AIDS Program, explain your situation, fill out the form "HIV LIFE VIATICAL ACCELERATED BENEFIT APPLICATION" (Form AV 1), complete it, find out about the requirements needed to process the benefit "claim" and how the "life viaticals" will be obtained and handled. After the required documents have been obtained, submit them to the Head of the HIV-AIDS Program in order to proceed with processing the application.
COOP-SEGUROS HIV/AIDS Program Unit	**2.**	Receives the applications and required documents directly from the Insured Applicant. Verifies that the application and required documents are complete. If the required documents are not complete, advises the Insured Applicant of the missing ones and holds the application temporarily in the "Life Viaticals Applications - INCOMPLETE" folder. If the required documents are complete, fills in the application information for the "Applicant Receipt" section. Detaches this receipt and gives it to the applicant. Tells the Insured Applicant approximately when he will be advised of a decision on his/her application. Verifies whether the HIV Laboratory Test meets the conditions established on the reverse side of the Application) (AIDS Definition) to consider it an HIV positive case. Approves the Test if acceptable and if not, makes a notation to that effect. Sends the Application and required documents in an envelope marked "Confidential" to the Head of Life Insurance Claims for processing.
Person in charge of Life Insurance Claims	**3.**	a) Proceeds with analysis of the "claim acceptance," referring for this task to the "CLAIM ACCEPTANCE ANALYSIS –HIV/AIDS 'LIFE VIATICALS' ACCELERATED BENEFIT" form (Form AV-2), which must be properly completed. b) This task involves verifying that the HIV Positive Test meets the parameters stipulated in the "AIDS Definition" stated in the Policy. Verifies that the date of the first HIV positive test was six months after the Insured Applicant became an insured member under the group policy. Verifies that the applicant became insured under the group policy before age 65 and that the application was submitted before age 70.

		c) Fills in the APPLICATION RESULTS chart of the respective "APPLICATION FOR HIV/AIDS 'LIFE VIATICALS' ACCELERATED BENEFIT" form. d) Opens a Claim file and in it files the Application, the Required documentation, and the "CLAIM ACCEPTANCE ANALYSIS – HIV/AIDS LIFE VIATICALS ACCELERATED BENEFIT" form. e) Immediately records the case in the Claims System, or in its absence, in an Excel file (HIV 70% BENEFIT CLAIMS). Sends to the Coop-Seguros HIV/AIDS Program Unit, in an envelope marked "Confidential," a copy of the "APPLICATION FOR HIV/AIDS LIFE VIATICALS ACCELERATED BENEFIT" form with a marginal notation indicating the results of analysis of the claim.
COOP-SEGUROS HIV/AIDS Program Unit	**4.**	Receives the decision on the Accelerated Benefit Application from the Head of Life Insurance Claims and proceeds to complete the following tasks: a) If the application is denied, contacts the Insured Applicant and notifies him/her of the decision. b) If the application is accepted: i) Prepares a *Patient Evaluation Request* Notice, addressed to the "Health Services Provider" who has been contracted to provide care for insured members with HIV/AIDS and who is the most convenient provider for the insured. This Request Notice explains the procedure for preparing a health care plan for the insured, based on the maximum amount to be covered by COOP-SEGUROS that may be submitted for respective authorization. c) Contacts the Insured and advises him/her to visit the Coop-Seguros HIV/AIDS Program Unit to pick up the Request Notice so that a Medical Evaluation and Care Plan may be prepared at the respective "Health Services Provider" Center. d) When the patient comes to pick up the *Evaluation Request*, asks him/her to sign a copy of it and files it in a patient file to be opened for the patient. e) After the "Health Services Provider" sends the Plan of care that will be provided to the insured, prepares a "Life Viatical Payment Authorization Order" (Form AV-3), and sends it to the "Health Services Provider." One copy of the AV-3 form is kept in the patient's file and another copy is sent to the Life Area Claims Unit for the purpose of authorizing Payment of invoices to the "Health Services Provider." f) Keeps the Healthcare Plan that will be provided to the patient in the Patient File forwarded by the "Health Services Provider." g) Records the accelerated payment in the Excel file "HIV 70% BENEFITS PAID" for statistical purposes.

APPENDIX 3

FORMS

HIV/AIDS "LIFE VIATICAL" ACCELERATED BENEFIT APPLICATON

Cooperative processing the Application: ______________________________ Form N° ______

APPLICANT

Surname	Second surname	Given name	I.D. N°
Date of Birth Mo.: Day: Yr.:	Telephone	Address:	

GROUP POLICY COVERING APPLICANT

Policy N°	Contracting party	Date Applicant was insured under Group policy: Month: Year:

HIV POSITIVE TEST
(Complete if applying for a "Life Viatical" accelerated benefit for the first time.)

Date of first confirmed HIV positive test Month: Day: Year:	Name of laboratory certifying test:	Laboratory telephone:

HEALTHCARE CENTER TREATING APPLICANT

Name of Healthcare Center	Address	Telephone
Name of physician who normally treats applicant		Telephone

ACCELERATED BENEFIT APPLIED FOR

Type of benefit required ☐ Medical services ☐ Medications ☐ Nutritional supplements	Description of benefit applied for	Estimated cost

REQUIRED ITEMS TO BE SUBMITTED WITH THIS APPLICATION:

- ☐ HIV POSITIVE TEST (See other side for Definition of AIDS that must be met by the Test). This requirement needs to be submitted only the first time "Life Viatical" benefits are requested.
- ☐ MEDICAL PROOF or PRESCRIPTION FOR THE "VIATICAL" REQUESTED.
- ☐ PROFORMA INVOICE (Budget) FOR COST OF "VIATICAL" REQUESTED.
- ☐ COPY OF INSURED APPLICANT'S I.D. CARD.

Application Date: _______________ Applicant's Signature: ______________________________

RESULT OF APPLICATION (This space for COOP-SEGUROS use).

☐ Application Accepted. ☐ Application Denied

Reason given:

Maximum amount to be advanced: ___________. Spelled out:______________________________

Prepared by: Signature: Date:

✂ -

APPLICANT'S RECEIPT:

Application N°: ___________ Applicant Name: ______________________________

Date application received: ___________ Processing Cooperative: ______________________

Signature of processing employee ______________________________

AIDS is defined as:

Any person who has an HIV-positive ELISA serologic test, confirmed by a supplementary Western Blot, and who also has a CD4 cell count of less than 500/mm3 and has one or more of the following diagnoses confirmed by microscopy or culture:

1. *Candidiasis, esophageal, tracheal, bronchial or pulmonary.*
2. *Cervical cancer, invasive.*
3. *Coccidioidomycosis, disseminated or extrapulmonary.*
4. *Cryptococcosis, extrapulmonary.*
5. *Cryptosporidiosis, chronic intestinal (of more than one month's duration)*
6. *Cytomegalovirus retinitis (with loss of vision).*
7. *Encephalopathy, HIV-related.*
8. *Herpes simplex.*
9. *Chronic ulcers (of more than one month's duration).*
10. *Bronchitis, pneumonitis or esophagitis.*
11. *Histoplasmosis, disseminated or extrapulmonary.*
12. *Isosporiasis, chronic intestinal, of more than one month's duration.*
13. *Kaposi's sarcoma*
14. *Non-Hodgkins B-Cell type lymphoma of undetermined immunologic phenotype or of any of the following types: small non-cleaved lymphocytic (Burkitt's or non-Burkitt's) or immunoblastic sarcomas, diffuse histiocytic lymphoma, undifferentiated lymphoma, reticular cell sarcoma or highly malignant lymphoma.*
15. *Immunoblastic lymphoma.*
16. *Lymphoma, primary, of brain.*
17. *Mycobacterial disease (other or unidentified species), disseminated or extrapulmonary.*
18. *Pneumocystis carinii pneumonia.*
19. *Recurrent pneumonia.*
20. *Progressive multifocal leukoencephalopathy.*
21. *Salmonella septicemia, nonrecurrent.*
22. *Toxoplasmosis of brain.*
23. *Wasting syndrome.*
24. *Mycobacterium kansasii, disseminated or extrapulmonary.*
25. *Tuberculosis, pulmonary or extrapulmonary.*
26. *M. avium or M. kansasii, disseminated or extrapulmonary.*
27. *Strongiloidosis, extraintestinal.*
28. *Lymphoid pulmonary hyperplasia or lymphoid interstitial pneumonitis.*
29. *Dementia complex or HIV encephalopathy.*
30. *Extrapulmonary infection or infection disseminated by microbacteria of other species, except Leprosy.*

✂ -

CLAIM ACCEPTANCE ANALYSIS
HIV/AIDS "LIFE VIATICAL" ACCELERATED BENEFIT

Cooperative processing the Application: _ _ _ _ _ _ _ _Appli cation N°_ ___

APPLICANT

Surname	Second surname	Given name	Date of birth Mo.: Day: Yr:

1. – AGE VERIFICATION:

a) Date on which Insured Applicant was insured under group policy: _ _ _ _
b) Age at which Insured Applicant was insured under group policy: __ _ _
c) Age at Date of Application from Insured Applicant: _ _ _

d) Insured before age 65?	☐ Yes ; ☐ No
e) Is Insured Applicant under age 70 on the date of this application?	☐ Yes ; ☐ No

2.- HIV POSITIVE TEST VERIFICATION

a) Does the HIV Test meet the conditions for CD4 cell count, less than 500/mm3, and include one or more of the confirmed diagnoses specified in the "AIDS Definition" stated in the Policy?	☐ Yes ; ☐ No

3.- VERIFICATION OF DATE OF FIRST HIV POSITIVE TEST

a) Date on which Insured Applicant was last covered by HIV/AIDS 70% "Life Viatical" Accelerated Benefit: _ _
b) Date on which Insured Applicant's first HIV Positive Test was performed: _ _ _

c) Is the date on which the Insured Applicant's first HIV Positive Test was performed, SIX MONTHS after the date on which the Insured Applicant was last covered by the HIV/AIDS 70% Accelerated Benefit?	☐ Yes ; ☐ No

4.- CLAIM ACCEPTANCE OR DENIAL

If ALL the answers to the questions 1.d; 1.e; 2.a and 3.c ARE YES, this claim is ACCEPTED; if not, it will be DENIED.

ANALYSIS RESOLUTION: ☐ Claim Accepted; ☐ Claim Denied
ADDITIONAL JUSTIFICATION or COMMENTS:

_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _

Person in charge of analysis _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
Signature _ _ _ _ _ _ _ _ _ _ _ _ _ Date: _ _ _ _

AAC/MIS Semi-Annual Report

Attachment 7

COOP-SEGUROS, National Insurance Cooperative, Inc.
- Dominican Republic -

Specifications of the Additional Debtor Benefit - Loan Policy ("Loans Plus")

Prepared by:
Bernardo Miranda Ch., Act.
AAC-MIS Consultant

1.- Introduction

Among the products to be developed in Component A3 of the AAC/MIS technical assistance program with Coop-Seguros, Dominican Republic, is the creation of a benefit in addition to the Loan Insurance traditionally offered in the cooperatives to guarantee repayment of loan balances in case of death of the debtor.

As is known, this insurance pays the benefit (loan balance) to the cooperative, but does not grant any benefit to the family members to help with financial hardship to the family caused by the loss of income generated by the debtor. Also, if the debtor should contract HIV/AIDS, this policy would not offer any kind of financial aid to the debtor or family members in case of his or her death.

In view of this situation and also considering that in an extremely high percentage of cooperative members, the only life insurance they buy is Loan Insurance, thus they have no insurance benefit for themselves or their families, we felt it appropriate to develop this benefit, which would serve as coverage in addition to the current Loan Insurance.

2.- Benefit Description

The *Benefit*, which we will call *"ADDITIONAL DEBTOR BENEFIT – LOAN POLICY"* would be a RIDER attached to the Group Life Insurance for Loans Policy.

The *Benefit* coverage will entail payment of up to twice the Loan Balance and would be granted to the designated beneficiaries in the event of occurrence of the same risks covered by the main policy (risks of Death or Total and Permanent Disability). However, the coverage amount will be subject to the Maximum Amount per Person established in the Reinsurance Program for the Group Life branch.

This rider may be purchased under two types of coverage:

a) WITH payment of a 70% advance of the Sum Insured if the insured is first diagnosed as having contracted HIV/AIDS six months after subscribing to this rider.

b) WITHOUT payment of a 70% advance of the Sum Insured if the insured contracts HIV/AIDS.

The benefit selected will apply to 100% of the members who take out a loan with the cooperative; therefore, to prevent "ANTISELECTION," loan applicants would NOT have the option of purchasing the benefit voluntarily, nor could they choose whether they want it with or without the 70% advance payment if they contract HIV/AIDS.

The Proposed Document for the Loan Policy "Rider" for this Benefit is attached (in Appendix I).

3.- Benefit Premium.

a) Premium for the Additional Debtor Benefit WITHOUT payment of the 70% advance of the Sum Insured for contracting HIV/AIDS.

The rate per thousand of Sum Insured for this benefit *(without including a 70% advance of of the Sum Insured for contracting HIV/AIDS),* will be **0.41 per month.**

a) Premium for the Additional Debtor Benefit INCLUDING payment of the 70% advance of the Sum Insured for contracting HIV/AIDS.

The rate per thousand of Sum Insured for this benefit *(including a 70% advance of of the Sum Insured for contracting HIV/AIDS),* will be **1.19 per month.**

a) Example.

If a member applies for a loan of RD$5,000 and purchases this benefit for a Sum Insured of twice the loan balance (RD$10,000), he or she must pay:

- A premium of RD$ 4.10 monthly (0.41 x 10) if the cooperative purchased the benefit without the 70% advance payment coverage in case of contracting HIV/AIDS.

- A premium of RD$ 11.90 monthly (1.19 x 10) if the coooperative purchased the benefit with the 70% advance payment coverage in case of contracting HIV/AIDS.

This premium is only for the *Additional Benefit* in favor of the loan debtor and does not include the cost of the regular premium covering payment of the loan balance to the cooperative.

a) Discount:

If the cooperative offers HIV/AIDS prevention training programs, discounts on the premium for this benefit would be offered, as shown in the following chart:

Table of Discounts for Cooperative Group Life Insurance (Savings, Loans, Managers/Employees, Funeral Expenses) for participating in HIV/AIDS prevention training programs				
N° of persons Insured	% insureds trained			
	10% -25%	26% - 40%	41% - 65%	65% or more
Fewer than 5,000 (small)	2.5%	3.5%	5.0%	7.5%
5,001 to 15,000 (medium)	5.0%	6.0%	7.5%	10.0%
Over 15,000 (large)	7.5%	8.5%	10.0%	12.5%

4.- Excel File for recording the monthly insured portfolio

The Excel file "Relación Beneficio Adicional Póliza Préstamos.XLS" [Additional Loan Policy Benefit Report] will be made available to the Coooperatives so they may have a means of keeping their records and generating monthly premium amounts to be paid for this benefit coverage.

Appendix 2 provides instructions for using this file.

5. Activity Plan for completing implementation

Appendix 3 provides a Plan of Activities to be carried out to complete the implementation of this benefit.

Sincerely,

Bernardo Miranda Ch., Act.
AAC-MIS Consultant

APPENDIX 1

ADDITIONAL DEBTOR BENEFIT LOAN POLICY RIDER

COOP-SEGUROS

National Insurance Cooperative, Inc.
RNC-401-500833

RIDER

ADDITIONAL DEBTOR BENEFIT LOAN POLICY

Policy N°: _____

With this Rider, The NATIONAL INSURANCE COOPERATIVE, INC. (*COOP-SEGUROS*), certifies that if, after payment of the Premium giving the insured the right to the benefit stipulated in this Rider, the covered insured (debtor) should die, *COOP SEGUROS* will pay the beneficiaries designated by the debtor or his or her heirs, the Insured Sum stipulated below, or will advance that amount in case of *Total and Permanent Disability* of the debtor.

Contracting Party:
Contracting Party's Address:
Sum Insured: The sum insured will be _____% of the Loan Amount covered by this policy, subject to a maximum amount of RD$ _____.
Inclusion of benefit of ***"ADVANCE OF UP TO 70% OF SUM INSURED AS 'LIFE VIATICALS' FOR HIV/AIDS."*** ☐ INCLUDES Benefit. ☐ DOES NOT INCLUDE Benefit
Monthly rate per thousand of Sum Insured:
Term of this Rider: From To

Signed in Santo Domingo, Dominican Republic, at _____ o'clock on [date]_____ _____, _____.

COOP-SEGUROS **National Insurance Cooperative, Inc.**

_____
AUTHORIZED SIGNATURE

INDIVIDUAL TERMS AND CONDITIONS OF THIS RIDER

1- Event (situation) under which benefit is granted.

The Insured Sum of this *Benefit* will be paid if the Insured Debtor dies or becomes *Totally and Permanently Disabled* according to the definition stipulated in this rider.

Another condition that must be met for authorization of this Benefit is that the Insured Debtor must be within the established age ranges in order to have the right to be insured under the respective Group Life Policy (be less than 70 years of age and have taken out the policy before the age of 65).

2- Definition of Total and Permanent Disability

Disability is considered total when, as a result of an illness or bodily injury, a Member Insured under this policy is prevented from performing any occupation or work for which he could receive any compensation or earnings. This disability must have originated after the date of inclusion in the Policy, which must be before the Insured Individual reaches sixty-five years of age and before coverage under this benefits terminates, either because the Insured Member has reached seventy years of age or because the policy to which this Benefit is attached terminates. This benefit will be granted after a continuous period of disability of not less than three months.

Notwithstanding the above, COOP-SEGUROS will recognize as total and permanent disability:

a) The complete and irrecoverable loss of vision in both eyes.
b) The total and permanent loss, through amputation or illness, of both hands or both feet, or of one hand and one foot together.

3- Transfer

No transfer of the original policy to which this benefit is attached shall obligate COOP-SEGUROS to pay the benefit described in this Rider to any entity to which the policy has been transferred. COOP-SEGUROS will not be liable for the validity or legality of any transfers made without authorization of and registration with the company.

4- Cancelation and Termination

Coverage under this benefit will terminate automatically:

a) For lack of payment of the appropriate premiums.
b) Through the Contracting party's decision to cancel the policy or this rider by sending a written request to COOP-SEGUROS along with the policy. COOP-SEGUROS will then record the respective cancellation on the policy.
c) When the Insured Member reaches seventy years of age.
d) When the contract terminates for any reason.

5- Waiting Period

The benefits of this Rider are not payable if the debtor's death or total and permanent disability is the result of an illness or injury for which the debtor received medical attention, a consultation or treatment, any time during the 12 months prior to the date of the loan. This condition will be implemented by requiring a waiting period of one hundred eighty (180) days. This means that no benefit will be paid if the death occurs during the 180 days following the date of the loan, unless the death is the direct result of an accident.

6- Contestability

COOP-SEGUROS reserves the right to contest this benefit for a period of two years if information is withheld or false, untrue or incomplete information is provided when completing the application and attached declarations for the insurance to which this benefit is attached, thus changing the basic elements considered for accepting the risk.

7- Proof of Age

COOP-SEGUROS will have the right to demand satisfactory proof of age before granting this benefit.

8- Registration of Beneficiaries

The contracting party will include a certificate in the loan documentation designating the beneficiaries and signed by the debtor.

9- Register of Insured Debtors

The contracting party will maintain an insured debtors' register, which must include the Sums Insured for the benefit in this rider. Based on this register, the Contracting party will inform COOP-SEGUROS during the first ten days of each month of the Total Sum Insured for this benefit and the respective premium for the month.

10- Benefit of "ADVANCE PAYMENT OF UP TO 70% OF THE SUM INSURED AS 'LIFE VIATICALS' FOR HIV/AIDS"

This *Additional Debtor Benefit* may include the advance payment of up to 70% of the sum insured as "life viaticals" for HIV/AIDS, in which case the premium covering this benefit must be paid. The terms and conditions of this benefit will be regulated by the Rider *"ADVANCE PAYMENT OF UP TO 70% OF SUM INSURED AS 'LIFE VIATICALS' FOR HIV/AIDS."*

APPENDIX 2

INSTRUCTIONS FOR REGISTERING THE MONTHLY INSURED PORTFOLIO

ADDITIONAL DEBTOR BENEFIT LOAN POLICY - INSTRUCTIONS FOR REGISTERING AND REPORTING THE MONTHLY INSURED PORTFOLIO -

If cooperatives are not able to implement an application in their policy portfolio management and computational systems for registering and issuing reports on debtors insured under the *Additional Debtor Benefit Loan Policy*, they will be provided with an Excel file called: **Relación Beneficio Adicional Póliza Préstamos.XLS** [Additional Benefit Loan Policy Report]

File Structure:

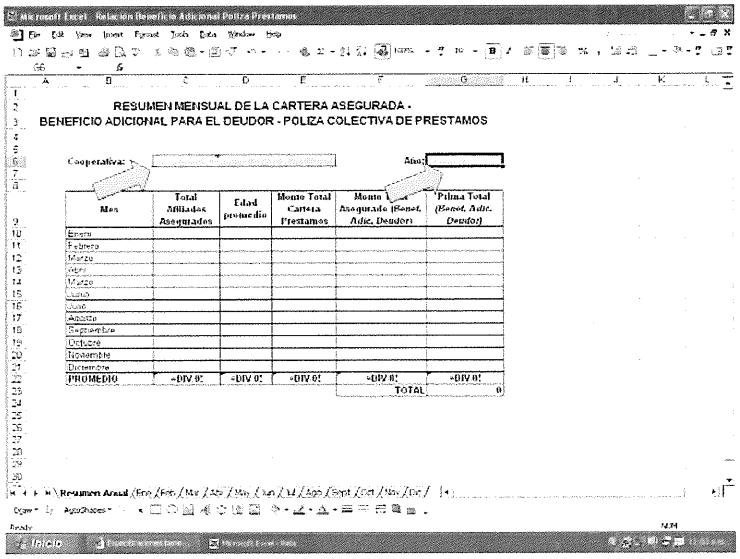
The Excel file will will be used for one year (twelve months), and a new file must be created when each new year begins. The file is composed of the following 13 calculation sheets.

- Annual Summary
- January
- February
- March
- ...
- December

The "January" sheet will incl ude the January report, t he "February" sheet will include the February report, and so on. The Annual Summary sheet will automatically generate a chart summarzing the insured portfolio for each month of the year.

Entering the initial parameters:

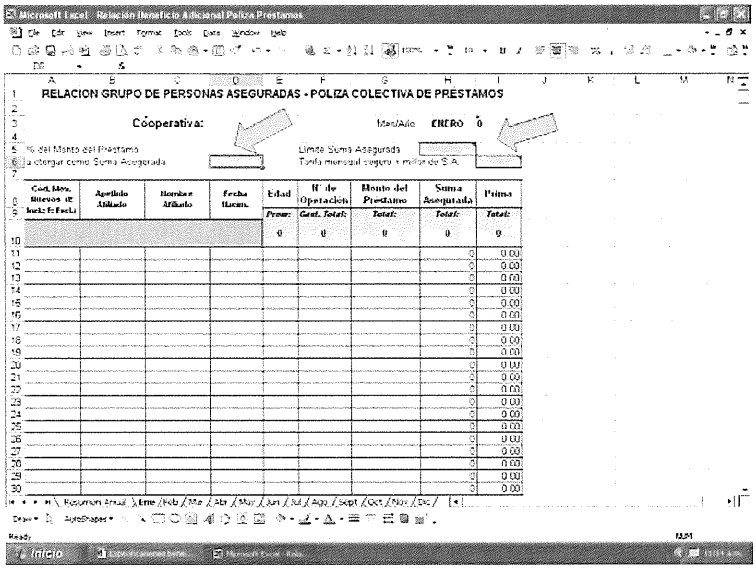
When beginning the file for a given year, the Cooperative name and the respective year must be entered on the ANNUAL SUMMARY sheet.



Entering the monthly parameters:

For each month, the following three parameters must be entered:

- *% of Loan amount to be granted as Sum Insured*. For example, if the sum insured is the actual Loan Amount, 100% will be entered in this parameter.
- *Limit of Sum Insured*. This is the maximum amount for which a debtor would be insured under this benefit.
- *Monthly rate for insurance x thousand of Sum Insured*. This is the rate COOP-SEGUROS grants the cooperative for this benefit.



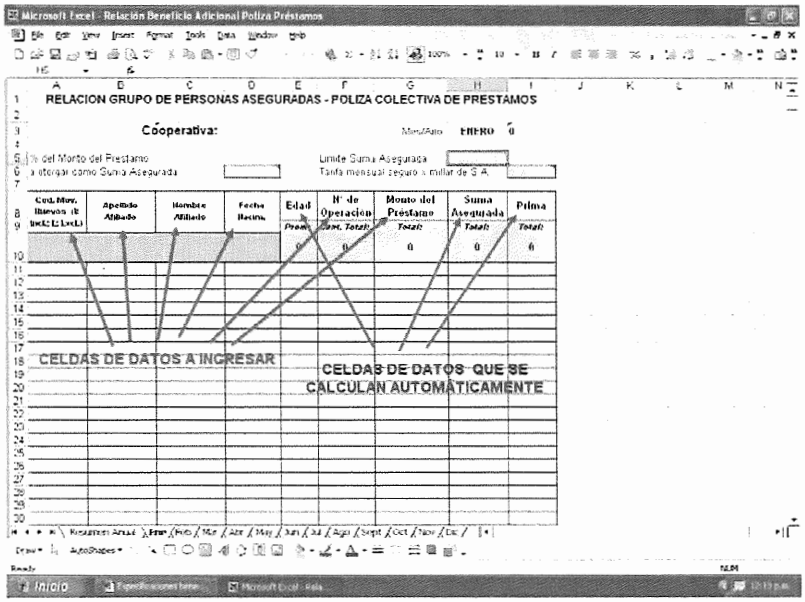
Entering the Monthly Report of insured debtors:

Each of the persons (debtors) to be insured during the respective month must be included in the respective calculation sheet for the month. The following data must be entered for each insured debtor:

- Change Codes: On entering a new debtor in the file for the first time, enter an "I" in this cell so that any new changes in Inclusions may be visualized. It is not necessary to include this code for registrations in subsequent months. Also, in a month in which a debtor is being excluded from the file, enter an "E" to identify the changes in Exclusions during the month. These registrations must be deleted from the list in subsequent months.
- Debtor's first and last names.
- Date of Birth, as: dd-mm-yyyy.
- N°of Transaction identifying the Loan.
- Amount of Loan.

The following data will be calculated automatically:

- Debtor's age. This information will also enable you to exclude debtors older than 70 years of age, since they would not be insured.
- Insured Sum.
- Premium.



After the data are entered for the first month, to prepare the following month's report, copy all the debtors' lines of data onto the sheet for the following month and proceed with the following operations:

- Delete the "I" Change codes.
- Eliminate (delete) the lines that have an "E" code in the Change Code column.
- Put an "E" in the Change Code column for those debtors who will be excluded beginning that month.
- Enter the data for the new debtors who will be insured, putting an "I" in the Change Code column for them.

Totals:

Various data totals are presented on line 10 in the cells shaded in yellow. From the Total Premium data you will be able to advise the Cooperatives of the premium that must be paid to COOP-SEGUROS during the respective month.

AAC/MIS Semi-Annual Report

Attachment 8

COOP-SEGUROS

Cooperativa Nacional de Seguros, Inc.

STRATEGIC PLAN 2005-2009

2005

I. SWOT ANALYSIS

STRENGTHS ***(Internal skills we count on, available resources. Areas and aspects where we are strong)***	**WEAKNESSES** ***(Internal failures, inconsistencies, lack of resources, lack of achievement, control leaks.)***
F1. To have a Social Responsibility Program for the Prevention of HIV/AIDS at our disposal.	D1. Lack of adequate facilities to keep up with the institution's growing rate
F2. To have support, counseling and international support (AAC/MIS, ICMIF, USAID, reinsurers)	D2. Technology platform, unimplemented systems and processes.
F3. To have a Continuous Human Resource Education Program (Program for a Culture of Excellence in Service).	D3. Limited available capital.
F4. Excellence in Service based on the Company's Values.	D4. High incidence of board member rotation.
F5. To have a relationship with a cooperative network that allows and articulates programs that facilitate businesses relationships.	D5. Lack of a marketing department with information that will allow us to understand the market and promote new internal market penetration (cooperative).
	D6. Inadequate Organizational Structure and lack of policies, processes and operations manual.
OPORTUNITIES *(Possibilities to).*	**THREATS** *(External environmental contingent situations that represent risks for the organization, its agents or its purposes).*
O1. Development of new business cooperatives	A1. Commercial insurance companies become stronger, aggressive and competitive.
O2. Expansion and development of insurance for small businesses.	A2. New regulations from the Insurance Regulator.
O3. Opening to establish national and international alliances (American Chamber of Commerce, Microfinance institutions, cooperatives, COSVI, Seguros Múltiples)	A3. Increase of self-insurance practices in some cooperatives.
O4. Broad, uninsured cooperative market.	A4. High risks the cooperative system brings; the very few existing regulating norms.
O5. Low level of risk management culture in the cooperative sector which would allow insurance programs to venture in.	A5. Premium reduction and fraud increase in the automobile insurance.

II. CRITICAL SUCCESS FACTORS

(Identification of key areas where "things should go well" for the business to prosper and objectives to be reached.)

1. Penetration of cooperative market that is not currently insured. (Origin: Opportunity: O4. *Broad cooperative market not covered.*)
2. Integrated Human Resources Development Program Follow up (Origin: Strength F3: To have an Ongoing Human Resources Education Program)
3. To provide customers excellence service based on Institutional Values. (Origin: Strength F4. Excellence in Service based on Institutional Values.)
4. Improve organizational structure that enables adequate performance of the company's different functional areas: Planning, Auditing, Marketing, Operations, Finance and HR. (Origin: Weaknesses D6*: Inadequate Structural Organization* D5: *Lack of a Marketing Department*)
5. Strengthening of Member and Institutional Capital. (Origin: Weakness D3: Limited Available Capital)
6. Enlargement and suitableness of facilities so they can accommodate the company's future growth. (Origin: Weakness D1: *Lack of physical space to take care of the institution's growing rate)*
7. Strengthening of Technical, IT and Process Systems (Origin: Weakness D2: *Technical platform, unimplemented systems and procedures*)
8. Strengthening of National and International Strategic Alliances. (Origin: Opportunity O3: Opening to establish National and International Alliances

III. DEFINITION OF STRATEGIC OBJECTIVES ASSOCIATED WITH EACH SUCCESS FACTOR.

ASSOCIATED SUCCESS FACTOR: **1. Reaching the uninsured Cooperative Market**

STRATEGIC OBJECTIVE:

1. **To be the Insurance Company leader in the cooperative sector in the Dominican Republic**

GOALS ASSOCIATED WITH THE OBJECTIVE:

1. **To achieve a 10% additional annual coverage of the insurable market of cooperatives in the Dominican Republic and their members.**
2. **To capture 90% of insurance premiums purchased by member cooperatives.**
3. **Achieve an additional 10% of members from the member cooperatives to buy insurance from our company.**

GENERIC STRATEGIES ASSOCIATED WITH THE OBJECTIVE:

1. **To have socio-economic data base covering the Dominican cooperative sector, which allows identification of current insurance coverage proportions in the company, competitors and potential levels of coverage in the cooperative market that could be directed to the company.**
2. **To have an information system of policies and coverage that the active cooperatives actually have with Coop-Seguros and which don't.**
3. **To have periodic revision of products – competitive insurance products in price and adequate coverage levels for the needs of customers and market options.**
4. **To have an administration and risk mitigation program that will allow cooperatives to identify, measure and take actions to reduce and transfer risks to Coop-Seguros.**
5. **To have an insurance marketing network in the cooperatives so that members can get their insurance, make premium payments and process their claims.**
6. **To have an area within the organization responsible for the coordination, support and evaluation of the company's market.**

INDICATORS OF ACHIEVED STRATEGIC OBJECTIVES

OBJECTIVE →	1.- To be the insurance company leader in the cooperative sector in the Dominican Republic			
Achievement Indicator	YEAR 2006	YEAR 2007	YEAR 2008	YEAR 2009
% of all Dominican cooperatives insurance premiums captured by Coop-Seguros	% YEAR base (Dec 2005) + 10%	% YEAR base (Dec 2005) + 20%	% YEAR base (Dec 2005) + 30%	% YEAR base (Dec 2005) + 40%
% of all member cooperatives premium captured by Coop-Seguros	90%	90%	90%	90%
% members of the cooperative members with insurance in the company.	% YEAR base (Dec 2005) + 10%	% YEAR base (Dec 2005) + 20%	% YEAR base (Dec 2005) + 30%	% YEAR base (Dec 2005) + 40%

ASSOCIATED SUCCESS FACTOR: **2. Integrated Human Resources Development Program Follow Up**

STRATEGIC OBJECTIVE:

2. To have continuous development of the company's Human Resources through the *Program for a Culture of Excellence in Service.*

GOALS ASSOCIATED WITH THE OBJECTIVE:

1. **Help personnel achieve capabilities in teamwork, skills, attitudes and aptitude in identifying with company values, and with management and change leadership.**
2. **Help the company's executives develop leadership skills, ethical behavior, identification with company values and the development of the insurance company.**
3. **Create an evaluation tool to evaluate staff performance and service received by clients.**

GENERIC STRATEGIES ASSOCIATED WITH THE OBJECTIVE:

1. **To pass around written materials with elements from the *Program for a Culture of Excellence in Service*, every two weeks; this will allow keeping updated knowledge and acquired commitments. These materials will become part of a Synthesis Presentation of the Program, and will be used to introduce the new program executives to it.**
2. **To hold, at least two annual workshops for the continuity of the *Program for a Culture of Excellence in Service,* where the board and employees are involved.**
3. **To have a methodic means of evaluating the performance of staff and service received by customer.**

INDICATORS OF ACHIEVED STRATEGIC OBJECTIVES

OBJECTIVE →	2. To have a continuous development of the Company's Human Resources through the *Program for a Culture of Excellence in Service.*			
ACHIEVEMENT INDICATOR	**YEAR 2006**	**YEAR 2007**	**YEAR 2008**	**YEAR 2009**
Carry out workshops related to The *Program for a Culture of Excellence in Service*	**2**	**2**	**2**	**2**
Evaluation indicator of overall staff performance	**80%**	**85%**	**90%**	**95%**

ASSOCIATED SUCCESS FACTOR: **3. <u>To provide internal and external customers excellent service based on Institutional Values</u>**

STRATEGIC OBJECTIVE:

3. **To provide excellent personalized service, identified with the customer needs.**

GOALS ASSOCIATED WITH THE OBJECTIVE:

1. **To reach a customer satisfaction level greater than 80%.**
2. **To have a team committed to customer service.**

GENERIC STRATEGIES ASSOCIATED WITH THE OBJECTIVE:

1. **To set quality criteria for the different types of services to internal and external customers.**
2. **To have a customer service evaluation system that allows us to identify, take care of, and monitor customer service needs.**
3. **To place the appropriate individual with the required skills, in each position.**
4. **To train personnel to develop the skills for quality customer service of internal and external customers.**

INDICATORS OF ACHIEVED STRATEGIC OBJECTIVES

OBJECTIVE →	3. To provide excellent personalized and service, identified with the customer needs.			
ACHIEVEMENT INDICATOR	YEAR 2006	YEAR 2007	YEAR 2008	YEAR 2009
Indicator of overall satisfaction of service received by the customers (Indicator to be defined)	80%	85%	90%	95%
% policy renewal	80%	85%	90%	95%

ASSOCIATED SUCCESS FACTOR: **4. Improvement of organizational structure that leads to an appropriate performance in the different area functions of the company: Planning, Auditing, Marketing, Operations, Finance and HR.**

STRATEGIC OBJECTIVE:

4. To have an effective organizational structure that allows adequate coordination, execution and control of functions and projects for harmonious attainment of planned objectives in the organization.

GOALS ASSOCIATED WITH THE OBJECTIVE:

1. **To have a well balanced, financial, functional organization structure.**
2. **To have a responsible marketing area to implement and achieve the penetration objectives in the market.**
3. **To have an area or responsible individual for Internal Control and follow up of the company.**
4. **To have an area or responsible individual for Planning Process and follow up.**
5. **To have efficient, documented working procedures.**
6. **To have efficient information flow that provides timely accounting and management information.**
7. **To have policies, norms and regulations applicable to each of the organization's topics, which should be easily found under "themes".**
8. **To have manuals for each position functions, once the structure of the organization is established.**

GENERIC STRATEGIES ASSOCIATED WITH THE OBJECTIVE:

1. **Hire research services to analyze the company's organization and obtain recommendations on structure, positions and functions.**
2. **Provide methods of organization and procedure analysis to allow the management team and officers to design, implement and evaluate the company's procedures.**
3. **To establish a committee responsible for the analysis of information flow, effective registration and timely accounting and information management.**
4. **To establish administrative audits that allows evaluation and improvement in the fulfillment of procedures.**

INDICATORS OF ACHIEVED STRATEGIC OBJECTIVES

OBJECTIVE →	4. To have an effective Organizational Structure that allows adequate coordination, execution and control of functions and projects for the harmonious attainment of planned objectives in the organization.			
ACHIEVEMENT INDICATOR	**YEAR 2006**	**YEAR 2007**	**YEAR 2008**	**YEAR 2009**
General result of Administrative Audit.	--	**Good** *(Scale: Very bad, Bad, Average, Good, Very Good)*	**Very Good** *(Scale: Very bad, Bad, Average, Good, Very Good)*	**Very Good** *(Scale: Very bad, Bad, Average, Good, Very Good)*
Estimated % of established goals achieved in the Annual Plan of Operations	**80%**	**85%**	**90%**	**95%**
% Administrative Expenses /Subscribed Net Premiums	30%	28%	26%	25%

ASSOCIATED SUCCESS FACTOR: **5. Strengthening of Member and Institutional Capital**

STRATEGIC OBJECTIVE:

5. **Increase Coop-Seguros Total Assets to RD$110 million by the end of the Strategic Plan period in 2005-2009.**

GOALS ASSOCIATED WITH THE OBJECTIVE:

1. **To have by December 31, 2006 a net worth of RD$ 44 million, consisting of RD$19 million and an institutional capital of RD$ 25 million.**
2. **To have by December 31, 2007 a net worth of RD$ 60 million, consisting of RD$21 million and an institutional capital of RD$39 million.**
3. **To have by December 31, 2008 a net worth of RD$ 80 million, consisting of RD$25 million and an institutional capital of RD$ 55 million.**
4. **To have by December 31, 2009 a net worth of RD$ 110 million, consisting of RD$31 million and an institutional capital of RD$79 million**

GENERIC STRATEGIES ASSOCIATED WITH THE OBJECTIVE:

1. **To obtain a strong participation in the cooperative market that that will generate a surplus for an adequate capitalization.**
2. **To implement and maintain operational efficiency in the company.**
3. **To focus on the company's capitalization, especially based on the distribution of net surplus and apply it to the institutional capital.**
4. **To set up workshops and/or information activities for Coop-Seguros member-owners, to show the importance of a surplus distribution policy that includes institution capital investment which leads to a more solid institution.**

INDICATORS OF ACHIEVED STRATEGIC OBJECTIVES

OBJECTIVE →	5. To increase COOPSEGUROS net worth to RD$ 110 million by the end of the Strategic Plan period in 2005-2009			
ACHIEVEMENT INDICATOR	YEAR 2006	YEAR 2007	YEAR 2008	YEAR 2009
Net Worth	RD$ 44 millions	RD$ 60 millions	RD$ 80 millions	RD$ 110 millions
Institutional Capital	RD$ 25 millions	RD$ 39 millions	RD$ 55 millions	RD$ 79 millions

ASSOCIATED SUCCESS FACTOR: **6. Expansion and adjustments of premises according to future institutional growth**

STRATEGIC OBJECTIVE:

6. To have a physical structure in accordance with functional requirements of customer service and institutional growth.

GOALS ASSOCIATED WITH THE OBJECTIVE:

1. **Create a preliminary project that shows the development alternatives or the acquisition of facilities and financial plans.**
2. **To have an appropriate building according to the goals set.**

GENERIC STRATEGIES ASSOCIATED WITH THE OBJECTIVE:

1. **To have a commission consisting of the Board of Directors and Management Team to be responsible for the project**
2. **To carry out forecasts and analysis of the cash flow to determine feasibility and most adequate period to make the investment.**

INDICATORS OF ACHIEVED STRATEGIC OBJECTIVES

OBJECTIVE →	6. To have a physical structure in accordance with functional requirements of customer service and institutional needs.			
ACHIEVEMENT INDICATOR	YEAR 2006	YEAR 2007	YEAR 2008	YEAR 2009
Preliminary project and financial formalities have been accomplished.	✓			
Building has been inaugurated according to plan.				✓

ASSOCIATED SUCCESS FACTOR: **7. Strengthening of Information Technology Platform, Systems and Processes**

STRATEGIC OBJECTIVE:

7. To develop an integrated information system at the operational, financial and management levels that will promote the company's Excellence in Service.

GOALS ASSOCIATED WITH THE OBJECTIVE:

1. **To have operational processes implemented and (insurance, accounting and collections modules) thoroughly integrated**
2. **To integrate previous operating modules with a management information program that allows evaluation and guidance in decision making by management.**
3. **To have a security software and a contingency plan for catastrophic loss of information.**
4. **To have an adequate hardware platform in all branches (headquarters and cooperatives) according to the necessary software platform to provide appropriate excellence in service.**
5. **To have a company's Web page where our members can get to know more about us and process their estimates and insurance services fast and in a timely manner.**

GENERIC STRATEGIES ASSOCIATED WITH THE OBJECTIVE:

1. **To establish a method and timetable with the Insurance System Development Supplier, to define, develop, implement, control and approve each of the phases of the program.**
2. **To have an Information Unit and sufficient Human Resources to guarantee the security, continuity and opportunity to develop and implement the information programs.**

INDICATORS OF ACHIEVED STRATEGIC OBJECTIVES

OBJECTIVE →	7. Strengthening of Information Technology Platform, Systems and Processes			
ACHIEVEMENT INDICATOR	YEAR 2006	YEAR 2007	YEAR 2008	YEAR 2009
The Operational Modules processes (insurance, bookkeeping, collections) have been implemented	✓ (100%)			
The management information program, integrated to the operational modules, has been implemented.	(60%)	✓ (100%)		
Security Software and contingency plan for catastrophic losses of information have been implemented.	✓ (100%)			
A new hardware platform has been implemented in all the branches.	(60%)	✓ (100%)		
Web page for procedures, estimates and services, has been implemented.	(60%)	✓ (100%)		

ASSOCIATED SUCCESS FACTOR: **8. Strengthening of National and International Strategic Alliances**

STRATEGIC OBJECTIVE:
8. To expand and strengthen the strategic alliances with other national and international entities cooperate in the development and strengthening of Coop-Seguros, as well as its programs of social responsibility for the Dominican cooperative sector and general community.

GOALS ASSOCIATED WITH THE OBJECTIVE:

1. **To form and maintain the COOP-SEGUROS foundation.**
2. **To be a part of the Dominican Chamber of Insurance and Reinsurance Companies (CADOAR)**
3. **To form a strategic alliance with COSVI of Puerto Rico to sell some of this insurance company's products in the country.**
4. **To form a strategic alliance with Seguros Múltiples de Puerto Rico to obtain counseling and training to better develop the vehicle risk in COOP-SEGUROS.**

GENERIC STRATEGIES ASSOCIATED WITH THE OBJECTIVE:

1. **To create a national as well as international ambassador network to promote and obtain funds to keep the foundation running and achieve its goals.**
2. **To keep a close relationship with the insurance regulator in order to watch over our cooperative interests, changes of laws and norms that could benefit or harm Coop-Seguros.**
3. **To make alliance with non regulated international insurance companies that provides insurance to Dominican cooperatives.**
4. **To set up and structure a business plan with the insurance companies in Puerto Rico: Seguros Múltiples and COSVI.**

INDICATORS OF ACHIEVED STRATEGIC OBJECTIVES

OBJECTIVE →	8. To expand and strengthen the strategic alliances with other national and international entities.			
ACHIEVEMENT INDICATOR	YEAR 2006	YEAR 2007	YEAR 2008	YEAR 2009
Coop-Seguros foundation has been constituted and is developing its work programs.	✓	✓	✓	✓
Coop-Seguros is a member of the Dominican Chamber of Insurance Companies (CADOAR)	✓	✓	✓	✓
Alliances with non-regulated international insurance companies have been established	✓	✓	✓	✓
The alliance with Seguros Múltiples of Puerto Rico has been established.		✓	✓	✓
The alliance with Cooperativa de Seguros de Vida de Puerto Rico (COSVI) has been established.		✓	✓	✓

THE NEXT PAGES CONTAIN FORMS THAT CAN BE USED TO DESCRIBE THE ANNUAL OPERATIONS PLAN, ITS EVALUATION AND THE STRATEGIC PLAN EVALUATION

WORK SHEET E-1

OPERATIONS PLAN YEAR: _____

STRATEGIC OBJECTIVE: _____

GOALS	ACTIVITIES	RESPONSIBLE	START DATE	ENDING DATE	NECESSARY RESOURCES

WORK SHEET F-1 **YEAR**_____

THREE MONTH EVALUATION - OPERATIONS PLAN

RELATED STRATEGIC OBJECTIVE: _____

Goals (Operations)	Planned Actions	% achieved on Mar 31	% of objectives achieved on Jun 30	% of objectives achieved on Sept 30	% of objectives achieved on Dec 31

WORK SHEET F-2

YEAR_____

SEMIANNUAL EVALUATION OF STRATEGIC OBJECTIVES

OBJECTIVE					
ACHIEVEMENT INDICATOR		YEAR_____	YEAR_____	YEAR_____	YEAR_____
	Expected→				
	Actual →				
	Expected →				
	Actual →				
	Expected →				
	Actual →				
	Expected →				
	Actual →				
Achievement grade of OBJECTIVE → (regular, deficient, outstanding)					

AAC/MIS Semi-Annual Report

Attachment 9

OPERATIONS PLAN 2006

December 27, 2005

OPERATIONS PLAN: 2006

STRATEGIC OBJECTIVE: 1. <u>To be the leader insurance company in the cooperative sector in the Dominican Republic</u>

GOALS	ACTIVITIES	RESPONSIBLE	START DATE	ENDING DATE	NECESSARY RESOURCES
1. To have the appropriate organization and tools to manage marketing adequately.	To define planning and coordination procedures and to control the entire Coop-Seguros commercialization network.	Marketing Manager	an 1-06	an 31-06	
	Gather information and create a basic database of authorized cooperatives in the Dominican Republic.	Marketing Manager	an 1-06	Feb 28-06	
	Gather information and create a basic database of member insurance cooperatives owners insured and not insured under Coop-Seguros.	Marketing Manager	an 1-06	Feb 28-06	
2. To achieve a 10% additional annual coverage of the insurable market of cooperatives in the Dominican Republic and its members.	Identify group of potential new cooperatives that are being prospected in 2006.	Marketing Manager	an 1-06	an 31-06	
	Prepare a Visit Plan to prospect insurance in new cooperatives.	Marketing Manager	Feb 1-06	Feb 28-06	
	Develop visits and policy closings with new cooperatives.	Marketing Manager	Mar 1-06	Aug 31-06	
3. Capture 90% of insurance premiums purchased by member cooperatives.	Identify significant insurance products cooperative members that are not offered by Coop-Seguros.	- Marketing Manager - Ana Genao	an 1-06	Feb 28-06	
	Make prospect plan to bring significant insurance from the member cooperatives that are not insured with Coop-seguros	- Marketing Manager - Ana Genao	Mar 1-06	Mar 31-06	
	Develop visits and closings in insurance placement.	- Marketing Manager - Ana Genao	Apr 1-06	Aug 31-06	
4. Achieve an additional 10% of members from the member cooperatives to buy insurance from our company	Define the 2006 premium goals for each of the branches of Coop-Seguros commercialization network.	- Marketing Manager - P.Abreu	an 1-06	an 31-06	
	Implement tools for control and monitoring of monthly sale goals in each branch of the commercialization network.	- Marketing Manager - B. Miranda	Feb 1-06	Feb 28-06	

OPERATIONS PLAN: 2006

STRATEGIC OBJECTIVE: 2. To have a continuous development of the company's Human Resources through the *Program for a Culture of Excellence in Service*

GOALS	ACTIVITIES	RESPONSIBLE	START DATE	ENDING DATE	NECESSARY RESOURCES
1. Help personnel achieve capabilities in teamwork, skills, attitudes and aptitude in identifying with company values, and with management and change leadership.	Implement in the company and branches in the cooperatives, a 3 person team to promote a value or lesson learned in the *Program for a Culture of Excellence in Service*. Each team would be responsible for a value and would rotate monthly.	Mr. Abreu	án 06	Dec 06	
	Hold a Workshop in Administration Procedures for the Executives.	Specialist	Feb/06	Feb/06	
2. Help the company's executives develop leadership skills, ethical behavior, identification with company values and the development of the insurance company	To hold at least two workshops annually for the continuation of the Program for a Culture of Excellence in Service where the board and employees get involved.	Dr. Quiñez Dr. Arrieta	Mar 06 Aug 06	Mar 06 Aug 06	
3. Create a an evaluation tool to evaluate staff performance and service received by the clients	To hire a HR firm's services to develop a method to evaluate performance.	Mr. Abreu & Board	án 06	án 06	
	To introduce the personnel to the system and implement it.	Mr. Abreu	Mar 06	Mar 06	

OPERATIONS PLAN: 2006

STRATEGIC OBJECTIVE: 3. To provide excellent personalized service, identified with the client's needs

GOALS	ACTIVITIES	RESPONSIBLE	START DATE	ENDING DATE	NECESSARY RESOURCES
1. To reach a level of client satisfaction higher than 80%	Establish quality criteria for the diverse type of services to clients.	B. Miranda	an -06	Feb-06	
	Develop a survey to measure and evaluate customer service	B. Miranda	an-06	Feb-06	
	Implement, process and generate results from the survey.	Mr. Abreu & Team	Mar-06	Apr-06	
	Present the results to personnel and establish a commitment to improve.	Mr. Abreu	May-06	May-06	
2. To acquire a team committed to customer service.	Train personnel to develop skills in quality customer service.	HR Firm	May- 06	May- 06	

OPERATION PLANS: 2006

STRATEGIC OBJECTIVE: 4. To have an effective organizational structure that allows adequate coordination, execution and control of functions and projects for harmonious attainment of planned objectives in the organization

GOALS	ACTIVITIES	RESPONSIBLE	START DATE	ENDING DATE	NECESSARY RESOURCES
1. To have an organizational structure that is economically and functionally well balanced	To know and approve of new organizational structure according to a study prepared by a specialized firm.	Mr. Abreu & Board	Jan -06	Feb-06	
	To prepare Manual of Duties assigned to each position.	HR Firm	Jan-06	Feb-06	
	Implement new organizational structure and to establish responsibilities for each official.	Mr. Abreu & Team	Mar-06	Apr-06	
2. To have efficient work procedures and efficient flow of documented information.	Review and design insurance subscription procedures from marketing offices.	Ana Genao, Pina Naut, Lucy Moreno, Yerca	Feb- 06	Mar- 06	
	Review and design procedures to renew policies.	Ana Genao, Pina Naut, Lucy Moreno, Yerca	Feb-06	Mar-06	
	Review and design collections procedures.	Resp. Cobros, Lucy Moreno, Yerca	Apr-06	May-06	
	Review and adjust claims procedures	Hipolita, Lucy Moreno, Yerca	Jun-06	Jul-06	
3. To have policies, norms and regulations applicable to each of the organization's topics which should be easily found under "themes"	Take inventory of all the available policies and standards in the company and establish a priority order of policies and regulations to be reviewed and implemented	Mr. Abreu & Board	Jan -06	Feb-06	

OPERATION PLANS: 2006

STRATEGIC OBJECTIVE: 5 **To increase Coop-Seguros Total Assets to RD$ 110 million at the end of the Strategic Plan period of 2005 - 2009**

GOALS	ACTIVITIES	RESPONSIBLE	START DATE	ENDING DATE	NECESSARY RESOURCES
1. To have by December 31, 2006 a net worth of RD$ 44 million, consisting of a member capital of RD$19 million and institutional capital of RD$ 25 million.	Present Coop-Seguros member cooperatives with information on the importance of a surplus distribution policy that will lead to the strengthening of the Institutional Capital and benefit of a solid institution.	Board of Directors and Management	May 06	un 06	
	To achieve the Board and Assembly's agreement for Coop-Seguros to capitalize the surplus obtained in 2005	Board of Directors and Management	May 06	un 06	
	To achieve the Board and Assembly's agreement for Coop-seguros to capitalize the surplus obtained in 2006.	Board of Directors and Management	May 06	un 06	

OPERATION PLANS: 2006

STRATEGIC OBJECTIVE: 6. To have a physical structure in accordance with functional requirements of customer service and institutional growth

GOALS	ACTIVITIES	RESPONSIBLE	START DATE	ENDING DATE	NECESSARY RESOURCES
Create a preliminary project that shows the development alternatives or the acquisition of facilities and financial plan	Contract a firm to prepare a preliminary project that shows alternatives to the development or acquisition of facilities and financial plan.	Board of Directors	May 06	Ago-06	

OPERATION PLANS: 2006

STRATEGIC OBJECTIVE: 7. Strengthening of the Information Technology Platform, Systems and Processes

GOALS	ACTIVITIES	RESPONSIBLE	START DATE	ENDING DATE	NECESSARY RESOURCES
1. To have the operations processes (insurance modules, accounting and collections) thoroughly integrated.	Reinforce the Informatics Unit with enough staff that assures the security, continuity and opportunity to develop and implement Information Systems.	Mr. Abreu & Board	Jan -06	Mar-06	
	Implementation of the subscription module.	Verca, Ana Genao	Jan 06	Feb 06	
	Implementation of the collections module	Verca, Responsibility of collections	Mar 06	Apr 06	
	Implementation of the claims module.	Verca, Hipólita	May 06	Jun 06	
2. To integrate previous operating modules with a management information system that allows evaluation and guidance in decision making by management.	Module Implementation of marketing and control of premiums production	Verca Responsibility of Marketing	Jul 06	Aug 06	
	Module implementation of portfolio and reinsurance information.	Verca Ana Genao	Sep 06	Oct 06	
	Module implementation of financial procedures.	Verca, Fdo. Vargas	Nov 06	Dec 06	

OPERATION PLANS: 2006

STRATEGIC OBJECTIVE: 8. To expand and strengthen strategic alliances with other national and international entities that cooperate in the development and strengthening of Coop-Seguros as well as in their programs of social responsibility before the Dominican cooperative sector and general community

GOALS	ACTIVITIES	RESPONSIBLE	START DATE	ENDING DATE	NECESSARY RESOURCES
1. To constitute and keep the COOP-SEGUROS Foundation running.	Formally incorporate the Foundation.	Mr. Abreu & Board	Jan -06	Mar-06	
	Create a national as well as international ambassador's network to promote and obtain funds to run the foundation and to carry out activities.	Mr. Abreu & Board	Apr -06	Sep-06	
2. To be a part of the Dominican Chamber of Insurance and Reinsurance Companies (CADOAR)	Submit the membership application to the Dominican Chamber of Insurance and Reinsurance Companies.	Mr. Abreu & Board	Jan -06	Mar-06	
3. To have alliance with non-regulated International Insurance companies which insure Dominican cooperatives.	Contact those international non-regulated insurance companies in the Dom. Rep that insure Dominican cooperatives to make alliance with them and insure their portfolios in the D.R. through Coop-Seguros.	Mr. Abreu & Board	Apr -06	Jun-06	

IN THE NEXT PAGES ARE FORMS THAT CAN BE USED TO EVALUATE THE OPERATIONS PLAN AND THE STRATEGIC PLAN

WORK FORM F-1

YEAR_____

OPERATION PLAN QUARTERLY EVALUATION

RELATED STRATEGIC OBJECTIVE: _____

Goals (Operational)	Planned Actions	% Objectives achieved March 31	% Objectives achieved June 30	% Objectives achieved Sept 30	% Objectives achieved Dec 31.

Work Form F-2

Year_____

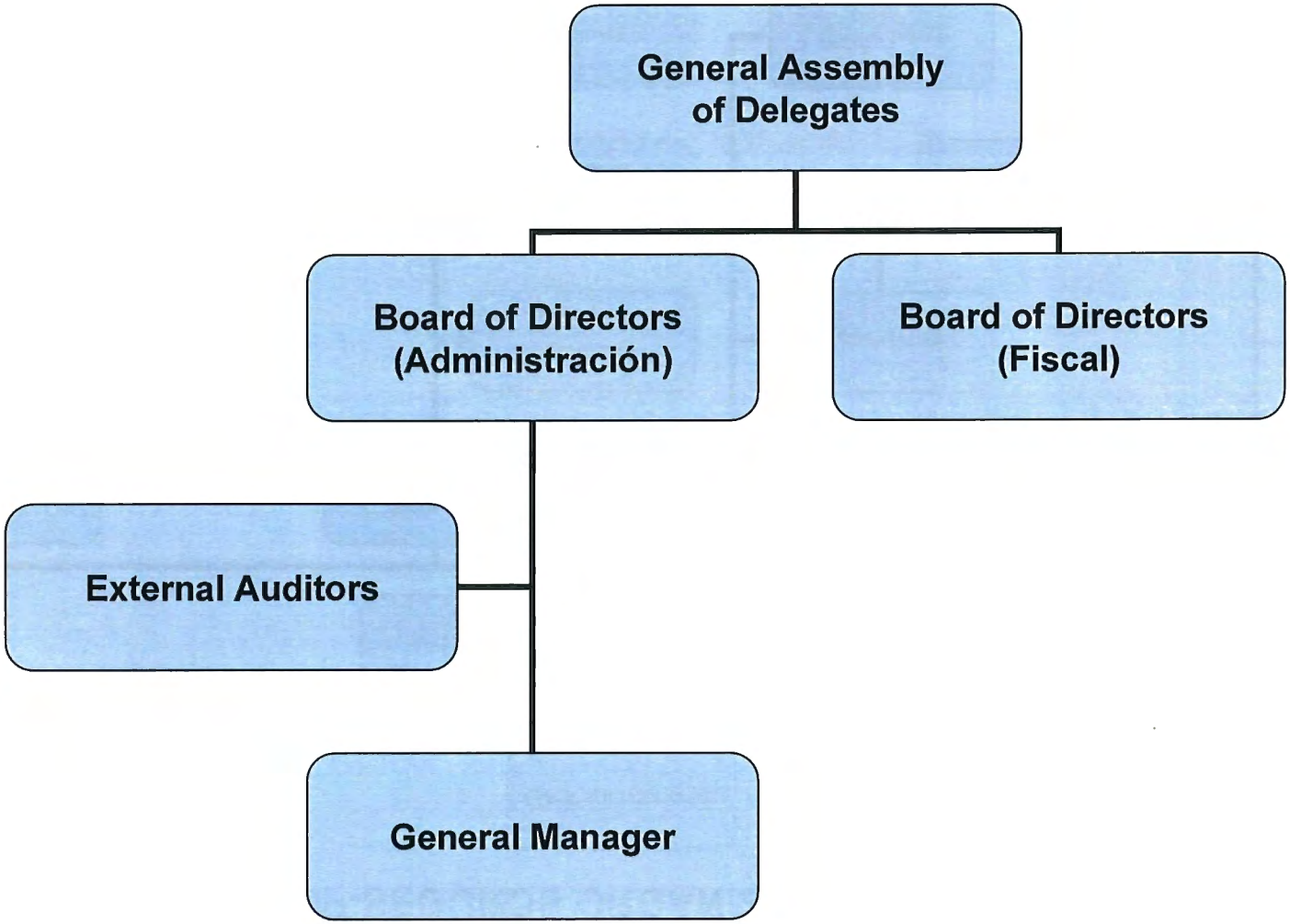
STRATEGIC OBJECTIVES SIX MONTH EVALUATION

OBJECTIVE					
ACHIEVEMENT INDICADOR		YEAR_____	YEAR_____	YEAR_____	YEAR_____
	Expected →				
	Real →				
	Expected →				
	Real →				
	Expected →				
	Real →				
	Expected →				
	Real →				
Degree of objective achievement→ (normal, below, outstanding)					

AAC/MIS Semi-Annual Report

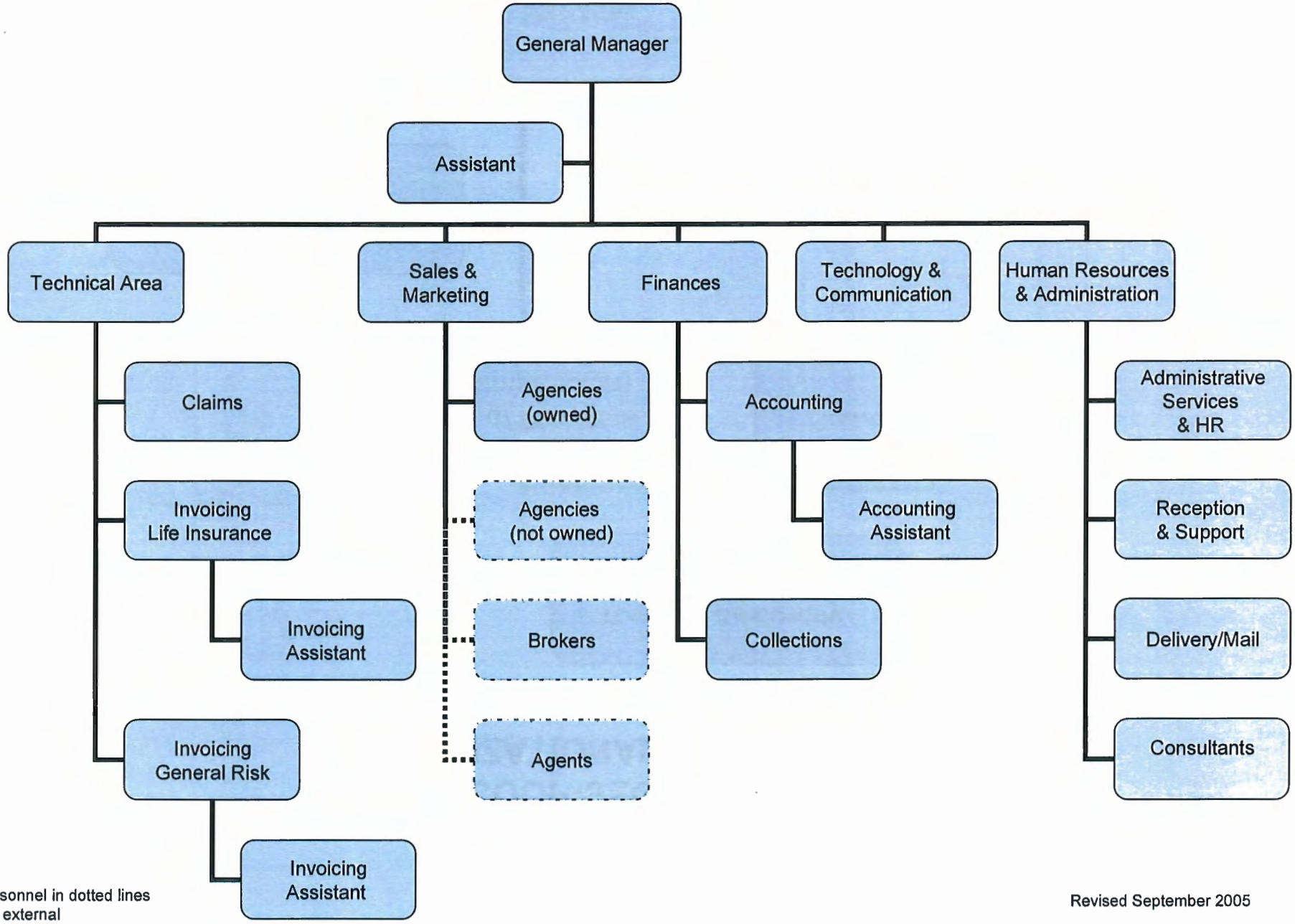
Attachment 10

COOP-SEGUROS
ORGANIZATIONAL STRUCTURE



Revised September 2005

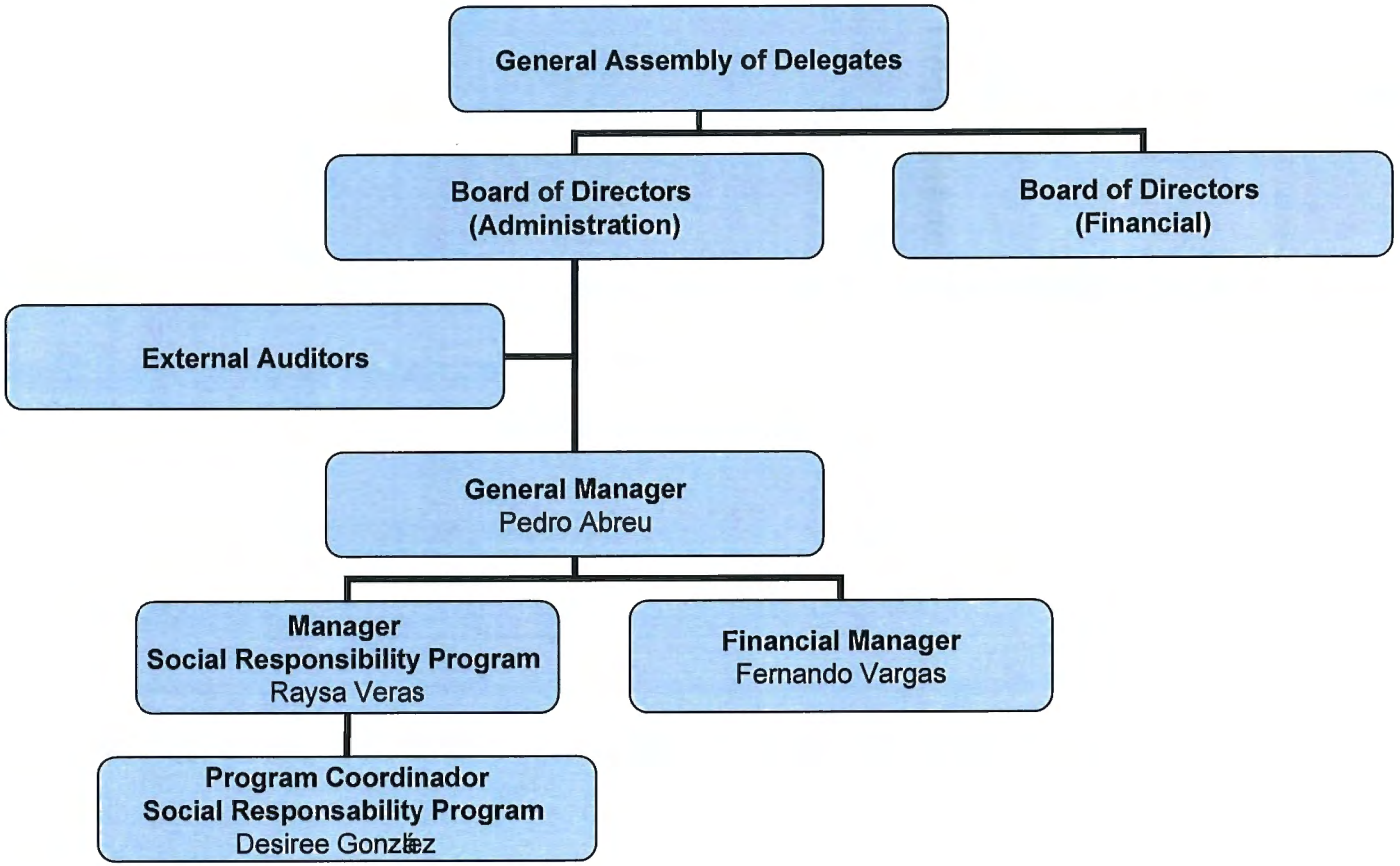
COOP-SEGUROS ORGANIZATIONAL STRUCTURE



Note : Personnel in dotted lines are external

Revised September 2005

COOP-SEGUROS
SOCIAL RESPONSABILITY PROGRAM
ORGANIZATIONAL STRUCTURE



Revised September 2005

AAC/MIS Semi-Annual Report

Attachment 11

Position Title:	Collections Manager		
Prepared by:	RA & RH	Preparation Date:	September 2005
Reviewed by:	Pedro Abreu	Review Date:	September 2005
Approved by:	Board of Directors	Approval Date:	September 2005

POSITION DESCRIPTION

Position Title: **Collections Manager**

Immediate Supervisor: **Technical Senior Manager**

Field: **Finance**

General Description:

Under direct supervision, processes and applies payments of insurance policies sold to customers and intermediaries, guaranteeing their prompt payment according to guidelines established by law.

Main Responsibilities:

- Run and send reports of accounts payable to agencies and/or intermediaries for review.
- Manage collection of policies directly sold to clients and agents or intermediaries within guidelines established by law.
- Receive and apply payments by agents and direct clients, keeping records and making the corresponding deposits in the company's account.
- Provide reports of received payments and deposits balances and give them to the accounting department.
- Keep records of client payment agreements, manage collection of payments on due dates.
- Keep purchase orders records of security system (Mul-T-Lock) installed in insured vehicles and manage the corresponding payments.
- Review and keep records of clients' statements, guaranteeing that policies are kept up to date according to payment status.
- Run policy cancellation reports due to lack of payment and reports of accounts payable statements.
- Carry out other similar, complementary duties as assigned by immediate supervisor.

Position Title:	Collections Manager		
Prepared by:	RA & RH	Preparation Date:	September 2005
Reviewed by:	Pedro Abreu	Review Date:	September 2005
Approved by:	Board of Directors	Approval Date:	September 2005

Structural Organization:

Title of Immediate Supervisor:	Senior Finance Manager
Position Title:	**Collections Manager**
Title of Positions to be supervised:	N/A
Title Positions of same staff:	Accounting Manager

Education and Experience Requirements:

a) Academic Background:

Master's Degree in:	
Post Graduate in:	
Bachelor's Degree in:	Business Administration, Accounting, Marketing
Technical Studies:	Computerized Accounting Systems

b) Functional Technical Knowledge:

Office Management

c) Languages:

Spanish

d) Experience:

2 years in similar positions

e) Position's required skills

- Achievement oriented
- Organization
- Mathematical skills
- Integrity
- Authority
- Customer service orientation

AAC/MIS Semi-Annual Report

Attachment 12

PROFILE
Corporación Mundial de la Mujer Medellín (CMM)

Calle 57 (la paz)
No. 48-28
Medellín
Colombia

Contact: Dra. Margarita Correa Henao, Executive Director
Phone: (57) 4-514-02-22 x107
Fax: (57) 4-231-79-80
E-mail: margarita.correa@nm.o rg.co

Institutional Profile	
Mission	• To create and strengthen the regional economy by providing microentrepreneurs, particularly women, with timely, efficient and competitive access to credit and other financial services.
Legal status	• NGO.
Founded	• 1985.
Affiliated	• 1987.
Governance	• The seven-member board, which includes six women, embodies strengths in capital markets, finance, law and community organizing. • Staff of 73; 54 are women.
Organization	• Provides credit to individuals through its head office and six branches.
Client base	• Microentrepreneurs – 67% low income women.
Area of operations	• Medellín metropolitan area, Colombia.
Product offering	• Basic loans. Individual loans where the loan size is determined based on cash flow analysis and repayment capacity. These loans are provided for working capital purposes. • Seasonal loans. Very short term loans with the objective of providing more liquidity to acquire stock to meet the demands of special holidays. • Automatic loans for repeat customers. When clients have a proven repayment record, and have taken out three prior loans, they become eligible for automatic loans, with no assessment.

Client Profile (end 2002)	
Number of active clients	16,064
Number of borrowers	16,064
Number of savers	0
Average loan size	US$365
Average loan size relative to per capita GDP	19%
Percentage women	59%
Percentage rural	0%
Sector distribution	
• Manufacturing/production	25%
• Agriculture and livestock	0%
• Commerce and trade	58%
• Service	17%

Performance Profile (end 2002)	
Portfolio at risk ≥ 30 days	2.36%
Number of loans per loan officer	470
Operating cost ratio	0.19
Operational self-sufficiency (OSS)	133%
Financial self-sufficiency (FSS)	122%
Adjusted return on assets (AROA)	6.3%

Financial Integration (end 2002)	
Portfolio size	US$4,464,180
Debt + savings portfolio	0.78
Percentage of portfolio from commercial borrowings and/or savings	70%

Source: APU December 2002

Leader and Change Agent

- CMM/Medellín has a strong track record, highl y skilled and committed permanent staff, . sound organization and systems, and resources for expansion. CMM/Medellín has successfully mobilized domestic commercial and semi-commercial resources to expand services to its clients.
- In 1999, CMM/Medellín was the pioneer in the WWB Global Strategic Positioning Initiative. CMM/Medellín's Board and management made effective use of industry structure analysis, and systematic client surveys to improve its already strong organization and operations.
- CMM/Medellín serves as a resource a ffiliate for others in the WWB network.

AAC/MIS Semi-Annual Report

Attachment 13

PROFILE
Fundación Mundo Mujer Popayán (FMM/Popayán)

Carrera 11, No 5-70 Barrio Valencia
Popayá
Colombia

Contact: Ms. Leonor Melo de Velasco, President
Phone: (57) 28-39-1112
Fax: (57) 28-39-1112
E-mail: fmmpop@l 2.telecom.com.co

Institutional Profile	
Mission	• To open access to credit resources for small entrepreneurs, particularly women.
Legal status	• NGO.
Founded	• 1989.
Affiliated	• 1990.
Governance	• The five-member board includes four women; members have expertise in finance, law and community organizing. • During 2002, the affiliate had 123 full-time staff, including an executive director, a credit manager, a secretary, and credit analysts. Seventy-one staff members are women.
Organization	• Twelve branches.
Client base	• Microentrepreneurs.
Area of operations	• Popayá and surrounding areas, and the city of Barranquilla, Colombia
Product offering	• Basic loans. Individual loans where the loan size is determined based on cash flow analysis and repayment capacity. These loans are provided for working capital purposes. • Seasonal loans. Very short term loans with the objective of providing more liquidity to acquire stock to meet the

	demands of special holidays. • Automatic loans for repeat customers. When clients have a proven repayment record, and have taken out three prior loans, they become eligible for automatic loans, with no assessment. • Innovative product that accepts jewelry as collateral. This loan is provided for consumption and for emergencies.

Client Profile (end 2002)	
Number of active clients	45,508
Number of borrowers	45,508
Number of savers	0
Average loan size	US$248
Average loan size relative to per capita GDP	13%
Percentage women	72%
Percentage rural	0%
Sector distribution	
• Manufacturing/production	15%
• Agriculture and livestock	0%
• Commerce and trade	63%
• Service	22%

Performance Profile (end 2002)	
Portfolio at risk ≥ 30 days	0.88%
Number of loans per loan officer	941
Operating cost ratio	0.13
Operational self-sufficiency (OSS)	234%
Financial self-sufficiency (FSS)	163%
Adjusted return on assets (AROA)	14.4%

Financial Integration (end 2002)	
Portfolio size	US$11,901,433
Debt + savings portfolio	0.44

Source: APU December 2002

Leader and Change Agent

- In 1999, FMM/Popayá received the Carlos I lleras Restrepo award for the best financial intermediary for microenterprises NGO.
- In recognition of the excellence of FMM/Popayá, in October 2000, this affiliate received the Inter-American Development Bank award for the most outstanding microfinance organization in Latin America.

AAC/MIS Semi-Annual Report

Attachment 14

NEW MICROINSURANCE ALLIANCE DEVELOPMENT
SECOND SEMESTER, 2005
LA EQUIDAD, COLOMBIA

CITY	ORGANIZATION	RESULT	COMMENTS
1. Bogotá	Bancoldex	Interested in the agreement to manage group life microinsurance and multiple risks for small micro-entrepreneurs.	The proposal is currently under consideration.
2. Tunja	Comerciacoop	Did not approve the proposal.	Low capacity for clients to pay and they do not have a pre-approved line of credit.
3. Cali	Fundación Mundial de la Mujer	Has not approved the agreement.	Requested to add to the Amparar product a funeral plan, so an alliance with an entity that specializes in this area was sought. Unable to come to an agreement and present a project together, each entity will offer it on their own.
4. Cali	Cooperativa Solidarios	Interested in the agreement to manage various microinsurance products, among them Amparar, but with another name.	Pending a presentation to the board of directors that will make a final decision.
5. Ibagué	Actuar Tolima	Did not approve the proposal.	A member of the board of directors is the manager of Suramericana (the major Colombia insurer).
6. San Gil	Coopcentral	Signed agreement	Due to change in management, the organization has temporarily suspended its application.
7. Cartagena	Fundación Indufrial	Possible agreement in group life microinsurance.	A cousin of the manager works at Seguros del Estado which manages all protection issues
8. Cartagena	Fundación Actuar por Bolívar	Did not accept the proposal.	There are directors that are insurance intermediaries and said that they would analyze the proposal if they obtain the same benefits that other insurers give them.

NEW MICROINSURANCE ALLIANCE DEVELOPMENT
SECOND SEMESTER, 2005
LA EQUIDAD, COLOMBIA

9. Cartagena	Fundación Julio Mario Santodomingo	Did not accept the proposal.	They forwarded the presentation to the main office of the foundation in Barranquilla.
10. Cartagena	Fundación Amigos de los Niños	Did not accept the proposal.	Their activities are only oriented to youth, not considering that they had connections with mothers in the community which are the ones who could purchase insurance.
11. Barranquilla	Cootracerrejón	Agreement approved for the management of group life microinsurance	The percentages of administrative expenses were modified.
12. Barranquilla	Coedumag	Agreement approved for the management of group life microinsurance	Pending definition of dates to begin training staff.
13. Barranquilla	Undeco	Agreement for management of group life microinsurance pending signature.	Began first phase of staff training.
14. Barranquilla	Fonvima	Interested in signing agreement for family protection microinsurance.	Requested reconsideration of the proposal
15. Barranquilla	Acopi	Interested in agreement for management of family protection and group life microinsurance.	Have arranged for presentation for Board to discuss the subject
16. Barranquilla	Adea	Interested in the agreement for the family protection microinsurance.	The proposal is under consideration.
17. Barranquilla	Cajamag	Interested in agreement for management of family protection and group life microinsurance.	The proposal is under consideration.

TOTAL SIGNED ALLIANCE AGREEMENTS: 4
TOTAL ALLIANCES IN NEGOTIATION: 7
TOTAL ALLIANCES REJECTED: 6

AAC/MIS Semi-Annual Report

Attachment 15

Nuestros Puntos de Servicio en todo el País
Cooperativa de Ahorro y Crédito:

Financiera Xolotlán, R. L.

- **Managua**, Ciudad Jardín ITR 2 c. al Este
Telefax: 2443206; E-mail: xolotlan@ibw.com.ni

Financiera Profesional, R. L.

- **Masatepe**, Puesto de Buses, 1 ½ c. al Norte
Telefax: 5232601; E-mail: cfinprom@ibw.com.ni
- **Masaya**, Costado sureste del Mercado Viejo.
Telefax: 5223860; E-mail: profe1@ibw.com.ni

Financiera La Armonía, R. L.

- **Diriomo**, Costado este Parque Central 2½ c. Al Norte, Telefax: 5570044/0002;
E-mail: armonia@ibw.com.ni
- **Nandaime**, ENITEL 2 c. al Este,
Telefax: 5612498; E-mail: armonan@ibw.com.ni
- **Teresa**, Bar La Glorieta, ½ c. al Norte,
Telefax: 5320249; E-mail: arter3@ibw.com.ni
- **Granada**, Gasolinera Shell Palmira ½ c. al N.
Telefax: 5526561; E-mail: armongra@ibw.com.ni

Financiera Central, R. L.

- **Jinotepe**, BDF 75 Varas arriba.
Telefax: 5323214; E-mail: ccentral@ideay.net.ni

Financiera El Progreso, R. L.

- **Rivas**, Gimnasio Humberto Méndez 25 Vrs. al Norte. Telefax: 5630659;
E-mail: elprogreso@hotmail.com
- **Nancimí**, Frente al Templo Bautista
Teléfono: 8853835.

Financiera Iagüei, R. L.

- **Corinto**, Costado Oeste del Mercado Central.
Telefax: 3422529; E-mail: iaguei@ibw.com.ni
- **El Viejo**, Contiguo a ENITEL.
Telefax: 3442027; E-mail: iaguei1@ibw.com.ni
- **León**, Terminal Buses 1c. al S. 20 Vrs. arriba.
Telefax: 3110554; E-mail: iaguei1c@cablenet.com.ni

Nuestros Puntos de Servicio en todo el País
Cooperativa de Ahorro y Crédito:

Financiera Moderna, R. L.

- **Estelí**, Frente a Ferretería Blandón Moreno.
Telefax: 7132320/5115;
E-mail: fmoderna@ibw.com.ni
- **El Rosario**, Frente al Club Juvenil siglo XXI
Telefax: 7133927; E-mail: moderna1@ibw.com.ni
- **La Trinidad**, De la TEXACO, 3c. al Oeste.
Telefax: 7162485/2393
E-mail: moderna2@ibw.com.ni

Financiera Dinámica, R. L.

- **Yalagüina**, Iglesia Católica 1c. al Norte.
Telefax: 7222432; E-mail: cacfidin@ibw.com.ni
- **Condega**, Esquina Noroeste del Parque Central. Telefax: 7152364

Financiera Económica, R. L.

- **Somoto**, Del INSS. 2c. al Sur.
Telefax: 7222074; E-mail: finaneco@tayacan.net
- **Ocotal**, De los Juzgados 2c. al Norte.
Telefax: 7323694; E-mail. cofinec@ibw.com.ni

Financiera Integral, R. L.

- **Sebaco**, Frente a la Casa de la Cultura.
Telefax: 7752603/2200; E-mail: integral@ibw.com.ni

Financiera Unión, R. L.

- **Matagalpa**, Frente a la Ferretería SINSA.
Telefax: 7725753/3613; E-mail: unionrl@ibw.com.ni
- **El Cúa.**, Contiguo a las Bodegas de Atlantic.

Financiera Visión, R. L.

- **Jinotega**, ESSO Central, 1½ c. al Este.
Telefax: 7822591/4081, E-mail: fvision@ibw.com.ni

Financiera Avances, R. L.

- **Santo Tomás-Chontales**, Contiguo a ESSO.
Telefax: 5192226/2651;
E-mail: avances@america-ble.com.ni
- **Juigalpa-Chontales**, ENITEL 1c. al Sur.
Telefax: 5122135/2675
E-mail: avances1@america-ble.com.ni
- **El Rama**, Zelaya Sur-RAAS. del Juzgado local ½ c. al Este.

AHORRO
CENTRAL DE COOPERATIVAS
Y CREDITO

¡CADA DIA MAS PROTEGIDOS!

PLAN DE BENEFICIO PROTECCION FAMILIAR

...En esos momentos Difíciles, Protege a tu Familia...

Apóyese en Nosotros

UN PLAN DE BENEFICIO PARA PROTEGER A SU FAMILIA

Sabía Usted que....

Su Cooperativa de Ahorro y Crédito Financiera, y La Central de Cooperativas de Ahorro y Crédito Financieras de Nicaragua, R.L le brindan Beneficios de protección por Fallecimiento de Asociados o de cualquier miembro de su núcleo familiar.

El Beneficio Protección Familiar fue creado para garantizarle a usted y a su familia la tranquilidad económica y emocional, y cuenten con los recursos mínimos que se necesitan para hacerle frente a los gastos funerarios por fallecimiento.

En que consiste?

En el pago de dinero al beneficiario designado a causa del fallecimiento del Asociado que suele ocurrir en el momento menos esperado, y es una situación difícil de enfrentar cuando no contamos con esos recursos.

Importancia del Beneficio...

- Con el otorgamiento de Préstamo, le ofrecemos una cobertura adicional de Beneficio para proteger a su familia.
- La vigencia del Beneficio es de un año, ajustado en dependencia del plazo del Préstamo.
- Como ahorrante o prestatario ofrecemos opciones de cobertura de ***U$500.0 o U$1,000.0*** de acuerdo a las necesidades de su familia para proteger a ***1 Persona, 2 Personas o a su Núcleo Familiar.***
- Pago inmediato y sencillo del Beneficio cuando más lo necesita.

Con Beneficio Adicional

El asociado tiene la opción de adquirir su Plan Protección Familiar ***con Beneficio Adicional,*** antes de cumplir los 55 años de edad.

Consiste en otorgarle la suma escogida en caso de que no fallezca y llegue a cumplir los 70 años, aún cuando haya recibido algún pago por el fallecimiento de cualquier miembro de su núcleo familiar.

Costo del Beneficio

Por el Beneficio Protección Familiar se asume un costo mínimo que está al alcance de todas aquellas familias de escasos recursos.

Adicionalmente, los beneficios otorgados sobre Préstamos y Ahorros no tienen ningún costo para el socio. Es un servicio adicional que le brinda su Cooperativa.

Coberturas de Beneficio por Fallecimiento de Asociados

Con el Pago de Beneficios, se estaría ***cancelando el saldo de su Préstamo*** hasta el límite establecido, y a su vez el Beneficiario designado tendría un monto adicional del beneficio ***Protección Familiar*** por la suma básica escogida.

Además, pagaríamos ***hasta tres veces el saldo de sus Ahorros y Aportaciones,*** sin sobrepasar el límite establecido.

Pago de la suma básica escogida por el fallecimiento de cualquier miembro de su núcleo Familiar.

Quiénes pueden incluirse en este Beneficio?

- Todo asociado con edades de 18 a 65 años permaneciendo hasta los 70 años, y cónyuge de hogar menor de 70 años.
- Hijos, hijastros, hijos adoptivos que dependan económicamente del núcleo familiar, con edades entre 1 mes y 21 años.

AHORA USTED Y SU FAMILIA ESTÁN PROTEGIDOS....

Central de Cooperativas de Ahorro y Crédito de Nicaragua
BROCHURE

[cover]

More protected every day!

Family Protection Benefit Plan

In those difficult moments, protect your family.....

You can depend on us!

A Benefit Plan to protect your family

DID YOU KNOW THAT.....?

Your Credit Union and La Central de Cooperativas de Ahorro y Crédito Financieras de Nicaragua, R.L offer you insurance protection benefits in case of members' or any of their family members death.

The Family Protection Benefit was created to guarantee you and your family, financial and emotional peace of mind and to count on the minimum resources needed to face funeral expenses.

WHAT IS IT?

Payment of money to a designated beneficiary upon a member's death, which often happens when it is least expected and is a difficult situation to face when financial resources are limited.

IMPORTANCE OF BENEFIT

- With the Loan Settlement, we offer an additional coverage benefit to protect your family.
- The benefit is valid for one year and adjusted depending on the loan payment terms.
- As a savings account holder or borrower, we offer coverage options up to US $500.00 or US$1,000 according to your family needs to protect 1 person, two people, or your nuclear family.
- Immediate and simple payment of this benefit when it is most needed.

WITH ADDITIONAL BENEFIT

Members have the option to select their Family Protection Plan with Additional Benefit, before the age of 55.

The Additional Benefit consists of paying the selected insured amount in case the insured does not die and reaches the age of 70, even if has received some payment for the death of any family member.

BENEFIT COST

There is a minimum cost for the Family Protection Benefit which is within the reach of all low income families.

Additionally, the benefits given on Loans and Savings do not have any cost for members. It is an additional service that the cooperative provides.

BENEFIT COVERAGE FOR MEMBERS DEATH

For the benefit payment, the amount of the loan due would be cancelled up to the established limit, and the designated beneficiary would have an additional amount of the **Family Protection** benefit for the amount of coverage chosen.

Furthermore, we would pay up to three times the balance of your **Savings,** without exceeding the established limit.

Payment of the amount coverage selected due to any family member's death.

WHO CAN BE INCLUDED IN THIS BENEFIT

- Every member between the ages of 18 and 65 years, with coverage up to 70 years of age, and a housewife younger than 70 years.
- Children, step children, adopted children, who financially dependent on the family. between the ages of 1 month and 21 years old.

NOW YOU AND YOUR FAMILY ARE PROTECTED ....

(Listing of La Central's Points of Service)

AAC/MIS Semi-Annual Report

Attachment 16

PROPOSAL FOR THE CREATION OF AN INSURANCE COMPANY FOR THE COOPERATIVE AND MICROFINANCE SECTOR OF NICARAGUA

Prepared by:
Bernardo Miranda Ch.
Consultant AAC/MIS

1. Background

Among the financial services that will be increasingly in demand within the Microfinance and Cooperative sectors is the protection of risks that their member associations are exposed to.

Generally, many of their members come from low income households and their precarious economic condition makes them even more vulnerable to risk. Regarding this matter, we remember what Martin et al said in 1999: ***"Poor families worldwide have two disadvantages: the first one is the difficulty to generate reasonable income and the second is the vulnerability towards physical or financial misfortunes. Unfortunately, these two disadvantages reinforce each other: poverty is the source of increased vulnerability to financial misfortunes and the effect of this is increased poverty."***

Thus increasingly in the coming years developing countries will increasingly develop microinsurance - insurance for low income persons - which together with other financial products that cooperatives and microfinance institutions offer, can contribute to alleviating poverty and the economic vulnerability of their members.

With this perspective, microfinance institutions and cooperatives should come together to establish an insurance company in Nicaragua that allows these sectors to offer insurance protection in the future. It is clear that, managing risks and insurance products is an activity that involves large numbers and it would not be possible to have each organization set up its own insurance program, which makes it necessary for them to come together and avoid duplicating efforts.

Through this document, we want to begin the process by reviewing the general requirements that the creation of an insurance company entails, and the initial necessary information required to evaluate the financial feasibility of creating an insurance company for the cooperative and microfinance sectors of Nicaragua.

2. Capital Requirements to create an insurance company

The Board of Directors of the Nicaraguan Bank Supervision and Other Financial Institutions, resolved in law CD-SIBOIF-280-2-ENE-16-2004 to update the minimum capital required by insurance companies, which is ELEVEN MILLION FIVE HUNDRED THOUSAND CÓRDOBAS (11,500,000) when working individually for either life insurance or casualty/property insurance (non-life); or NINETEEN MILLION FIVE HUNDRED THOUSAND CÓRDOBAS (19,500,000) if they are working in both areas (life and non-life).

3. Main Indicators of the Nicaragua Insurance Market

To provide some general parameters of reference that will help determine the minimum market levels required to obtain sufficient yields on invested capital, below are several indicators of the Nicaraguan insurance market generated by the Bank Supervision and Other Financial Institutions of Nicaragua on its Web page (HTTP://www.siboif.gob.nor).

Picture 1
TECHNICAL And FINANCIAL RATIOS
Insurance Market - Nicaragua - Years 2002 to 2004

Technical Ratios *(Relation between respective line of the Outcome Statement and Premiums Income):*	**2002**	**2003**	**2004**	**Average**
- Ratio for Losses	50.1%	46.6%	44.5%	47.0%
- Ratio for Acquisition Expenses	12.7%	13.0%	13.3%	13.0%
- Ratio for Administration Expenses	22.1%	21.7%	20.3%	21.4%
- Ratio for Technical Profit	-1.1%	-1.5%	2.0%	-0.2%
- Ratio for Net Profit After Taxes	4.7%	3.7%	3.5%	4.0%
Ratio of Financial Structure:				
% Assets/(Liabilities +Assets)	21%	19%	19%	19.7%
Profitability:				
% yield on Assets		16.3%	17.9%	17.1%
% yield on Total Active		3.1%	3.2%	3.1%
Solvency:				
- Premiums/Assets	2.0	2.2	2.8	2.3

Of these indicators, we will emphasize the following:

a) The profitability obtained by the insurance sector from its assets - which is in Córdobas - has been an average of 17.1% in the last two years.
b) Of the total net premium, the insurance sector has obtained an average of 4.0% net profit after taxes in the last tree years.
c) Insurance market premiums generation have been 2.3 times the assets, which indicates that the production of premiums can exceed the assets up to 2.3 times without affecting the required solvency.

In regards to the generation of premiums, growth and distribution of the market among current insurance companies - the following chart shows the market produced premiums of US$ 70 million last year, a growth level of 22%. The market is made up of 5 companies, the leader being INISER with 41% share of the market producing US$ 29 million in premiums and the smallest company (Pacifico) with a market share of 6% that generates US$ 4.3 million in premiums.

Figure 2
GENERATION OF PREMIUMS - Market Insurances - Nicaragua - Years 2002 to 2004

	2002	**2003**	**2004**	
Total Net Premiums Income of Companies (in thousands of US$)	52,782	57,292	70,025	
% Growth in Premium Income		8.5%	22.2%	

Market Participation x Companies:				Premiums 2004 (thousands US$)
- INISER	*43%*	*42%*	*41%*	*28,796*
- AMERICA	*27%*	*30%*	*29%*	*20,431*
- METROPOLITAN	*13%*	*11%*	*15%*	*10,544*
- PACIFIC	*11%*	*10%*	*6%*	*4,276*
- CENTRAL AMERICAN	*6%*	*7%*	*9%*	*5,977*

Regarding the distribution of premiums generated by type of insurance – the following chart shows that property/casualty (non-life) insurance generates 77% of the premiums, while life insurance generates 20%.

Figure 3
Premiums x Insurance Branches- Insurance Market - Nicaragua - Year 2004

	Thousands in US$	% partic.
I.- LIFE INSURANCE	***14,156***	***20%***
1.- Life Insurance	7,440	11%
2.- Accident and illness	2,519	4%
3.- Health Insurance	4,197	6%
II- PROPERTY INSURANCE	***54,134***	***77%***
1.- Fire and other	13,646	19%
2.- Automobile	19,430	28%
2.1 Car Insurance	14,707	21%
2.2 Liability Insurance	4,814	7%
3.- Others	20,967	30%
III- BONDS/BAIL	***1,976***	***3%***

When considering the start-up of a new insurance company, it is important to note from Figures 1 and 2 above that the smallest company generates annual premiums of US$ 4.3 million and that life insurance market - the area where a new company could begin by insuring loans and savings portfolios - has a market premium of US$7.4 million.

4. Premium production required to achieve viable profitability from the Company's Assets.

Based on the minimum capital requirements necessary to form an insurance company in Nicaragua (C$11,500,000 for entry into one of the two markets - life insurance or non-life insurance; or C$19,500,000 to enter both insurance markets), to achieve a 15% return on the minimum invested capital (and after taxes of around 5% of those premiums), the following annual premiums production goals can be considered:

Figure 4

GENERATION OF REQUIRED PREMIUMS
To achieve viable profitability on Company Assets

RESULTS - LIFE INSURANCE ONLY:	Córdob as	U.S. Dollars
- Required Minimum capital	11,500,000	605,263
- Expected Profit After Taxes	1,725,000	90,789
- Expected Premium from Life Insurance	34,500,000	1,815,789
RESULTS – LIFE AND NON-LIFE:	Córdob as	U.S. Dollars
- Required Minimum Capital	19,500,000	1,026,316
- Expected Profit After Taxes	2,925,000	153,947
- Expected Premium from Life and Damage Insurance	58,500,000	3,078,947

Therefore, to consider forming an insurance company which produces a sustainable profit (15% of assets) would mean that an annual premium production of US$1.8 million a year would need to be generated to be able to work in life insurance only, or in the case of life and non-life insurance, an annual premium generation of US$ 3.1 million.

If working in life insurance only (which would be the most feasible way to start based on the loans and savings portfolios that many micro finance and cooperative companies already have), it would be necessary to sell premiums of US$ 1.8 million per year, to insure approximately US$300 million in savings, loans and death benefits for the members.

CONCLUSION: To think about forming an insurance company, at a minimum we will need to put together more than US$600,000 in capital and generate premiums of US$ 1.8 million, or in simple terms, each participating organization can contribute a specific amount of capital as feasible and a generate premiums equal to three times their contributed capital.

5. Proposals

5.1 Take an inventory of potential insurance portfolios of organizations that would form the company.

To order to begin the coordination and management required to develop a potential insurance company, we would ask your organization to let us know in writing its initial interest in participating in a consortium that would contribute capital to and have its portfolios protected by such a company, by completing the attached form.

Once all this information has been compiled, we would carry out the respective feasibility study, and once finished, it will be provided to the interested parties.

5.2 While the company is being formed, initiate portfolio protection through a Protection Services Agreement with La Central de Cooperatives de Ahorro y Crédito Financieras de Nicaragua.

In order to start meeting the immediate needs of protecting loans and savings portfolios, to further develop insurance protection experience, and start gathering base capital for the potential

insurance company, we propose to establish a Protection Services Agreement with La Central de Cooperativas de Ahorro y Crédito Financieras de Nicaragua

In 1999, La Central de Cooperativas de Ahorro y Crédito de Nicaragua initiated a program for its members which provided a death benefit. This initiative was developed, with the technical assistance of The Americas Association of Cooperatives/Mutual Insurance Societies (AAC/MIS) who is still providing us with technical support to this day. We also have reinsurance services provided through ICMIF (International Cooperative and Mutual Insurance Federation).

The proposal of the agreement would have the following characteristics.

I. – Legal Basis:

This agreement would be protected in articles 12 and 13 of the General Law of Cooperatives which reads as follows:

Art. 12. Cooperatives can carry out all types of activities under equal conditions with private individuals and other legal persons and state entities in all those activities related to public services.

Art. 13. Cooperatives can associate with people of a different legal character, as long as such association serves the purpose and does not distort its nature, transfer benefits, privileges and exemptions owned by them."

II- Objectives

To offer low cost financial protection services to more families in Nicaragua, using the existing platform of the Insurance Benefits Program developed by La Central de Cooperativas de Ahorro y Credito Financieras de Nicaragua.

III- Products to offer

The product to be offered is **Loan Protection.**

IV- Product Characteristics

a. Coverage:

- **Death:** Payment of Benefit Amount due to the Death of loan applicant.
- **Optional Coverage:** ***Total and Permanent Disability*:** Payment of the Benefit Amount due to the Total and Permanent Disability of the loan applicant, based on the following definition:

Definition of Total and Permanent Disability
The disability will be considered total when as a result of bodily injury or disease, an Insured Member with the current policy, will be crippled to perform any occupation or to execute any work by which it will be able to receive some compensation or gain. Such disability must take place after the date of inclusion of the Benefit, which must be before the Insured Individual turns sixty five years of age and before the coverage of this benefit expires, or before the Insured Member turns seventy years of age

and this policy expires. This Benefit will be granted after a continuous period of disability, not less than three months later.
Despite the above, it will be recognized as total and permanent disability:
a) The complete and irreparable loss of sight of both eyes.
b) The total and permanent loss of both hands or feet, or one hand or foot, by accident or disease.

b. Benefit Amount:

- The amount of benefit would be the Loan's Balance at the time of death. Nevertheless, the option to grant the Loan's Amount as benefit could be considered, in which case, the difference between the Loan's Amount and the Loan's balance would be given to the family beneficiary previously designated.
- The maximum benefit amount would be US$ 6.000 (Six thousand dollars) or the equivalent in currency exchange.

c. Age Limit:

- The protection would be provided to people who are maximum 65 years old when they apply for the loan. Once the loan is given, the protection benefit will be valid up to 70 years of age.

d.- Exclusions:

The benefit will not be paid in the following cases:

- Death by suicide.
- Death by disease during the first 6 months of the loan validity. Death by accident would be covered from the beginning.

V. - Cost of insurance

Insurance cost for the benefit for death only, would be 0.55 monthly for every thousand of the sum insured. If the optional benefit, Total and Permanent Disability, were included, the cost for both benefits would be 0.70 monthly for every thousand of the sum insured.

VI. - Surplus Participation Plan

- Of premiums received, La Central gets 30% to cover administrative costs, plus an additional 10% to cover the reinsurance costs, which would guarantee the payment of losses. The remainder of premiums is deposited in a fund to cover the payment of losses.
- At the annual close of business of operation of the program, a liquidation of the fund is made to cover the payment of losses.
- If the fund shows/displays a positive balance (a surplus), 50% will be distributed to the microfinance organization and 50% for La Central.
- This 50% in surplus participation could allow microfinance institutions to start creating a fund to gather capital to establish an insurance company for all the microfinance and cooperative sector.

VII. - Activities that the Microfinance Institution will perform.

The activities that the Microfinance institution will perform are:

- Record the loans that are being covered by the Protection Benefit Plan.

- During the first 5 days of the month, the list of loans applications with all the Central's required information will be submitted, to properly identify the protected individuals and the respective amounts of protection benefits.
- To collect the amount from the members for protection benefits or implementation of any other mechanism to charge the cost to the benefit.
- To send to La Central the respective monthly premiums with the loan applications to be protected in that month.
- In case of a claim, present the required information to La Central to corroborate the death and amount to be paid.

VIII. – Activities to be carried out by La Central

The following are the services that La Central will provide:

- Record keeping of coverage and amounts protected by the product based on the loan application information sent by the microfinance institution.
- Claims process and payment
- Keep record of submitted claims
- Manage the acquisition of reinsurance
- Prepare an annual liquidation of the Plan surplus.

Questionnaire Regarding Interest to Participate in the Potential Formation of an Insurance Company for the Microfinance and Cooperative Sector of Nicaragua.

1. Name of Organization: _____
2. Headquarters _____
3. Address: _____
4. Telephone: _____ 5. Fax: _____ 6. E-mail: _____
7. General Manager's Name: _____
8. Would the organization be interested in forming an insurance company for the microfinance and cooperative sectors in Nicaragua? YES ☐ ; NO ☐

Why? _____

9. During the next 18 months, would it be possible for you to make a capital investment in an insurance company in the sector? YES ☐ NO ☐
10. Potentially, how much would you invest in an insurance company? _____.
11. Approximate Portfolios of Savings and Loans to date.

Type of Portfolio/Financial Activity	Amount of the Portfolio (specify currency)	N° of Operations
Savings Portfolio		
Economic Activities (Loans Portfolio)		
TOTAL Loans Portfolio		

12. Number of members or active partners associated with the organization: _____
13. Are the portfolios insured against risks by death? YES ☐; NO ☐.
    By: Insurance ☐; Self Insured ☐
14. Insurance *against different risks you currently hold*:
    a. Fire: Yes ☐ No ☐; Amount insured (C$): _____
    b. Theft//Assault: Yes ☐ No ☐; Amount Insured (C$): _____
    c. Risk of Vehicle damages:Yes ☐ NO☐ Amount Insured (C$): _____
    d. Others (specify): _____ Amount Insured (C$): _____
15. Additional Comments: _____

Person submitting this forms: _____ **Date:** _____

Please submit this form to La Central de Cooperatives de Ahorro y Crédito Financieras de Nicaragua to the Attention of Lic. Juan Altamirano. Fax (505) 242-4038. E-juanm@ibw.com.ni

AAC/MIS Semi-Annual Report

Attachment 17

LA CENTRAL DE COOPERATIVAS FINANCEIRAS DE NICARAGUA
Workshop Report

"THE LOAN PORTFOLIO PROTECTION PROGRAM PROPOSAL
FOR MICROFINANCE INSTITUTIONS
AGAINST THE RISKS OF BORROWER DEATH OR DISABILITY"

1. Objective of the Workshop

To promote among the leaders of the main Nicaraguan microfinance institutions the importance role of microinsurance among the financial services they offer, as well as presenting a proposal to establish alliances with La Central for the protection of loans portfolios against the risks of borrower's death or incapacity.

2. Place and date of the Workshop

The workshop took place on Thursday, December 1, 2005 in the Princess-Managua Hotel.

3. Invited Microfinance Institutions

The following organizations were invited:

- FUDEMI (Foundation for Microenterprise Development)
- FUNDESER (Foundation for Rural Socio-economic Development)
- FAMA (Foundation for Microenterprise Support)
- PRESTANIC (Nicaraguan Fund for the Community Development)
- CEPRODEL (Center for the Promotion of Local Development)
- SOYNICA (Soy Association of Nicaragua)
- PROMUJER (Program for Women)
- PRODECOOP (Cooperative Development Promoter)

The participants from each microfinance institution are listed in Annex 2.

4. Agenda

The complete workshop agenda is listed in Annex 3.

5. Support Material

- A PowerPoint presentation was developed to present all the subject matter of the workshops of the factory.
- Questionnaire
- Proposal of Agreement between La Central and Microfinance Institution

6. Material given to the participants

a) Agenda, b) Power Point Presentation, c) Questionnaire, d) Agreement Proposal

ANNEX 1 - LIST OF PEOPLE INVITED TO THE WORKSHOP

"THE LOAN PORTFOLIO PROTECTION PROGRAM PROPOSAL
FOR MICROFINANCE INSTITUTIONS
AGAINST THE RISKS OF BORROWER DEATH OR DISABILITY"

MICROFINANCE INSTIUTION	NAME OF PARTICIPANTS	POSITION	ADDRESS	TELEPHONE & FAX
FUDEMI (Fundación para el desarrollo de la Microempresa)	Lic. Fernando Guzmán Cuadra y Lic. Emma María Morales Gaitán	Board Chair General Manger	Managua, Colonial Los Robles IV etapa, No.50	2771299, 2770984, Fax 786559
FUNDESER (Fundación para el Desarrollo Socio Económico Rural)	Ing. Rene Romero Arrechavala	Executive Director	Mgua. Bomberos Estadio Nac. 200 mts. oeste, Calle Monumental No. 20. Apartado Postal: 3362	2681152, 2681520, Fax 687334
FAMA (Fundación para el Apoyo a la Microempresa)	Lic. Victor Tellería G.	General Manager	Mgua, de la Estatua de Montoya 3 ½c. abajo.	2684826 / 28
PRESTANIC (Fondo Nicaragüense para el Desarrollo Comunitario)	Ing. Armando Gutiérrez	General Manager	Mgua. Portón del Cementerio Occidental 1c. Al lago.	2687569, 2682165
CEPRODEL (Centro de Promoción del Desarrollo Local)	Lic. Miguel González Solórzano	Executive Director	Mgua. Avenida Bolívar, semáforos Plaza Inter.1c.al norte, 1c.al oeste y 25 Vrs. al sur. Apto. Postal 4793.	2222636, 2223161, Fax 226367
SOYNICA (Asociación Soya de Nicaragua)	Lic. Marisela Altamirano	Credit Program Coordinator (BANCAHORA)	Mgua. Bo. Larreynaga del puente El Edén 1c.abajo, 1/2c.al lago, M/D.	2484922
PROMUJER (Programa para la Mujer)	Ing. Gloria Ruíz Gutiérrez	National Director	León, Colegio Académico Mercantil ½c. al este.	311 4148
PRODECOOP (Promotora de Desarrollo Cooperativo)	Lic. Merling Preza	General Manager	Estelí, Esquina de los Bancos 75 Vrs. al oeste.	713 3236 / 3268
CENTRAL DE COOP. DE AHORRO Y CREDITO FINANC. DE NIC.	Juan Altamirano Christopher McHugh Geraldine Ponce Q. Bernardo Miranda	General Manager Financial Manager Benefit Plan Coordinator=. ACC/MIS Consultant	Mgua. De la Shell Plaza El Sol 2 ½c. al sur, Col. Los Robles.	2524036 / 37
	TOTAL (13) PARTICIPANTS			

ANNEX 3 - WORKSHOP AGENDA

"THE LOAN PORTFOLIO PROTECTION PROGRAM PROPOSAL
FOR MICROFINANCE INSTITUTIONS
AGAINST THE RISKS OF BORROWER DEATH OR DISABILITY"

1. OPENING REMARKS: 3:00pm - 3:15pm

Lic. Juan Altamirano, General Manager
La Central de Cooperativas de Ahorro y Crédito Financieras de Nicaragua

2. PRESENTATION - PART I 3:15pm - 3:45pm

a) Importance and justification of the insurance protection programs
b) Viability to create an insurance company for the microfinance and cooperative sector
Act. Bernardo Miranda
Consultant AAC/MIS (Americas Association of Cooperative/Mutual Insurance Societies)

3. BREAK 3:45pm - 4:00pm

4. PRESENTACION - II PART: 4:00pm - 5:00pm

c) Products and management of La Central de Cooperativas de Ahorro y Crédito Financieras de Nicaragua

d) Presentation of Proposal
Act. Bernardo Miranda
Consultant, AAC/MIS (Americas Association of Cooperative/Mutual Insurance Societies)

5. QUESTIONS, COMENTS, EVALUATION 5:00pm - 5:30pm

6. CLOSING REMARKS
Christopher McHugh
Financial Manager
La Central de Cooperativas de Ahorro y Crédito Financieras de Nicaragua

AAC/MIS Semi-Annual Report

Attachment 18

SEGUROS FUTURO
SAN SALVADOR, EL SALVADOR
ORGANIZATIONAL CULTURE FOLLOW UP COMMITTEE

FINAL REPORT

On May 5, 2004, when the first stage of the Culture for the Excellence in Service project was about to conclude, a Results Workshop for this project was held and an Organizational Culture Follow Up Committee was formed by the Seguros Futuro Work Team members.

As its name indicates, the mission of the committee is to continue with the project's group dynamic so that the ideas, concepts, values, principles and other acquired elements throughout the six workshops do not get lost over time, but are constantly updated and practiced inside Seguros Futuro. After all, the goal of the project is: **Excellence in Service.**

In the Results Workshop held on May 5, the first Committee was formed by the following individuals:

Lic. Rigoberto Henríquez	-	Collaborator
Lic. Gertrudis Molina	-	Collaborator
Lic. Jorge Argueta	-	Collaborator
Sra. Claudia Marisol Madrid	-	Secretary
Sra. Ana Cecilia Mancia	-	Coordinator

In October 2004, Lic. Soleidy joined the group as a collaborator.

On June 7 that same year, our first meeting was held and there we defined the objective of the committee, days and meeting times, the areas we would have to focus on, work outlines and structure.

The meetings were scheduled to be held on the first Monday of the month, from 3:00 to 5:00 p.m. In the second meeting held on July 5, 2004, we revised our first Quarterly Working Plan which would be implemented from July to September, 2004. Most of the proposed activities were carried out satisfactorily.

A new Quarterly Working Plan was made for the period between October to December 2004, but little was accomplished because of the many activities in this quarter as well as in the months of January and February, 2005 year end bookkeeping closings and cooperative assemblies require most staff time.

The Committee started working again in March 2005, but with the retirement of Lic. Roberto Henríquez, who was an excellent support for this Committee and in general for Seguros Futuro, and due to both the expiration of his service period and executive position, our work took a different turn.

When we were reviewing the objectives for the Organizational Culture Workshop, we realized that to arrive at excellence in service, it is absolutely necessary to change our habits and customs, that we have to unlearn everything that is negative in us, that we have to remove the weeds and plant good grass; in other words, review our values and principles which are the root of our behavior, thoughts, feelings, etc.

We realized that if we want to achieve Excellence in Service, we should start by getting rid of our "anti-values" to acquire values that help us develop those new habits. This means each one of us has to change internally because "no one can give what he does not have." If we don't struggle daily to be excellent individuals, it is impossible for us to be able to provide excellent service to others.

We then began working with a new perspective and saw the need to create a solid foundation that would allow us to achieve, on a day to day basis, the change in each one of us that would take us to a new way of thinking and behaving. Consequently, we would acquire new personal habits and a coordinated, well balanced work team, with common and coherent values and principles towards our objective. That is how the idea to design a **CODE OF WORKING TOGETHER** that would later be called "**SEGUROS FUTUROS' SYSTEM OF CONVIVENCE.**"

From any point of view, and despite the obstacles found in our way, it has been very pleasant working and struggling for the well being of our company and above all, to have contributed towards building a new culture in Seguros Futuro. We have to admit that among those that benefited most with this experience were the committee members themselves because with the meetings, reviews, preparation of activities, etc. we incorporated, understood and appropriated this project even more. As the popular proverb says, "he who cuts and shares, keeps the best part". Why? Because we have learned to admit that the first ones who need and should change is ourselves, and we are willing to fight the daily battle to live the values of our **SYSTEM OF CONVIVENCE.**

ACTIVITIES ACCOMPLISHED

QUARTERLY WORKING PLAN - FROM JULY TO SEPTEMBER 2004

1. BI-WEEKLY READING CONTROL ON WORKSHOP No. 6
   Workshop Topics:
   - Leadership
   - Interior Reengineering
   - Ethics and Values
   - Decision Making
   - Team Work
   - Feedback

   - Management Coordinated By Rigoberto Henríquez

   - Employees Coordinated By Ana Cecilia Mancia

2. CREATION OF THE SALES AND COMMERCIALIZATION SUB-COMMITTEE formed by Lic. Marlon Torres, Ms. Sandra de Colorado, Mr. Julio Rivas and Ms. Karina Aguilar. This sub-committee prepared and edited the Structure of the Marketing and Sales Department, which was handed to the Education Committee for the submission and consideration of the Board of Directors.

3. Seguros Futuro Ethics Code Review
   Almost all the Code's Writing was reviewed; however this was not finished due to a change made to the area where the Committee was supposed to work.

4. Get Together in Metapán
   Topic : Communication
   Speakers : Mr. Saúl Rivera
   Lic. Ernesto Urbina
   Objective : To improve communications in our Institution

QUARTERLY WORK PLAN FROM OCTOBER TO DECEMBER, 2004

1. BI-WEEKLY READING CONTROL – WORKSHOP #2

   - Leadership Coordinated by: Rigoberto Alegria

   - Administrative Staff Coordinated by: Boris Huezo
     Beatris de Mauricio

2. CONTINUING WITH THE SALES AND MARKETING SUB-COMMITTEE

In this stage we were trying to put into practice the proposed processes in the project presented by the Sub-Committee in the previous quarter. However, due to the different activities held by Seguros Futuros, neither the reading control nor the sub-committee's job could take place.

QUARTERLY WORK PLAN FROM MARCH TO JUNE, 2005

A new working plan for this period was developed and it included:

1. **EDUCATIONAL CONFERENCE ON COOPERATIVE PRINCIPLES AND VALUES.** It took place on March 30, 2005; polls were taken and people were asked for suggestions to create the SYSTEM OF CONVIVENCE.

2. **CONFERENCE FOR DIALOGUE REGARDING PROPOSAL FOR SYSTEM OF CONVIVIENCE.** It took place on May 15, 2005 at the Hostal Miramundo, to have the whole team review the Follow up Committee's designed proposal of Organizational Culture with the inputs obtained in the conference of March 30, 2005. Different working teams were formed whose conclusions and recommendations were used to develop the final writings of the "SYSTEM OF CONVIVENCE". The name was unanimously approved.

4. The SYSTEM OF CONVIVENCE was approved this year on June 23rd by our Board of Directors and we were authorized to print it.

5. SEPTEMBER 24, 2005 – GET TOGETHER TO:

   - Share with the Work Team
   - Present our Committee's Work Report
   - Present and deliver the SYSTEM OF CONVIVENCE
   - Motivational chat to live by that SYSTEM OF CONVIVENCE
   - Introduction of New Committee

CONCLUSION

The first Follow up Committee of Organizational Culture

In conclusion, we could say that this Excellence in Service project is one that not every company takes up as a commitment and the challenge to apply it. First because of the financial cost and then because of the complexity to understand that the human resources are the most important. The walls, furniture and money all by themselves, accomplish nothing. It is the human element who gives life to a home, an association or company.

For this reason, we believe that as human beings, this should not be forgotten, and we should not spurn the richness we have obtained and continue to get from the teachings of this program.

It is also necessary to keep in consideration that, as everything in life, we will not do it overnight and like every process; it will take time to reach the objective. Nevertheless, now more than ever we should all dedicate more time to building this new culture.

That is why it is so important to count on a Committee that provides follow up to this program because it is not meant to last forever; the change is done daily, permanent and constant; we cannot say that in 2, 3 or 10 years we will achieve it or that in the brochure of the SYSTEM OF CONVIVENCE we had everything. On the contrary, today is the beginning of that battle that is as strong as ourselves; the battle with ourselves because is the battle that costs more.

Our goal is Excellence in Service and right now it is our duty to accept the challenge in a conscious and intelligent way, not as robots or just to be done with it. It is due time for us to have our organization take a new course where we can breath new air in every sense, but that new air will not come by itself, we all have to make an effort to become better human beings each day and only then we can become a different cooperative, a pioneer in organizational culture.

It would seem utopian or remote, maybe, but this committee does believe we will be able to achieve the objective; it is only necessary to go deep inside our being to discover where we can negatively affect the process not work as well as we hope for.

The courageous individuals see, criticize and tell other individuals the negative they see in them and when a person behaves like this, it is said that that person is sincere and possesses a strong character, but it is much so when he is unpretentious and humble to admit that **I** also have a lot of negative in me and that if I change first, others will do so afterwards.

RECOMMENDATIONS

Our Committee, which today is being passed on to other colleagues, has the following recommendations for the new Committee as well as for the new work team with the aim to contribute, as always, to a better development of the organizational culture in Seguros Futuro:

1) Create a plan of action so that the Work System we are delivering now is set in motion as soon as possible.

2) Do everything possible to form a School for Insurance Leaders and Organizational Culture aiming at two things: 1) Profit from the knowledge and experience from the former Leaders of Seguros Futuro and 2) Let it serve as the formation and integration of possible new Seguros Futuro Work Team members, who could come out of the different investor cooperatives.

3) Start an Assessment Team with the people who have been managers and have completely dedicated themselves to Seguros Futuro, as soon as possible, so that their experience and knowledge serve as testimony, support and teaching in the Leader School to people who

are beginning to walk this path and also the ones we are currently working with, since it is always a good thing to have the support and advice of people who know about our daily work.

4) To design and develop an Organizational Culture Orientation Manual so that each individual who becomes part of our Work Team in leadership as well as in the administrative areas, starts educating and developing himself in our culture.

5) That orientation manual should be taught by the committee members in order to provide adequate, organized and timely orientation.

6) That the new committee members do not succumb to adversity; obstacles of all kinds will be faced, but our recommendation is that despite everything, try to work together in a planned, systematic and organized way, but above all with love and confidence in the project because by doing so they will get better results than the ones obtained up to now.

7) Finally, to our Leadership, do not be weak in supporting the Committee and the Organizational Culture Program; the objectives may not be reached overnight, but the important thing is to keep up the effort.

September, 2005

AAC/MIS Semi-Annual Report

Attachment 19

CGAP Working Group on Microinsurance

Munich Re Foundation
From Knowledge to Action

2005 Microinsurance Conference

Making insurance work for the poor

Current practices and lessons learnt

18–20 October 2005, Schloss Hohenkammer, Munich, Germany

Participants	Insurance and microinsurance experts from the major stakeholder groups in the field of microinsurance. Participation by invitation only.
Location	Akademie Schloss Hohenkammer, Munich, Germany
Hosted by	CGAP Working Group on Microinsurance Munich Re Foundation

Agenda

Day 1	**18 October 2005**
11.00–12.30 Ausstellung/Gallery	**Registration**
12.30–14.00	**Lunch break** (Gutshof-Casino)
14.00–14.30 Gutshof-Saal	**Welcome/Orientation** **Craig Churchill**, International Labour Organization (ILO), Switzerland **Thomas Loster**, Munich Re Foundation, Germany
Panel 1 14.30–16.00	**Understanding and responding to risk and vulnerability**
Gutshof-Saal	**Christian Lahnstein**, Munich Re, Germany **Valerie Kozel**, World Bank, USA **Monique Cohen**, Microfinance Opportunities, USA
Facilitator	***Ellis Wohlner**, Consultant to SIDA, Sweden*
16.00–16.30	**Coffee break** (Ausstellung/Gallery)
Panel 2 16.30–18.00	**What is microinsurance?** Challenges of extending insurance to the low-income market
Gutshof-Saal	**Craig Churchill**, ILO, Switzerland **Michael McCord**, MicroInsurance Centre, USA **Jean-Louis Bancel**, International Cooperative and Mutual Insurance Federation (ICMIF), France
Facilitator	***Dirk Reinhard**, Munich Re Foundation, Germany*
19.00–20.00	**Dinner** (Gutshof-Casino)
20.00–22.00	**Welcome Reception** (Ausstellung/Gallery)

Agenda

Day 2	19 October 2005
09.00–09.15 Gutshof-Saal	**Welcome address** **Hans-Jürgen Schinzler** Chairman of the Supervisory Board of Munich Re, Germany
09.15–10.15	Parallel sessions **Case Studies**
Case Study 1	**CARD MBA (Philippines)**
Konferenzraum	**Michael McCord**, MicroInsurance Centre, USA **Aris Alip**, CARD, Philippines
Case Study 2	**ServiPeru (Peru)**
2A	**Ed Potter**, The Americas Association of Cooperative/Mutual Insurance Societies (AAC/MIS), USA **Karen Schwartz**, AAC/MIS, USA
Case Study 3	**Yasiru (Sri Lanka)**
3A	**Gerald Pierik**, Rabobank Foundation, Netherlands **Sven Enarsson**, Swedish Cooperative Centre (SCC), Sweden
Case Study 4	**Grameen Kalyan (Bangladesh)**
3B	**Denis Garand**, Consultant, Canada **Mosleh Ahmed**, Consultant, UK
10.15–10.30	**Coffee break** (Ausstellung/Gallery)
Panel 3 10.30–12.00	**Challenges and strategies to extend health insurance to the poor**
Gutshof-Saal	**Mosleh Ahmed**, Consultant, UK **Ralf Radermacher**, University of Cologne, Germany **Jens Holst**, Consultant, Germany **Klaus Fischer**, Laval University, Canada
Facilitator	***Christian Jacquier**, ILO, Switzerland*
12.00–13.00	Parallel sessions **Case Studies**
Case Study 5	**La Equidad (Colombia)**
Konferenzraum	**Gloria Almeyda**, Consultant, USA **Ed Potter**, AAC/MIS, USA **Karen Schwartz**, AAC/MIS, USA
Case Study 6	**TATA-AIG (India)**
2A	**Jim Roth**, MicroInsurance Centre, UK **Vijay Athreye**, TATA-AIG, India
Case Study 7	**Delta Life (Bangladesh)**
3A	**Adeeba Rahman**, Delta Life, Bangladesh **Craig Churchill**, ILO, Switzerland
Case Study 8	**ASSEF (Benin)**
3B	**Christine Bockstal**, ILO, Senegal **Janine Agnikpe**, AssEF, Benin
13.00–14.00	**Lunch break** (Gutshof-Casino)

Agenda

Day 2	19 October 2005 (cont.)
14.00–16.00	Parallel sessions Operations working groups
WG 1	**Marketing, distribution channels and organisational development**
Gutshof-Saal	**Craig Churchill**, ILO, Switzerland **Monique Cohen**, Microfinance Opportunities, USA
WG 2	**Premium collection and claims payment: minimising transaction costs and maximising customer service**
Konferenzraum	**Richard Leftley**, Opportunity International, UK **Ralf Radermacher**, University of Cologne, Germany
WG 3	**Appropriate product design for the poorest households**
2A	**Dominic Liber**, Quindiem, South Africa **Jim Roth**, MicroInsurance Centre, UK
WG 4	**Underwriting and claims**
3A	**Michael McCord**, MicroInsurance Centre, USA **Dipankar Mahalanobis**, Microcare, Uganda
WG 5	**Strategies for Sustainability**
3B	**Denis Garand**, Consultant, Canada **Zahid Qureshi**, (ICMIF), UK
16.00–16.30	**Coffee break** (Ausstellung/Gallery)
Panel 4 16.30–18.00	**Role of insurers, reinsurers and technical assistance providers**
Gutshof-Saal	**Annette Houtekamer**, Interpolis, Netherlands **August Pröbstl**, Munich Re, Germany **Richard Leftley**, Opportunity International, UK **Jean-Bernard Fournier**, Développement international Desjardins (DID), Canada
Facilitator	***David Dror**, Erasmus University Rotterdam, Netherlands*
20.00–23.00	**Dinner** (Restaurant/Bar)

Agenda

Day 3	20 October 2005
Panel 5 08.30–09.15	**Roundtable on institutional options**
Gutshof-Saal	**Michael McCord**, MicroInsurance Centre, USA **Richard Leftley**, Opportunity International, UK **Bénédicte Fonteneau**, University Leuven, Belgium **Zahid Qureshi**, ICMIF, UK
Facilitator	***Craig Churchill**, ILO, Switzerland*
09.15–10.45	Parallel sessions **Institutional options working groups**
WG 6	**The mutual advantage: Credit unions, cooperatives and insurance**
Gutshof-Saal	**Zahid Qureshi**, ICMIF, UK **Klaus Fischer**, Laval University, Canada **Jean-Bernard Fournier**, DID, Canada
WG 7	**Partner-agent**
Konferenzraum	**Michael McCord**, MicroInsurance Centre, USA **Agness Chakonta**, Madison Insurance, Zambia
WG 8	**Community-based**
2A	**Bruno Galland**, CIDR, France **Bénédicte Fonteneau**, University Leuven, Belgium
WG 9	**Alternative approaches**
3A	**Richard Leftley**, Opportunity International, UK **Jim Roth**, MicroInsurance Centre, UK
WG 10	**Performance benchmarking**
3B	**Denis Garand**, Consultant, Canada **Ellis Wohlner**, Consultant to SIDA, Sweden
10.45–11.15	**Coffee break** (Ausstellung/Gallery)
Panel 6 11.15–12.45	**Role of regulators, governments and donors**
Gutshof-Saal	**Jeremy Leach**, Finmark Trust, South Africa **Rudiger Krech**, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), Germany **Alexia Latortue**, CGAP, France
Facilitator	***Bikki Randhawa**, World Bank*
12.45–13.00	**Wrap-up and closing remarks**
Gutshof-Saal	**Craig Churchill**, ILO, Switzerland **Dirk Reinhard**, Munich Re Foundation, Germany
	End of conference
13.00–14.00	**Lunch** (Gutshof-Casino)
14.00–17.30 Konferenzraum	Meeting of the CGAP Working Group on Microinsurance

La Equidad - Colombia

CGAP Working Group on Microinsurance
Good and Bad Practices
Case Study No. 12

Gloria Almeyda
The Center for Intercultural Education and Development (CIED)
Georgetown University

The Microinsurance Centre

Karen Schwartz
Edward Potter
The Americas Association of Cooperative/Mutual Insurance Societies (AAC/MIS)

Agenda

PART I
- Overview:
  - Colombia
  - Cooperative Insurers & Microinsurance
  - La Equidad Seguros

PART II
- *AMPARAR:* An alliance between La Equidad and MFIs -- Women's World Foundation

PART III
- EQUIVIDA: An alliance between La Equidad and its member cooperative owners

PART IV
- Lessons & Discussion

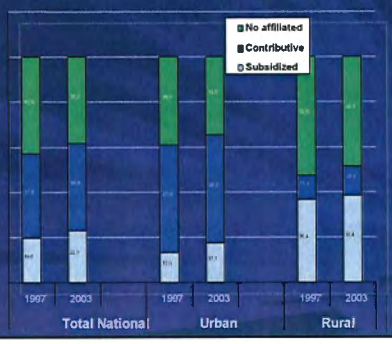
A Brief Overview: Colombia

Country basics:
- Population: 44.5 million
- Urban = 71%
  Rural = 28%
- Unemployment = 13.6% (2004 est.)
- Per capita income = $6,600
- Population below poverty line: 64%
- Literacy = 90%

Social Protection:
- Last reform 1993: social protection of workers (pension, health, work-related)
- Preventive health system: subsidized and contributive. Informal workers can join.
- Government promotes market competition and innovation to make insurance products available to the majority of Colombians.

THE MARKET POTENTIAL FOR MICROINSURANCE

Social Protection in Colombia



What is Cooperative Insurance?

Five principle aspects that distinguish them from other kinds of insurers:

- Collectively owned by their individual policyholders (mutuals) or by cooperatives and other group-based organizations.
- Democratically governed structure.
- Equitable sharing of both gains and losses.
- Legally incorporated and registered.
- Were created to give access to insurance protections to groups who had none.

Perspectives of Cooperative Insurers

- NUMBERS REACHED: Measuring by number of persons insured, cooperative insurers are the largest life insurers in many countries
  - La Equidad: over 4 million Colombians
- PREMIUM VOLUME: Measuring by premium volume, cooperative insurers are generally in the lower 50%.
  - La Equidad is 13th out of 21 life insurance companies in terms of premium volume (2004)
- LESSON: Cooperative insurers have extensive experience in collecting small premiums from a large number of low to middle income persons. Cooperative insurers have been doing microinsurance for 40+ years!

La Equidad - Background

- Founded in 1970, based in Bogotá
- La Equidad General + La Equidad Life
  US$99.3 Million Assets
  US$34 Million Total Premium
  - US$9.4 Million General
  - US$25 Million Life
- 1,200 cooperatives, NGOs & individuals
- 1,5 Million members
- 4 million persons insured (life)
- 212 employees
- 22 branch offices nationwide
- AA Rating
- ISO 9001 Certified
- Operates under both cooperative law and supervision by superintendence of banks (delegation for insurance)

LA EQUIDAD
SEGUROS DE VIDA
ORGANISMO COOPERATIVO

PART II

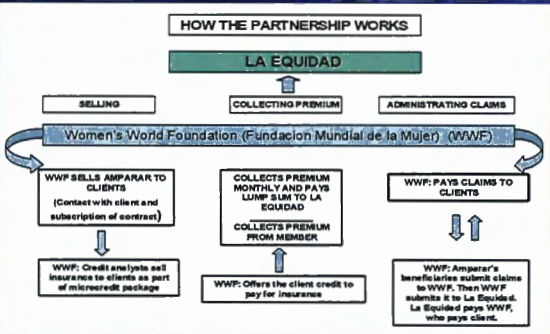
AMPARAR

A microinsurance product designed for clients of Women's World Foundation

The Product - *Amparar*

Benefits	Plan 1 (smallest)	Plan 6 (largest)
Death by any cause	US$1.244	US$8.292
Total/permanent disability	US$1.244	US$8.292
Groceries for 12 months	US$25	US$104
Utilities - 12 months	US$12	US$62
Funeral	US$62	US$332
Optional: Educational expenses for children - 24 months	US$15 premium = US$2/year	US$75 premium = US$10/year
Annual Premium	**US$10**	**US$58**
Monthly Premium	**US$0.83**	**US$4.83**

How an Alliance Works - Amparar



Product Design Evolution

- Market Research: Conducted survey of low income people and basic protection desired.
- Pilot Product Design: Designed *My Family First*, an individual life product. Benefits included: death, permanent or temporary disability, children's education, payment of utilities, food, medical expenses for children, funeral expense.
- Distribution Channel: (1) Through independent sales force of Saludcoop, a health service cooperative; and after 7 months (2) through own sales force. Launched in 7 cities and 15 rural municipalities.

LESSONS

- Lack of policyholders' discipline in monthly premium payments.
- Lack of incentives for agents as a result of low revenues from very small premiums.
- Problems recruiting insurance salespersons in smaller cities.
- Long time for potential clients to make decision to buy insurance.

Product Design Evolution: *Amparar*

- Market Research: Used knowledge from previous research and a new alliance with the MFI, Women's World Foundation-WWF (was looking for a microinsurance partner). WWF knew its market.
- Pilot Product Design: Designed *Amparar* together with WWF. Made the product simpler: Reduced amount of coverage and number of benefits to make the premium smaller. From individual life insurance changed to a group life insurance product: *Amparar*.
- Distribution Channel: WWF had a clientele of over 40,000 microentrepreneurs and a sale force of over 71 credit analysts. Linked *Amparar* to the microcredit (voluntary option). Offered the annual premium cost as part of the total microloan. Launched in 7 WWF agencies.
- **Results**: *Amparar* launched in November 2003. As of March 2005 had over 10,120 insureds, or 25% of clients of WWF. Total accumulated premiums amounted to US$59,720. Paid 7 claims. Product profitable (22%).

Roles in the Alliance

ROLE OF WWF (MFIs)	ROLE OF LA EQUIDAD
▪ Client Base (40,000+ clients) ▪ Commitment of CEO (mission and vision) ▪ Commitment of Managerial Staff. ▪ Flexibility to collaborate in product design. ▪ Assign responsibility for selling insurance to credit analyst linked to incentives. ▪ Sales force of 71 credit analysts ▪ Flexibility and capability to incorporate new product into computer equipment and MIS. ▪ Specialized training to sale insurance for credit analysts ▪ Financing of annual premium ▪ Premium collection ▪ 50% publicity	▪ Interest in expanding coverage to lower income groups. ▪ Commitment of CEO (mission, vision and investment): Protection. ▪ Commitment of managerial team to develop product. ▪ Clear assigned responsibility to regional manager and account manager (monitors, trains WWF staff) customer services and follow-up. ▪ Design of product: risk acceptance. ▪ Development of software for WWF. ▪ Training. ▪ Financial incentives for WWF. ▪ 50% publicity.
DIFFICULTIES IN OPERATIONALIZATION	**RESPONSE FROM LA EQUIDAD**
▪ Lack of computer system network. ▪ Limited time of credit analyst to sell product. ▪ Agency incentives vs. individual incentives.	▪ Develop software that adapts to WWF. ▪ Continue to monitor, identify good practice, retrain. ▪ Review incentives.

Benefits of the Alliance

Microfinance Institutions	Clients
▪ New products for clients	▪ Reduces vulnerability: death of the breadwinner
▪ Financial incentives	▪ Access to insurance: available funds during adjustment period
▪ Financial management of resources (30 days)	▪ Ease of payment
▪ Direct training for employees	▪ Ease of purchase, collection and claims
▪ Development of sales skills	▪ Automatic coverage upon signing the insurance application
▪ Increased competitiveness	▪ Easy products to understand and explain
	▪ Minimum exclusions

Amparar Potential & Challenges

FOR WWF:

- Market Potential: WWF is the pioneer and only Colombian MFI that offers a group life insurance.
- Challenge of renewal for those who don't renew microcredit.
- Computerization: upgrade to system network.
- Continuous upgrade of incentives to credit analysts.

FOR LA EQUIDAD:

- Collaborate with WWF to improve operationalization in order to make system work more efficiently.
- Competition from other insurers.
- Ability to offer microinsurance for other Colombian MFIs.

PART III

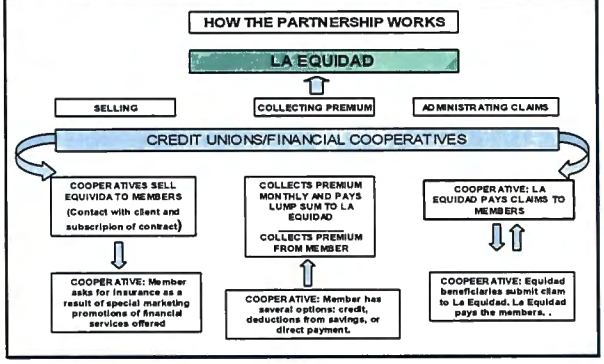
EQUIVIDA

A microinsurance product designed for cooperative members

The Product - Equivida

Benefits	Plan 1	Plan 2	Plan 3
Death by any cause	US$4,146	$8,292	$16,584
Total/permanent disability	US$4,146	$8,292	$16,584
Catastrophic Illness	US$2,073	$4,146	$8,292
Basic Monthly Premium	**US$1.54**	**$3.08**	**$6.16**
Option 1: Accidental Death/ Dismemberment	US$4,146 Prem:+0.61	$8,292 P: +1.21	$16,584 P: +2.44
Option 2: - Medical Expenses Accident - Monthly Allowance: Accident's Total and Perm. Disability	US$415 US$21 Prem:+1.39	US$829 US$41 P: +2.78	$1658 $83 P: +5.56
Option 3: Additional death expenses (funeral)	US$207 Prem:+0.12	$415 P: +0.24	$829 P: +0.48

How an Alliance Works: Equivida



Product Design Evolution: Equivida

- Market Research: Based on work with cooperative members and included results from market study.
- Pilot Product Design: Basic life policy with innovative payout for catastrophic illness.
- Distribution Channel: Through cooperatives to the members; each cooperative receives commissions on sales and determines their own marketing strategy. La Equidad staff provided to larger cooperatives.

Equivida Results

- Equivida launched in 1999.
- As of March 2005 has over 18,000 insureds through 199 group policies.
- Total premiums in 2004 amounted to US$593,000.
- Product profitability (23%).

Plan Coverage	Number of Insureds
US$4145 and below	9,684
US$4975 - $8292	4,476
US$10,365- $14,510	1,323
US$16,584 - $41,460	2,740
Total	18,223

Equivida Potential & Challenges

- **Market Potential:** over 50% financial cooperatives/credit union members are low income
- **Challenges:**
  - Marketing through cooperatives could be improved
  - Complex product with many options/benefits
  - Product not well integrated into core services of cooperatives
  - Marketing materials of cooperatives do not highlight insurance sufficiently
  - Member insurance awareness and education needed
  - Competes with 70 other La Equidad insurance products offered through cooperatives

PART IV

LESSONS LEARNED AND DISCUSSION

Lessons Learned

For the WWF/MFI AMPARAR Clients:

- *Microcredit and microinsurance are complementary*: Amparar has become a recapitalization fund for the microbusiness after the loss of the owner or co-owner.
- As with microcredit, policyholders start with lowest premium and coverage and as they learn more about protection (and business grows) they are willing to pay a higher premium for more protection.
- Coverage including payments of education, food and utilities is highly valued by low income groups
- Microinsurance products are easier to sell when they are simple and easy to understand
- The best way to learn about insurance is from those who have benefited from a claim: share impact with clients.

Lessons Learned

La Equidad/Insurers:

- The people who most need insurance are those who can least afford it
- Even a little insurance is better than none
- Simple products are best
- Group products are essential for low income markets because they are less costly to administer and keep premiums low.
- Find efficient distribution channels through organizations that already have relationships with large numbers of low income persons.
- Encourage development "win-win" alliances.
- To avoid lapses and reduce costs, use automatic premium payment systems (i.e. inclusion with loan, debit savings)
- Important to work with financially viable partners (microfinance institutions, cooperatives, NGOs)
- Commitment at the highest level of management.

Challenges

according to
the President of La Equidad, Julio Medrano:

For La Equidad microcredit and microinsurance are complementary: we need to strengthen this relationship.

La Equidad has insurance products for the poor: we need the channels to reach them.

Lessons Learned for Microfinance Institutions, Cooperatives & Insurers

- Staff of MFIs and cooperatives require marketing and technical insurance training from insurers
- Computerized operations and networks are required among agencies to reach scale in an effective and efficient way
- Allow plenty of time to "operationalize" the product: this is a new alliance and it takes time to learn new procedures, processes, systems, etc.

Lessons Learned for International Development Agencies and Networks

Make Risk Management Protection for the Poor a Joint Campaign:

- Develop and lead strategy to improve the protection of low-income Colombians who today qualify to join social protection programs, qualify for subsidies, are willing to pay for their microinsurance.
- Strategy should include educational program on insurance protection: the large majority lack knowledge on what is accessible in the market.

Lessons Learned for International Development Agencies and Networks

- **Give visibility to cooperative insurers. There is need for exchange of information and knowledge.**
- **Leverage funds for mutual collaboration and product development, and information technology systems.**
- **Design and disseminate insurance education and awareness.**
- **Encourage development "win-win" alliances between insurers and MFIs.**

Thank you! ¡Gracias! Danke!

- The Center for Intercultural Education and Development (CIED)
  Georgetown University
  3307 M Street, NW, Suite 202
  Washington, DC 20007
  Telephone: +1 202-687-3801
  ga58@georgetown.edu

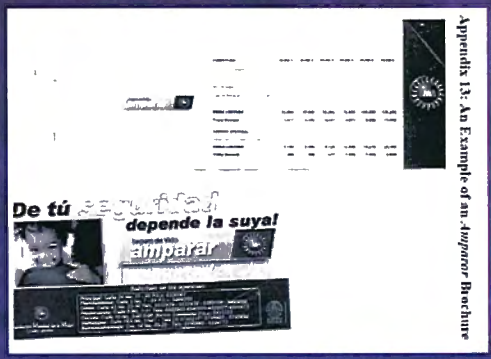
- Microinsurance Centre
  www.microinsurancecentre.org

- The Americas Association of Cooperative/Mutual Insurance Societies (AAC/MIS)

  8201 Greensboro Drive, Suite 300
  McLean, Virginia 22102
  United States of America

  Telephone: +1 703 245-8077
  Fax: +1 703 610-9005
  Web: www.aacmis.org
  karen.schwartz@juno.com

Appendix 13: An Example of an *Amparar* Brochure



Appendix 12-B: Example of *Equivida* Insurance Policy Form

AAC MIS

SERVIPERÚ

CGAP Working Group on Microinsurance
Good and Bad Practices
Case Study No. 1

Edward Potter
Karen Schwartz
The Americas Association of Cooperative/Mutual Insurance Societies

Overview

AAC MIS

- Background: Peru, SEGUROSCOOP and Serviperú
- Double Crisis: regulatory & economic
- Transformation into cooperative providing health and funeral services with insurance brokerage subsidiary
- Microinsurance product *Previsión Familiar* & services delivery system
- Results and Lessons Learned

The Socio-economic Development Context of Peru

AAC MIS

- **Population:** 27,167,000
- **Population below poverty line:** 54% (2003)
- **Unemployment:** 9.6% (2004)
- **Per capita income** = $2360
- **Health Care:**
  - Health expenditures (GDP): 4.4%
  - Health expenditure per capita: US$97
  - Physicians per 100k people: 0.9
  - Limited health care options (government provided EsSalud):
    - Long waits, poor service

SEGUROSCOOP

AAC MIS

- Cooperative insurance company:
  - Founded 1966 as initiative of Credit Union Federation of Peru
  - Primary market: credit unions, coffee growers & transport cooperatives
  - Main insurance products:
    - mandatory life insurance covering loans and savings for cooperative members
    - general insurance for cooperatives protecting their property & goods

What is Cooperative Insurance?

- **Owned by cooperatives and other group-based organizations or by their individual policyholders (in case of mutuals)**
- **Democratically governed**
- **Equitable sharing of both gains and losses**
- **Legally incorporated and registered**
- **Were created to give access to insurance protections to groups who had none**
  - **Have been collecting small premiums from large numbers of people for over 40 years.**

Double Crisis 1990-1993

- Economic: Severe reduction of its market following a crisis of cooperative sector resulting from economic structural adjustments (1990-1992)
- Regulatory: New Insurance Law (1993)
  - Imposes higher capital requirements (US$ 1 million)
  - Only stock companies may sell insurance
  - To continue, cooperative insurers would have to convert to stock companies

From SEGUROSCOOP to Serviperú

Ceasing their insurance operations, SEGUROSCOOP analyzed their options to continue operating and avoid liquidation:

1. **To continue offering insurance services to existing clients, they forged a strategic alliance with an insurance company, transferred their client portfolio, and created an insurance brokerage subsidiary:**
   - Profit sharing agreement, based on service, quality, trust;
   - Product jointly developed & managed
   - Serviperú in charge of marketing, sales & claims processing;
   - Products: compulsory motor insurance, savings & loan, property insurance for cooperatives, health & funeral plan: Previsión Familiar
2. **Building on strengths, they became a cooperative provider of services, developing new value-added services & business lines**
   - First Funeral Services and then Health Services
3. **Serviperu received technical assistance, seed funding and donated equipment from international organizations and cooperatives abroad.**

Serviperú Today

- Secondary cooperative (a coop owned by cooperatives)
- 91 cooperatives (450,000 members) 71% in Lima area
- 22,500 individual members
- Employees: 32
- Branch offices: 1
- Geographic area: Lima
- Financial Overview (2003)
  - Total Assets: US$881,597
  - Budget: US$455,376
  - Capital: US$549,939

Serviperú Clients

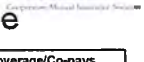
- **Mainly low and middle income self-employed people and their families:**
  - 50% clients working in informal economy
  - 50% clients small businesses, public/private institution employees, public transportation employees
- **Clients for health care & funeral services:**
  - independent workers
  - small microentrepreneurs
- **Clients for insurance brokerage:** cooperatives, public transport companies, and general public
  - In 2000, only 7 cooperatives had 7000 insureds;
  - In 2005, 65 cooperatives had 150,700 insureds

Previsión Familiar (Family Security) Microinsurance Product

A funeral and health insurance plan:

- Legal requirements:
  - Had to link an insurance policy with funeral and health services
  - Group policy underwritten by La Positiva insurance company
  - Reinsured
- Voluntary plan
- Managed and marketed both to individuals and groups
- Covers primary policyholder and family up to 4 dependents

Previsión Familiar Benefits and Coverage



Benefit	Description	Coverage/Co-pays
Medical consultations	2 per month per person	co-pay US$1.50 per consultation
Diagnostic exams	a) Basic exams: blood, etc b) Advanced exams: x-rays	a) co-pay US$1.50 b) 50% covered
Medical emergencies		Coverage of US$45 co-pay of US$12
Hospitalization/ sickness or accident	Payment of 10% of expenses for medical care (accident) or hospital care resulting from illness or accident	Coverage US$1188
Personal accidents	Reimbursement for recovery expenses	Coverage of US$595
Burial and funeral expenses	Public plot, mortuary services, hearse, ceremony, etc.	Coverage of US$1040

Plan Options & Costs

Originally five (now four) different plan choices

Plan Option	Monthly Premium (2005)
Plan A: All benefits, policyholder & family	**US$13.38**
Plan B: All benefits, but only covering hospitalization of plan holder not family	**US$9.51**
Plan C: Provides medical consultations and funeral services, but no in-patient care	**US$7.13**
[OLD Plan D: Includes all health care services but excludes funeral services]	(discontinued)
Plan D: Provides all benefits but only for plan holder	**US$4.46**

Premium Collection

AAC MIS

Monthly premiums collected via:

- Serviperú offices (30% from 2 locations)
- Collectors (70% from 9 collectors)
  - Collectors receive fixed salary & commission based on collections
  - Collectors mainly visit clients at workplace
- NEW: direct collection from employers; direct debit from bank accounts

Unique Aspects

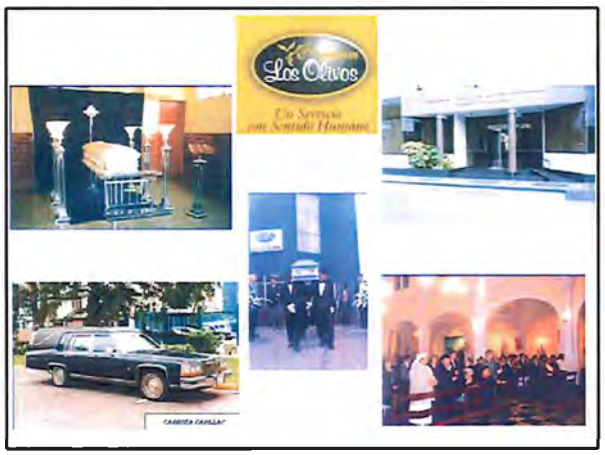
AAC MIS

- Benefits are given "in-kind" allowing them to control the efficiency, quality and cost of services
- Overcoming aversion to insurance by offering a <u>service</u> instead of a <u>payment</u>
- Control and monitoring of costs, linking doctor salaries to number of consultations provided
- Raise awareness among policyholders about prevention and minimizing claims so prices could be kept low in future

Service Delivery: Los Olivos Funeral Services

AAC MIS

- Began operations in 1996
- Financial assistance from SOCODEVI & CIDA Technical assistance from Funeral Coop of Quebec, Los Olivos in Colombia
- Coordination of religious services, family reception, and obituary
- Use of reposing room through 3rd party alliances
- Mortuary services
- Hearse and transportation of family members
- Public cemetery plot (private cemetery extra)



Service Delivery: ServiSalud Medical Centers

- **Evolution:** From simple medical practices, to Medical Center to General Surgery Clinic
- **Among medical services provided:**
  - 14 areas of specialty including: pediatrics, gynecologic/obstetrics; family planning, geriatrics,
  - Medical emergency services
  - Minor surgery with hospitalization
  - Clinical laboratory services
  - Radiology, sonograms & endoscopes
  - Dental services
  - Ophthalmologic (eye) care
- **Other points of service:**
  - Second ServiSalud clinic in northern Lima
  - NEW: Alliance agreements with 10 medical clinics in Lima

Client Retention

- Significant improvement in retention rates: 52% in 2000 to 71% in 2003
- Main reasons for not renewing:
  - Unable to pay premium; lost job or income
  - Changed workplace (no forwarding address)
  - Client unhappy with product due to misunderstandings (often related to additional fees & exclusions)

Numbers Reached

- 38,500 people affiliated through Previsión Familiar microinsurance policy
  - 4,000 individuals & family = 20,000
  - NEW: 18,000 public transportation employees, 500 TV station employees
- Over 50,000 medical consultations
- Over 2,500 funerals

Profitability of Serviperú

Profitability of Health and Funeral Services					
	2004	2003	2002	2001	2000
Profit after Tax (US$)	3,237	1,495	1,063	2,993	1,045
Profitability Ratio (profit/equity)	0.5%	0.2%	0.2 %	0.6%	0.2%
Profitability of Insurance Brokerage Subsidiary					
	2004	2003	2002	2001	2000
Profit after tax (US$)	5,055	6,105	4,391	7,492	3,902
Profitability Ratio (profit/equity)	10.8%	15.4%	10.3%	5.1%	2.8%

Previsión Familiar Challenges

Obstacles Encountered:

- Unstable income of target population
- How to increase participation and premium volume
- Costs of development of medical center
- Limited geographic reach due to mostly providing services on their own premises
- Little support from cooperatives to promote microinsurance product among members
- Profit margin = practically break even (1% premium)
- Lack of insurance culture

Lessons Learned: Institutional Issues

- Seeing crisis as opportunities for growth; build on your organization's strengths
- Pursue strategic alliances
  - with insurance companies
  - with large groups (18,000 public transportation employees)
  - with other medical clinics
- Administrative & medical costs need to be controlled
- Create customer value
- Manage change
- Take it step by step (funeral services then health services) and strengthen the brand
- Need to get cooperatives more motivated to promote product, involved in education
- Need to be linked with international organizations for exchange of knowledge, experience, seed funding

Lessons Learned: Product Issues

- Key features that make Previsión Familiar accessible to low income populations:
  - Coverage for risks that are priority to target market
  - In-kind benefits in form of service delivery (health care & funeral services) overcome market's aversion to insurance
  - Monthly premium payments enhance affordability
  - Door to door fee collection enhance accessibility
  - Service approach treats low income clients with respect

Lessons Learned: Customer Issues

AAC MIS

- To remain profitable, positioning microinsurance product among sectors of low income population with reliable incomes
- Focus on quality sales rather than quantity
- Need to strike a balance between the demands and preference of clients and what can reasonably and affordably be provided.
- Heavy emphasis on preventive medicine

AAC MIS

Questions & Answers and Discussion

The Americas Association of Cooperative/Mutual Insurance Societies (AAC/MIS)
8201 Greensboro Drive, Suite 300
McLean, Virginia 22102 USA
www.aacmis.org
info@aacmis.org
telephone: +1 703 245-8077

AAC/MIS Semi-Annual Report

Attachment 20

THE AMERICAS ASSOCIATION OF COOPERATIVE/MUTUAL INSURANCE SOCIETIES

AAC MIS

Achieving Progressive Organizational Change: Creating a Culture of Excellence in Service

International Development Practitioner Learning Forum

USAID
FROM THE AMERICAN PEOPLE

Sponsored under a cooperative agreement from the U.S. Agency for International Development's Cooperative Development Program DCHA/PVC-ASHA

HOTEL WASHINGTON, WASHINGTON, DC
THURSDAY, JUNE 9, 2005

AAC MIS

Achieving Progressive Organizational Change: Creating a Culture of Excellence in Service

Agenda

9:00 – 9:20 A.M.	**Welcome and Overview** *Edward Potter, CAE*, Executive Director The Americas Association of Cooperative/Mutual Insurance Societies McLean, Virginia, USA
	Introductory Remarks *Thomas C. Carter*, Technical Advisor, Cooperative Development Program Office of Private Voluntary Cooperation/American Schools & Hospitals Abroad (PVC-ASHA) Bureau for Democracy, Conflict and Humanitarian Assistance U.S. Agency for International Development Washington, DC, USA
9:20 – 10:30 A.M.	**Cultural Values and Development** *Lawrence Harrison*, Senior Research Fellow and Adjunct Lecturer The Fletcher School of Law and Diplomacy, Tufts University Medford, Massachusetts, USA
10:30 – 10:45 A.M.	**Coffee Break**
10:45 – 11:00 A.M.	**Introducing *The Program for a Culture of Excellence in Service*** *Edwin Quiñones Suárez*, Vice President for Development, AAC/MIS Former President, Cooperativa de Seguros Múltiples de Puerto Rico San Juan, Puerto Rico
11:00 – 12:00 NOON	**Key Elements of *The Program for a Culture of Excellence in Service*** *Miguel Arrieta Morales, Ph.D.*, Executive Director Instituto para el Desarrollo Humano Hato Rey, Puerto Rico
12:00 – 1:00 P.M.	**Lunch**
1:15 – 2:45 P.M.	**The Impact of the *Program for a Culture of Excellence in Service*** **Part I: Evaluation of *The Program for a Culture of Excellence in Service*** *George Hickerson*, President Business Designs Systems, Inc. Denver, Colorado, USA
	Part II: Impact at the Local Level: Participant Testimonials *Martha Julia Ramirez Marroquin*, Technical Manager of Property-Casualty Claims Columna Compañía de Seguros, S.A. Guatemala City, Guatemala
	Pedro Abreu, General Manger Cooperativa Nacional de Seguros (Coop-Seguros) Santo Domingo, Dominican Republic
2:45 – 3:30 P.M.	**Final Reflections and Wrap Up: Implications for International Development Professionals** *Lawrence Harrison*
3:30 – 4:00 p.m.	**Afternoon Tea Reception**

The views and opinions stated in his program are those of the speakers and do not necessarily reflect official positions of the U.S. Agency for International Development or U.S. Government.

Biographies

Lawrence E. Harrison
Senior Research Fellow and Adjunct Lecturer
The Fletcher School of Law and Diplomacy, Tufts University
Medford, Massachusetts, USA

Lawrence E. Harrison teaches and leads the Culture Matters Research Project (CMRP) at the Fletcher School of Law and Diplomacy at Tufts University. Three books deriving from the CMRP will be published early in 2006: *The Central Liberal Truth* (Oxford), *Developing Cultures: Essays on Cultural Change* (Routledge), and *Developing Cultures: Case Studies* (Routledge).

Harrison was for twenty years (1962-82) an official of the U.S. Agency for International Development. During those years, he directed USAID missions in five Latin American countries: Nicaragua (1979-81), Haiti (1977-79), Guatemala (Central American Regional Office: 1975-77), Costa Rica (1969-71), and the Dominican Republic (Deputy and Acting Director, 1965-68).

Since retiring from USAID in 1982, he has written three books on the relationship between cultural values and human progress: *Underdevelopment Is a State of Mind—The Latin American Case* (1985); *Who Prospers?* (1992); and *The Pan-American Dream* (1997). There are Spanish editions of each; *Underdevelopment Is a State of Mind* has also been published in Portuguese; and *Who Prospers?* has also been published in Chinese. The books were written while he was affiliated with the Weatherhead Center for International Affairs at Harvard University. He has also been a visiting scholar at the Massachusetts Institute of Technology and the Central American Business Administration Institute.

As an associate at Harvard's Academy for International and Area Studies, Harrison co-edited, with Samuel Huntington, *Culture Matters—How Values Shape Human Progress*, published in June of 2000 by Basic Books. Nine foreign language editions of *Culture Matters* are being published.

Harrison served from 1984 to 1988 as Vice President for International Development of the National Cooperative Business Association in Washington. He was the U.S. representative on the Haiti crisis mission of the Organization of American States in 1991 and 1992.

His articles have appeared in the Washington Post, the New York Times, the Wall Street Journal, the International Herald Tribune, the Christian Science Monitor, the Boston Globe, the Atlantic Monthly, the National Interest, and Foreign Policy, among other publications.

Edwin Quiñones Suárez
Vice President for Development
The Americas Association of Cooperative/Mutual Insurance Societies
San Juan, Puerto Rico

Born in San Juan, Puerto Rico, Edwin Quiñones Suárez is product of the Puerto Rican public education system. After graduating from the Central Superior School in Santurce, he entered to the University of Puerto Rico, where he obtained a Bachelors degree in Commercial Administration with concentration in Finance. Later, he obtained a Masters Degree in Arts from the Church of God Theological Seminary at Cleveland, Tennessee.

His professional life focused on thirty three years of service to Cooperativa de Seguros Multiples de Puerto Rico (Multiple Insurances Cooperative of Puerto Rico), where he began as an accountant in 1967. After occupying several positions in management that extended his knowledge and professional experience, he assumed the position of President of the company in 1975. Under his leadership, Cooperativa de Seguros Multiples de Puerto Rico became one of the major companies for property and casualty insurance in Puerto Rico, and also became a pioneer in the process of developing a culture of excellence for their insureds. During his twenty-five years as chief executive of Cooperativa de Seguros Multiples de Puerto Rico he received many recognitions for his enterprise leadership, civic and religious works.

Edwin Quiñones Suárez is a great connoisseur of the cooperative philosophy as well as of the insurance industry. He was President of the Association of Insurance Agencies of Puerto Rico, as well as member of the Elective Board and the Board of Governors of the Hall of Fame of the International Insurance Society, an institution of international prestige in the insurance industry. For four consecutive years he was the Chairman of The Americas

Biographies cont.

Association of Cooperatives/Mutual Insurance Society (AAC/MIS), which represents mutual and cooperative insurance industry throughout the Americas. He also represented AAC/MIS at the Board of Directors meetings of the International Cooperative and Mutual Insurance Federation (ICMIF), cased in the United Kingdom. Earlier this year, Mr. Quiñones authored a book entitled *Puntos de Encuento* (Points of Encounter) on corporate governance. Currently, he serves as Vice President of Development of AAC/MIS where he advises on the establishment and development of cooperative and mutual insurance companies in Central and South America, and the Caribbean.

Miguel A. Arrieta Morales Ph.D.
Executive Director
Instituto para El Desarrollo Humano
Hato Rey, Puerto Rico

As a Decisions Expert, Dr. Miguel Arrieta Morales is a pioneer in developing seminars, workshops and training programs for both individuals and businesses that focus on the perspective of decision-making and ethics aimed at harmonious, win-win relationships. Over the last 25 years, hundreds of public and private organizations have benefited from his services at the local and international levels, particularly cooperatives. From his education and training, and in serving both businesses and individuals, he has cultivated and built on decision-making models that devise new alternatives through a unique vision. Under new paradigms, novel goals and answers are being created to confront old problems.

In 1978, Dr. Arrieta founded The Instituto para El Desarrollo Humano (Institute for Human Development), where he is currently Executive Director. He serves as a management consultant, applying Decision Analysis for business success and development, based on the Culture of Excellence in Service. This model encompasses the study of decisions aimed at cost-benefit based productivity, values-oriented effectiveness and internal effectiveness, and marketing through differentiated product identity and services and through effective team relationships within an ethical context for obtaining goals. He is the author of the *Modelo de Gerencia de Intercambio*© (Exchange Management Model)© and of the book *Vida Vertical: Una Filosofia del Ser Humano Enmarcada en el Análisis de Decisiones*© (Vertical Living: A Philosophy of the Human Being within the Context of Decision Analysis)©. His models encompass a vision of human beings from the decision-making perspective, aimed at personal character building through internal re-engineering and institutional identity, across different scenarios of their personal, professional and family lives. He is the creator of the Vertical Living Certification Program, for which the Institute is obtaining a license from the Puerto Rican General Education Council toward Certification in Vertical Living. He also directs consulting programs in Personal Assistance through Logical Analysis, Decision Making and Problem Solving.

George Hickerson
President
Business Design Systems, Inc.
Denver, Colorado, USA

With over 35 years experience in industry and consulting, George Hickerson has extensive experience in providing technical assistance to clients on strategic alignment of core processes, process improvement, organization design and development, and business process reengineering. As a professional trainer, he has designed and conducted workshops on financial management, project management, process redesign, job design, and organizational change.

George's particular expertise extends to applying change methodologies in different cultures. He has worked with clients in England, Scotland, France, India, Singapore, Philippines, Hong Kong, Japan, Australia, Mexico, Brazil, Puerto Rico, Argentina and Chile, as well as the United States.

George's prior experience has been as a partner of ChangeNet, a partner of BPI Network and a Senior Project Manager with the Rummler-Brache Group. While at RBG, and previously at Praxis Corporation, George worked with both Dr. Geary Rummler and Dr. Thomas Gilbert in formulating and developing significant parts of the process reengineering methodology. George also spent some time as an internal HR Manager and Consultant in Martin Marietta Astronautics Group, a division of Lockheed Martin.

George's clients cover many diverse industries. During his consulting career, George has completed

Biographies cont.

change management projects for a wide variety of clients in such business sectors as banking and insurance, manufacturing, retail and sales, oil and gas. He has also worked with non-profit organizations and public sector organizations. He has helped clients redesign core processes, including Customer Acquisition, Integrated Field Planning, Organization Redesign, Maintenance, and Order Fulfillment.

George holds a BA degree in Political Science and International Development from the University of California at Los Angeles and a MBA from the University of Denver. He is a member of the American Society for Quality Control and the American Society for Training and Development.

Martha Julia Ramírez de Marroquín
Technical Manager of Property-Casualty Claims
Columna Compañia de Seguros, S.A.
Guatemala City, Guatemala

With over seventeen years in the insurance industry, Martha Julia Ramírez de Marroquín's experience includes seven years as reinsurance department manager and one year as property-casualty claims technical manager at local insurance companies, and nine years in her current position at Columna. Ms. Ramirez is responsible for managing property-casualty area units including underwriting, reinsurance, casualty, and statistics. Among the property-casualty areas she manages are: design and redesign of plans; reinsurance contract definition; placement and registration with the superintendence of banks; review of rates; and promotion of agricultural insurance in cooperatives with the support of the marketing and sales unit. Her other responsibilities include serving as a member of the company executive group; supporting the marketing and sales unit in training at the cooperatives and marketing the institutional (group) fire, auto and personal accident lines of insurance; and serving as delegate to the property-casualty insurance technical committee of the Guatemalan Association of Insurance Institutions (AGIS), representing Columna. She assumed interim general management responsibilities and alternate company legal representative.

Ms. Ramírez holds a degree in economics from The University of San Carlos of Guatemala. Her insurance training includes various national and international courses and seminars in property-casualty insurance and reinsurance. She also holds a certificate in actuarial science for non-actuaries awarded by the Guatemalan Association of Insurance Institutions (AGIS).

Pedro Abreu
General Manager
Cooperativa Nacional de Seguros (Coop-Seguros)
Santo Domingo, Dominican Republic

With a background in project and process engineering, Mr. Abreu began his career in management and administration at CODETEL, the national telephone company (a GTE enterprise) as Manager of the Engineering Department of Telecommunications & Administration Projects. He is an enthusiastic defender of the cooperative philosophy and its principles and has been involved with the cooperative movement for over nine years. His first contact took place in 1992 with the Cooperativa La Telefónica for which he served as delegate, treasurer and president. He then became president of the Board of Directors of Coop-Seguros in August 1996. In 1999, became General Manger of Coop-Seguros, where remains to this day.

Mr. Abreu graduated with a major in physics and mathematics at the Universidad Autónoma de Santo Domingo (UASD) and obtained a post-graduate degree in Material Technology in Buenos Aires, Argentina. He has taken and taught insurance and reinsurance courses in the country as well as abroad to well known entities, such as: AAC/MIS, ICMIF, and CCC-CA, among others.

Participant List (as of May 31, 2005)

A

Marian Abdelkerim
Consultant
HR Generalist
6200 Westchester Park Drive
College Park, MD 20740
USA

Pedro Abreu
General Manager
Cooperativa Nacional de Seguros (Coop-Seguros)
Avenida Bolivar #452 Esquina Socorro Sanchez
Edificio Plaza Gázcue II, Local 1-C
Santo Domingo
Dominican Republic

Miguel Arrieta
Executive Director
Instituto para el Desarrollo Humano
Franklin D. Roosevelt #242, Cuarto Piso, Penthouse
Hato Rey, Puerto Rico 00919
Puerto Rico

Milagros Arrieta
Administrative Assistant
Instituto para el Desarrollo Humano
Franklin D. Roosevelt #242, Cuarto Piso, Penthouse
Hato Rey, PR 00919
Puerto Rico

Cristina Arrieta
Secretary
Instituto para el Desarrollo Humano
Franklin D. Roosevelt #242, Cuarto Piso, Penthouse
Hato Rey, PR 00919
Puerto Rico

B

Chris Baker
Consultant
WOCCU/ACDI-VOCA/NCBA/AACMIS
Box 69
St. Mary's City, MD 20686-0069
USA

Shyamadas Banerji
Director
International Development Partners and Associates
1819 L Street, NW
Washington, DC 20043
USA

Jay Banjade
Associate Director
Save the Children
2000 M Street NW, Suite 500
Washington, DC 20036
USA

Patricia Bekele
Outreach and Training Specialist
Triumph Technologies, Inc.
1301 Pennsylvania Avenue, Suite 820
Washington, DC 20004
USA

Patricia Bickley
Business Development Associate/Proposal Coordinator
PADCO
1025 Thomas Jefferson Street
Washington, DC 20007-5204
USA

Herman Bontrager
President & CEO
Goodville Mutual Casualty Company
625 West Main Street
New Holland, PA 17557
USA

Reena Borwankar
Research and Evaluation Officer
Academy for Education Development
1825 Connecticut Avenue, NW
Washington, DC 20009
USA

Alberto Bouroncle
Senior Research Associate
LTG Associates, Inc.
6930 Carroll Avenue, Suite 700
Takoma Park, MD 20912
USA

C

James Calvin
Associate Professor
Johns Hopkins University
1625 Massachusetts Avenue, NW
Washington, DC 20036
USA

Katrina Carlson
Business Development Associate
PADCO
1025 Thomas Jefferson Street, Suite 170
Washington, DC 20007-5209
USA

Thomas Carter
Coordinator, Cooperative Development Program
US Agency for International Development
USAID/DCHA/PVC-ASHA, 1300 Pennsylvania Avenue, NW 7.D6
Washington, DC 20523
USA

Chanda Chin
Project Assistant
Management Sciences for Development
4455 Connecticut Avenue, NW, #A-100
Washington, DC 20008
USA

Participant List cont.

Lynne Cogswell
Behavior Change Specialist
USAID/Hygiene Improvement Project
1825 Connecticut Avenue, NW
Washington, DC 20009
USA

Frances Connell
Coordinator of Training and Technical Assistance
International Social Service - USA Branch
207 E. Redwood Street, Suite 300
Baltimore, MD 21202
USA

Charles Cox
Regional VP/LAC Programs and CDP Manager
ACDI/VOCA
50 F Street, NW
Washington, DC 20001
USA

E

Cecile Edwards
Project Manager
Global Partnership for Activism and Croo-cultural Training
304 Orange Place
Plainfield, NJ 07060
USA

F

James Fox
Development Economist
Independent Consultant
4210 Whitacre Road
Fairfax, VA 22032
USA

G

Judith Gilmore
Dir. of Private Vol. Org. (PVC-ASHA)
USAID
1300 Pennsylvania Avenue, NW (RR Building)
Washington, DC 20523-7600
USA

Joan Goodin
Senior Associate
MSI
600 Water Street, SW
Washington, DC 20024
USA

Erin Gore
Intern
Microfinance Opportunities
1730 Rhode Island NW 609
Washington, DC 20036
USA

Michele Gorman
Senior Consultant
LHH
3015 Fulton St
Alexandria, VA 22305
USA

Paul Gruber
Program Director
Strategies for International Development
2525 Wilson Blvd
Arlington, VA 22201
USA

H

Dawit Habtemariam
Assistant Director for Evaluation
ADRA International
12501 Old Columbia Pike
Silver Spring, MD 20904
USA

Joan Hall
Microfinance Specialist
Green Microfinance
711 Erie Avenue
Takoma Park, MD 20912
USA

Lawrence Harrison
Senior Research Fellow & Adjunct Lecturer
The Fletcher School of Law & Diplomacy, Tufts University
160 Packard Avenue, Tufts University
Medford, MA 02155
USA

Mary Hennigan
Senior Technical Advisor - Health
Catholic Relief Services
209 W Fayette Street
Baltimore, MD 21201
USA

Ann Hershkowitz
Intern
OCDC
4301 Wilson Blvd., Suite 508
Arlington, VA 22203
USA

George Hickerson
President
Business Design Systems, Inc.
2517 So. Cook Street
Denver, CO 80110
USA

Vanessa Hines
Summer Intern
USAID
1300 Pennsylvania Avenue, NW, RRB 7.6.71
Washington, DC 20523
USA

I

Uzoh Ifeanyi C.C
President
CADA International
Plot 768B, Ikot-Ekpene Close, Off Emeka Anyaouku Street, Garki
Abuja, Federal Capital Territory
234
Nigeria

J

Karina Jackson
CDP Program Associate
CHF International
8601 Georgia Avenue, Suite 800
Silver Spring, MD 20910
USA

Susie Johnson
Director of Public Policy
Washington Office of Public Policy/General Board of Global Ministries
100 Maryland Avenue, NE, Suite 530
Washington, DC 20026
USA

Participant List cont.

Carrie Johnston
Mediator/Sociologist
Risk Communication Associates
801 Pennsylvania Avenue, NW
#1122
Washington, DC 20004
USA

Kim Jones
President
Jones International
13102 English Turn Drive
Silver Spring, MD 20904
USA

K

Lisa Kaufman
Director, Educational Outreach Programs
Meridian International Center
1630 Crescent Place, NW
Washington, DC 20912
USA

Tom Kennedy
Chief, PDM Division, DCHA-PVC-ASHA
USAID
1300 Pennsylvania Avenue, NW
Washington, DC 20523
USA

L

Chisale O'Jimulem Laurence
Programme Director
Rural Livelihood Programme
4 Nzimiro Street, Amadi Flats, Old Gra, Port Harcourt
Portharcourt, Rivers State
Nigeria

Stacy Lukso
Project Manager
Pragma Corporation
116 E. Broad Street
Falls Church, VA 22046
USA

M

Vanessa Marenco
Program Director
Institute for Behavioral Change and Research
401 H Street, NE
Washington, DC 20002
USA

Ralph Marlatt
President
RJM Consultants
1211 South Eads St., #1206
Arlington, VA 22202
USA

Christine Miller
International Recruiter
ACDI/VOCA
1021 Arlington Blvd., E103
Arlington, VA 22209
USA

Barbara Miller
Professor
George Washington University
2110 G Street, NW
Washington, DC 20052
USA

Ericka Monger
USAID Project Administrator
Caribbean Central American Action
1818 N St., NW, Suite 310
Washington, DC 20036
USA

Christopher Moody
Executive Vice President
Moody Insurance Worldwide
22601 Gateway Center Drive
Clarksburg, MD 20871
USA

Lelia Mooney Sirotinsky
Rule of Law and Gender Advisor
Partners of the Americas
1424 K Street, #700
Washington, DC 20005
USA

P

Glenn Patterson
Institutional Development Consultant
Self Employed
Chemin de la Tourelle 14
Geneva, Geneva 1209
Switzerland

Barbara Pillsbury
Director, The Synergy Project
Social & Scientific Systems, Inc.
1101 Vermont Avenue, 9th Floor
Washington, DC 20006
USA

Edward Potter
Executive Director
The Americas Association of Cooperative/Mutual Insurance Societies
8201 Greensboro Drive, Suite 300
McLean, VA 22102
USA

Q

Edwin Quiñones
Vice President for Development
The Americas Association of Cooperative/Mutual Insurance Societies
Urbina Venus Gardins, A33 Ednea Street
San Juan, Puerto Rico 00926-4702
Puerto Rico

R

Martha Julia Ramírez de Marroquín
Technical Manager of Property-Casualty Claims
COLUMNA, Compañía de Seguros, S.A.
Guatemala City,
Guatemala

Deborah Robinson
Founder
CRIA
5208 41st St. NW
Washington, DC 20015
USA

Participant List cont.

Christopher Runyan
Program Analyst
U.S. Agency for International Development
1300 Pennsylvania Avenue, NW, RRB 7.06-90
Washington, DC 20523
USA

S

Susan Schram
Vice President
ACDI/VOCA
50 F Street, NW
Washington, DC 20001
USA

Karen Schwartz
AAC/MIS
19393 West Snow Hill Manor Road
St. Mary's City, MD 20685
USA

Jeannine Scott
Senior Vice President
Africare
440 R Street, NW
Washington, DC 20001
USA

LaRue Seims
Director, M&E
Save the Children
2000 M Street, NW
Washington, DC 20036
USA

Katie Senauer
Health Analyst
Research Triangle Institute
2817 28th Street, NW, Apt #5
Washington, DC 20008
USA

Hilary Smith
VP, Organizational Development
Heifer Project International
1015 Louisiana Street
Little Rock, AR 72202
USA

Alokha Sunday
Director, International Programs
CADA International
Youth House, Plot 768B Ikot-Ekpene Close, Off Emeka Anyoaku Street, Area 11, Garki
Abuja, Federal Capital Territory
234
Nigeria

T

Carmen Tedesco
Research and Evaluation Associate
Academy for Education Development
1825 Connecticut Avenue, NW
Washington, DC 20009
USA

Sharyn Tenn
Program Director
The SEEP Network
1825 Connecticut Avenue, NW
Washington, DC 20009
USA

Nandita Thatte
Health Analyst
RTI International
6110 Executive Blvd., Suite 902
Rockville, MD 20852
USA

Luci Thomas
Senior Technical Advisor - Capacity Building
Catholic Relief Services
209 W Fayette Street
Baltimore, MD 21201
USA

Lisa Thompson
Graduate Student/Intern
School for International Training/Intern with Puente a la Salud Comunitaria
12010 Sky West Drive
Austin, TX 78758
USA

Patricia Zakian Tith
President
Global Workplace
2400 Virginia Avenue, NW, Suite C312
Washington, DC 20037
USA

Mebratu Tsegaye
Senior International Projects Officer
NTCA
4121 Wilson Blvd.
Arlington, VA 22203
USA

W

Bruce Wardle, CAE
President/CEO
Association Management Group, Inc.
8201 Greensboro Drive, Suite 300
McLean, VA 22102
USA

Gretchen Warner
Legislative Director
U.S. Overseas Cooperative Development Council (OCDC)
1021 Arlington Blvd., Apt. 603
Arlington, VA 22209
USA

AAC/MIS Semi-Annual Report

Attachment 21

AAC MIS

Americas Association of Cooperative/Mutual Insurance Societies

International Development Practitioners Learning Forum
Achieving Progressive Organizational Change:
Creating a Culture of Excellence in Service

EVALUATION SUMMARY
(based on 20 responses from 62 final onsite participants; 32% response rate)

Please rate the relevancy of the following sessions:	**Very Relevant = 4**	**Relevant = 3**	**Somewhat Relevant =2**	**Not Relevant = 1**
Session 1: Cultures, Values and Development: Lawrence Harrison, Senior Research Fellow and Adjunct Lecturer, The Fletcher School of Law and Diplomacy, Tufts University	**Total Average Score = 3.68 out of 4.0**			
Session 2: Introducing *The Program for a Culture of Excellence in Service*: Edwin Quiñones, Vice President for Development, AAC/MIS	**Total Average Score = 3.35 out of 4.0**			
Session 3: Key Elements of the *Program for a Culture of Excellence in Service* Dr. Miguel Arrieta, Executive Director, Instituto para el Desarrollo Humano	**Total Average Score = 3.20 out of 4.0**			
Session 4: Impact of *The Program for a Culture of Excellence in Service*: 4a) George Hickerson, President Business Designs Systems, Inc.	**Total Average Score = 3.70 out of 4.0**			
4b) Martha Julia Marroquín, Technical Manager of Property-Casualty Claims Columna Compañía de Seguros, S.A.	**Total Average Score = 3.40 out of 4.0**			
4c) Pedro Abreu, General Manger, Cooperativa Nacional de Seguros (Coop-Seguros)	**Total Average Score = Total 3.10 out of 4.0**			

As a result of this event, are you planning further research or action in organizational culture change?	**Definitely Yes = 9**	**Maybe = 7**	**Definitely No = 0**	
Overall, please rate your experience	**Excellent = 4**	**Good = 3**	**Fair =2**	**Poor = 1**
How did the program compare to your expectations?	**Total Average Score = 3.35 out of 4.0**			
Overall experience	**Total Average Score = 3.30 out of 4.0**			
Practicality of concepts to your work	**Total Average Score = 2.95 out of 4.0**			
Simultaneous interpretation	**Total Average Score = 2.67 out of 4.0**			
Registration (pre-registration and onsite)	**Total Average Score = 3.47 out of 4.0**			
Hotel meeting facilities	**Total Average Score = 3.53 out of 4.0**			

Written Comments
See attached

8201 Greensboro Drive, Suite 300 • McLean, Virginia 22102 • USA
telephone: +1 703 245-8077 • fax: +1 703 610-9005 • e-mail: info@aacmis.org •
www.aacmis.org

International Development Practitioners Learning Forum
Achieving Progressive Organizational Change:
Creating a Culture of Excellence in Service

EVALUATION SUMMARY

WRITTEN COMMENTS:

Lawrence Harrison's presentation was of extreme interest. More time could have been allocated to this session

I think this was a great forum in that I learned a lot myself and feel more aware of global issues. I think it is unfortunate that my company's president was not present to learn & hear this information. He badly needed it. I'll do my best to pass the message

I am planning to explore further the issue of governance of ccops. A major factor affecting the performance of coops in developing countries is poor governance. I plan to do research and prepare guidelines for Coop governance. This would cover credit unions and rural finance institutions.

Follow up to track and report on coninued progress would be interesting particularly if possible to address more freely the impact of personal life values. Adaptability of model to other industries and/or in different cultural setting is an important next step for research and innovative implementation

I am a technical writer & instructional designer (trainer). I am looking to convert my client view from technology to human service. This conference has been insightful

Excellent Conference

I appreciated the combination of theory & practical application. I also feel like this forum presented "culture" in a different/innovative way.

Interesting combination of topics. Would have been good to have more time to discuss session 1 in closing and how it fits.

Translation headphones very painful after a while

Bravo - very good event. Well worth the time

The presenters in session 2 & 3 could not manage their alloted time preentation of session 1 & 4 were excellent. Thank you AAC/MIS

AAC/MIS Semi-Annual Report

Attachment 22

USAID
FROM THE AMERICAN PEOPLE

The FIELD-Support Leader With Associates Award

Solutions for Broad-Based Economic Growth

The Financial Integration, Economic Leveraging, Broad-Based Dissemination (FIELD-Support) Leader with Associates award (LWA) is designed to implement innovative, comprehensive, and integrated approaches to sustainable **economic growth with poverty reduction**. This includes building more **inclusive financial systems**, improving the **competitiveness of industries in which micro and small enterprises participate,** and enhancing the overall **policy and regulatory environment** to enable broad-based economic growth. FIELD-Support is also designed to respond to the **economic security needs of special populations**, such as families hurt by civil conflict and natural disaster, communities hit hard by HIV/AIDS and other health issues, as well as address the **livelihood and enterprise needs of difficult-to-reach clientele** such as the poor in remote rural areas, youth, women, refugees, and internally displaced persons.

ABOUT THE FIELD-SUPPORT LWA

An LWA is similar to an Indefinite Quantity Contract (IQC) but uses grants and cooperative agreements instead of contracts to fund and carry out activities. In addition, unlike an IQC no further competition is required to issue sub-awards once the initial award is granted. The new mechanism brings together core **Leader Award** funding (**$10 million**) and a streamlined process for Missions and USAID operating units to use their own resources to access FIELD-Support expertise. Under this mechanism, USAID operating units may issue **Associate Awards up to a ceiling of $340 million**, depending on available resources and demand from USAID Missions. FIELD-Support will operate through FY 2010, with a possible five-year extension through 2015.

The FIELD-Support LWA was competitively awarded by USAID's Office of Microenterprise Development to **a team of 27 highly qualified organizations**, led by the Academy for Educational Development (AED). The team, comprising 10 core members and 17 resource organizations has a proven track record in reducing poverty and promoting sustained, equitable growth through microenterprise development, microfinance, value chain development, institution and human capacity-building, and the promotion of other market-based approaches. Experiences include supporting micro and small enterprises' access to market opportunities, strengthening and deepening financial systems, promoting sustainable livelihoods and improving the national and local enabling environment. Sustainable livelihood work increases poor household assets and strengthens their coping strategies, while enabling environment work focuses on both the national and local levels to boost productivity, earnings, and competitiveness.

THE CORE TEAM

- AED
- ACCION International
- ACDI/VOCA
- Action for Enterprise
- CARE
- FINCA International
- IRIS Center-University of Maryland
- Opportunity International
- Save the Children
- World Council of Credit Unions

USAID
FROM THE AMERICAN PEOPLE

FIELD-SUPPORT LWA: Solutions for Broad-Based Economic Growth

RESOURCE ORGANIZATIONS

- Alternative Credit Technologies
- Americas Association of Cooperative/Mutual Insurance Societies
- Cornell University-Base of the Pyramid Laboratory
- Development Training Services
- Freedom from Hunger
- Georgetown University-Center for Intercultural Education and Development
- International Development Enterprise
- International Real Property Foundation
- Mennonite Economic Development Associates
- Michigan State University-Agricultural Economics Department
- Microfinance Opportunities
- Rainforest Alliance
- Small Enterprise Education and Promotion (SEEP) Network
- Technoserve
- University of Michigan-William Davidson Institute
- Women's World Banking
- World Vision International

THE FIELD-SUPPORT ADVANTAGE

The FIELD-Support LWA offers distinct advantages over other contracting vehicles, including:

- ***Flexibility***–Awards can be issued for a diverse range of economic growth and cross-cutting activities, as well as a wide variety of partners, including local organizations.
- ***Wide range of integrated services***—The FIELD-Support Team has the breadth and depth of expertise to respond to Missions' needs for services at **all** levels of the economy, from enterprise development to institution-building to legal and regulatory reform.
- ***Speed of procurement***—No further competition is required to issue awards, and the mechanism uses simplified documentation.
- ***Responsiveness***–Streamlined process for rapid deployment of technical teams and program implementation.
- ***Accountability***—Awardees remain directly accountable to the USAID Mission or operating unit issuing the award.

SIMPLE STEPS TO ACCESS FIELD-SUPPORT

- ❑ The Mission's Strategic Objective Team Leader or technical officer, in consultation with the Mission's Agreement Officer, sends a **Scope of Work** to USAID CTO Yvette Dennis (ydennis@usaid.gov) and FIELD-Support Project Director Paul Bundick (pbundick@aed.org). [Alternative contacts are Alternate CTO Kimberly Rosen (krosen@usaid.gov) and FIELD-Support Deputy Project Director Dennis Smyth (dsmyth@aed.org).]
- ❑ The CTO determines whether the Scope of Work is eligible for an Associate Award under the overall Leader program description and notifies the Mission.
- ❑ Once the Scope of Work is deemed eligible, AED negotiates with the Mission and the relevant Agreement Officer to prepare a budget and subagreement with the appropriate team members to implement the activity.
- ❑ Implementation begins.

For more information, visit www.microlinks.org

THE AMERICAS ASSOCIATION OF COOPERATIVE/MUTUAL INSURANCE SOCIETIES

CAPABILITIES STATEMENT

Part of a global network of 141 member-owned insurers in 67 countries under the International Cooperative and Mutual Insurance Federation, The Americas Association of Cooperative/Mutual Insurance Societies (AAC/MIS) serves as the regional association for 38 cooperative and mutual insurers in 21 countries throughout North, Central and South America and the Caribbean. Formed by cooperatives, credit unions, labor and teacher unions, and mutual organizations to serve low income populations without access to insurance protections, AAC/MIS member companies are a sustainable and highly effective way to develop appropriate and affordable group insurance products that reduce the personal and business risks of low-income rural and urban households and microenterprises. Based on number of insureds, many AAC/MIS member cooperative and mutual insurers are the largest life insurers in their countries. Unlike most non-insurance entities working in microinsurance, AAC/MIS member companies: 1) are highly qualified and well positioned to serve groups with large numbers; 2) develop actuarially sound insurance products meeting group-defined needs; 3) are accredited insurers in compliance with local insurance regulation; 4) have appropriate reinsurance to cover losses in case of catastrophic events; and 5) provide consumer education to develop an understanding of insurance.

A registered USAID Private Voluntary Organization and grantee, AAC/MIS' strength lies in identifying and mobilizing technical expertise from within its membership, extensive global network, and a cadre of highly qualified and experienced insurance professionals. AAC/MIS builds win/win alliances with member companies to share expertise and knowledge and to design appropriate products and services to reduce risk for those with limited resources. AAC/MIS has been particularly successful in initiating South-South dialogue and collaboration between members from across The Americas.

In Colombia, AAC/MIS member La Equidad provides individual and group microinsurance policies providing coverage for low income rural and urban households and microenterprises. Based on in-depth market research to identify needs and insurance perceptions, these policies provide traditional benefits such as payment for death, funeral and disability, as well as non-traditional benefits including basic utilities and food staples for transitional periods. Working through alliances with microfinance institutions as part of a partner-agent microinsurance model, this arrangement provides income generation for microfinance institutions, provides clients with access to sound and affordable insurance products, and ensures that claims will be paid.

In the Dominican Republic, AAC/MIS member Coop-Seguros is working to mitigate the socio-economic impact of HIV/AIDS through: 1) prevention education campaigns reaching up to 15% of the population through its 46 cooperative owner network; 2) development of innovative catastrophic illnesses policies that include benefits payable in HIV/AIDS medical services (rather than cash); and 3) development of cooperative financial risk analysis and mitigation strategies.

Over the past 25 years, AAC/MIS has played a leading role in the creation and expansion of eight cooperative insurers in the Dominican Republic, Barbados, Guatemala, El Salvador, Honduras, Paraguay, Uruguay; and Peru. To this end, AAC/MIS is currently working with a credit union federation in Nicaragua to bolster its nascent capacity to expand basic life and savings protection benefits to 29,000 credit union members.