

**AMERICAS ASSOCIATION OF COOPERATIVE/
MUTUAL INSURANCE SOCIETIES INC.**

Annual Work Plan for the Period October 1, 2000 – September 30, 2001

Cooperative Agreement FAO-A-00-97-00015-00

Executive Summary:

The Americas Association of Cooperative/Mutual Insurance Societies (AAC/MIS) is an association of 43 cooperatively oriented insurance societies in twenty-two North, Central & South American and Caribbean countries. These companies have joined together to promote cooperatively oriented, group-based insurance throughout the Americas. In addition, the member companies share their ideas and experience to better equip them to provide modern and competitive insurance protection for their members. Cooperatively oriented, group-based insurance is based on the principle of mutual self-help, democracy in ownership and governance, and equitable sharing of gains or losses among insured members.

The primary program of AAC/MIS is to promote cooperatively oriented group-based insurance by offering technical assistance and training opportunities to new and emerging member societies. In this work, the Association uses both its own funds and funds from government and private aid agencies.

The Association is providing targeted assistance to cooperatively oriented insurance societies in six focus countries:

- Bolivia – COOSEF formed in 1988 by the credit union federation
 - Crucena formed in 1975 by consumer cooperatives
- El Salvador – Seguros Futuro formed in 1994 by the credit union federation
- Guatemala – COLUMNNA formed in 1989 by the credit union federation
 - Auxilio Postumo del Magisterio formed in 1967 by teachers
- Honduras – FACACH, now Seguros Cooperativa Equidad formed in 2000 by the credit union federation

- Panama – Seguros FEDPA formed in 1993 by the credit union federation
- Nicaragua - Credit unions and ACODEP, a micro-finance institution

With the exception of Crucena and COOSEF-Bolivia, each of the companies is experiencing growth and is profitable. Developing new insurance services for their members, marketing and distribution methods, creating annual business plans & budgets, insurance education for Board, staff and customers, and maintaining local capital requirements remain the major emphasis in the coming year for each of the focus companies.

Manager Learning Workshops have proven to be an effective and cost efficient method of providing technical assistance on common subjects requested by each of the focus companies. Two such workshops were held during year three of this cooperative agreement. A computer-based Business Simulation Program was the subject of a three-day workshop in December 1999. Insurance regulatory personnel participated in this workshop to gain a better understanding of cooperative insurance and the assistance program of the Americas Association. A second workshop in March 2000, focused on technical assistance received in the previous three years and future assistance needs. This workshop was held in Tegucigalpa, Honduras in connection with the creation of Seguros Cooperativa Equidad Ltda. a wholly owned subsidiary of FACACH.

Two workshops are planned for year four. The agendas will include ethics, conflict of interests, financial reporting, and a demonstration of a stand-alone version of the ICMIF Business Simulation Program.

Renewed collaboration with Societe de cooperation pour le developpement international (SOCODEVI) will continue to leverage USAID funds with CIDA funds in providing a full-time consultant based in Central America. This insurance consultant will provide targeted assistance to Seguros Futuro-El Salvador, Auxilio Postumo and COLUMNNA-Guatemala.

2. Amount of technical assistance, training and advisory services delivered to host-country partners

AAC/MIS full-time and part-time consultants will supplement company to company assistance on specific assignments concerning market definition, product design & pricing, underwriting, claims and administrative policies and practices.	X	X	X	X
Established member companies in Colombia and Puerto Rico will offer training opportunities and provide executive volunteers to supplement AAC/MIS consultants on proven insurance marketing, administrative practices and financial reporting	X	X	X	X

Bolivia, El Salvador, Guatemala, Honduras, Panama and Nicaragua

3. Income-generating business linkages and methodologies introduced to ensure sustainability of local organizations and their programs.

All focus country companies will participate in the Manager Learning Workshops	X	X		
Insurance products and marketing techniques will be shared for potential use in other markets	X	X	X	X

Bolivia, El Salvador, Guatemala, Honduras, Panama and Nicaragua

4. Number of long-term partnerships established with local cooperative partners to strengthen their capacities and their programs.

Reinsurance provided by U.S. member companies, American Agricultural Insurance and other AAC/MIS and ICMIF member companies are negotiated on an annual basis

Bolivia, El Salvador, Guatemala, Honduras, Panama and Nicaragua X

Central American Companies, Seguros Futuro-El Salvador, Auxilio Postumo & Columna-Guatemala, Seguros Cooperativa Equidad Ltda-Honduras and Seguros Fedpa-Panama continue to seek areas for collaboration such as serving each other's clients when travelling outside their native country, common reinsurance protection, etc. X X X X

5. Support of program development activities and services of indigenous cooperatives to meet the needs of local beneficiaries

Expanded insurance products developed for Columna-Guatemala and Seguros Futuro-El Salvador will be considered by other focus country companies. A term-life product designed for Seguros Fedpa-Panama will be made available to other focus country companies X X X X

6. Contacts made in host countries to implement policy changes and the development of a more positive climate for cooperative systems.

Nine insurance regulatory personnel from Bolivia, El Salvador, Guatemala, Honduras, And Panama, participated in our Manager Learning Workshop in Miami, Florida. This demonstrated the support for cooperative insurance provided by the Americas Association and USAID. We will continue efforts to include insurance regulators in workshops and seminars presented by the Association X X X X

7. Contacts made with USAID Representatives/Missions.

AACMIS Vice President-Development has visited the local USAID mission in Honduras In March 2000. Additional visits are planned prior to year-end. X X

A copy of AAC/MIS semi-annual reports is shared with each of the respective USAID local missions. X X

4

B. Program Purpose

To strengthen the capabilities of U.S. cooperative development organizations (CDOs) to support international development on a sustainable basis

1. Professionalizing management systems and technical capacity of U.S. CDOs to support cooperative development activities internationally

Contract with a full-time consultant for targeted assistance in El Salvador and Guatemala. Consultant will provide actuarial expertise to other focus companies as needed

X X X X

Collaborative agreement with SOCODEVI leverages AAC/MIS & USAID funds with CIDA funds increasing our capacity to conduct support programs in the Americas

X X X X

2. Building organizational commitment of U.S. CDOs and their membership to support international cooperative development activities

Three of the nine member AAC/MIS Board of Trustees are executives of U.S. member companies whose companies volunteer their time in support of cooperative insurance development

X X X X

3. Number of volunteers engaged in support of program delivery in the field

Volunteer speakers, technical advisers, program manager, AAC/MIS Treasurer, Executive Secretary, Assistant Treasurer and Assistant Secretary

11 6 8 8

5.

4.	Efforts made to broaden the development resource-funding base of U.S. CDOs, and to enhance long-term sustainability of cooperative development activities overseas				
	Collaboration with SOCODEVI provides CIDA financial resources				\$50,000
	ICMIF development contribution to AAC/MIS				\$30,000
	Allnations development contribution to AAC/MIS				\$ 7,500
	AAC/MIS member dues				\$90,000
5.	Project partnerships implemented with other U.S. CDOs				
	OCDC meetings with other U.S. CDOs	X	X	X	X
6.	Monitoring and evaluation activities undertaken to document impact of program on host-country beneficiaries				
	The sustainability of insurance companies in focus countries will be monitored by AAC/MIS consultants during each visit	X	X	X	X
	Semi-annual reports on the number of employees, premium income and Capital/surplus will indicated growth stagnation or decline for each company	X		X	
	Mid-term evaluation with focus company officials reviewed the impact of previous assistance provided and gives suggestion for any necessary changes Evaluation report should be available to the AAC/MIS Board of Trustees and USAID Bureau for Humanitarian Response by October 15th, 2000	X			

7.	Outreach made to cooperative community and U.S. public, to increase awareness about cooperative development overseas				
	Report of development activities and status of focus country companies is Sent to U.S. member companies and the AAC/MIS Board of Trustees	X	X	X	X
8.	Follow-up contacts made with overseas cooperative partners to strengthen organization capacities to ensure their sustainability				
	Overseas partner's semi-annual reports		X		X
	Manager Learning Workshops	X		X	
	AAC/MIS consultants & Vice President-Development monitoring and Identifying additional assistance needs				
	Bolivia, El Salvador, Guatemala, Honduras, Panama and Nicaragua	X	X	X	X

7