Overview: The Center for the Economic Analysis of Risk (CEAR) is organizing an academic pre-conference in conjunction with the 14th International Microinsurance Conference. The pre-conference attracts researchers to present major findings and participate in panels on recent developments in research methods to understand risk management choices of the poor. This pre-conference is being held on Monday, November 5, immediately prior to the main conference, which is on November 6, 7 and 8.

Presentations in the academic pre-conference will be plenary, and allow enough time for detailed discussion of each presentation and for shared discussion.

The theme for this year’s pre-conference is the place of microinsurance in the overall risk management strategies of the poor, whether they be in developing or developed countries. The focus will be on the use of financial and non-financial diaries to inform our understanding of the landscape of risk management practices of the poor.

Research with financial diaries has revealed that individuals and households in poor countries engage in a wide range of risk management practices. What do we know about the landscape of those practices, to help determine where formal insurance products might best fit in? Without recognition of the risk management landscape prior to the introduction of formal insurance products, we might design products that do not match the risk management needs of the poor, or that “crowd out” existing informal arrangements that have been practiced for long periods. For example, the major Portfolios of the Poor study of Collins, Morduch, Rutherford, and Ruthven (2009), virtually anthropological in its methods, showed that the "price of money" in developing countries is not always what is appears to be if one looks at the readily observable interest rate on a loan. The same is true of insurance products: one needs to study the detailed product carefully before one can evaluate its value to a client or society, and this evaluation must go well beyond superficial slogans about “value propositions.” If the new, formal insurance products improve household welfare compared to existing informal arrangements, then they should be encouraged; but if they do not, and reliably, then they should be used (and subsidized) with caution.

The keynote speaker at the pre-conference will be Dr. Daryl Collins, one of the authors of the original Portfolios of the Poor. She is currently the CEO of BFA: Bankable Frontier Associates. Dr. Collins has built up a broad portfolio of work with foundations, bilateral institutions and private financial services providers linking an understanding of household financial management to the business case for services that help address some of the most significant challenges that low-income families face. Her work is grounded in a deep understanding of the financial behaviors of low-income people across the globe, leveraging the experience of executing financial diaries studies in Kenya, India, Mexico, South Africa, Tanzania, Mozambique, Pakistan and advising the U.S. Financial Diaries project. Dr. Collins holds a BSc and an MSc in Economics from the London School of Economics and a PhD from New York University.

In a related vein, many of the insights from developing microinsurance products in developing countries have found their way back into poor groups of households in developed countries. What issues arise in this “reverse technology transfer”? What have we learned from financial diaries about risk management strategies of the relatively poor in developed countries? Examples of recent research studies include the U.S. Financial Diaries project described by Morduch and Schneider (2017) and the CEAR Portfolios of the Atlanta Poor project (http://cear.gsu.edu/signature-research/portfolios-of-the-atlanta-poor/).
References


**Registration**: Is open to any researcher, academic or otherwise. The applications and registration of interest to attend are done separately to the main conference. Please note that in order to attend this pre-conference, you must also register for the larger IMC. Registration and further information about the pre-conference can be found here – [http://cear.gsu.edu/event-archives/cear-academic-pre-conference-in-microinsurance-2018/](http://cear.gsu.edu/event-archives/cear-academic-pre-conference-in-microinsurance-2018/). The event has a capped attendance at 40 participants and will be on a first-come, first-served basis.