

## Micro-insurance Industry Leaders and UBmatrix Form Consortium to Improve Efficiency of Micro-insurance Market

### *Consortium to Leverage XBRL to Improve and Expand Delivery of Cost Effective Insurance to the Poor*

Redwood City, CA – October 15, 2008 – Today, seven organizations including leading players in the micro-insurance industry launched the Micro-insurance Data and Workflow Standardization (MDWS) Consortium to explore the benefits of establishing a new XBRL-based taxonomy and information hub designed to streamline and standardize information exchange in the micro-insurance industry. The goal of the MDWS Consortium is to reduce the cost of providing insurance to poor communities around the world. Participants of the consortium include Gradatim IT Ventures, IBEX Project Services, Micro Insurance Academy (MIA), Micro Insurance Agency Holdings, LLC, Microcare Insurance Ltd, SourceTrace Systems (STS), Sun Microsystems Inc, and UBmatrix, the leading provider of XBRL information exchange solutions.

“By establishing a set of reporting standards and providing the technology for financial information exchange, the consortium is paving the way for increased micro-insurance business and lower premiums for the poor. One of the key issues in the micro-insurance industry is the cost and ease of exchanging information between the various players. XBRL has shown that it can provide a cost-effective platform for reducing cost in the microfinance industry,” said Eric Gerelle, Director, IBEX Project Services.

#### **MDWS Consortium Project**

The project will develop a standard for micro-insurance data and workflow using XBRL (eXtensible Business Reporting Language). The consortium will also explore the idea of establishing an XBRL information hub, along the lines of the Microfinance Information eXchange ([http://www.ubmatrix.com/casestudies/mix\\_page.htm](http://www.ubmatrix.com/casestudies/mix_page.htm)), which will allow data to be efficiently exchanged between micro-insurance stakeholders, as well as with industry regulators. Expected benefits include:

- **Larger insurance pools:** The sharing of data within networks of micro-insurers and reinsurers opens up the possibility of creating global insurance pools. This will have the benefit of reducing outlier risks and hence reinsurance premiums. The standards created will also facilitate training of stakeholders to operate the administrative systems at grassroots level.
- **Market expansion:** The project will contribute to the expansion of the outreach of micro-insurers to as yet untapped client bases in part by giving the opportunity to adapt information systems to a wide variety of requirements without major rebuilding.

- **Lower administrative costs:** The resulting standards will allow many more micro-insurance providers to benefit from an economy of scale and hence reduce the administrative cost per client.
- **Product expansion:** It will become possible to support locally adapted insurance products, customized to the needs down to the “village” level. This will allow micro-insurers to expand their offering (health, life, burial, crop and livestock insurance, etc.), while controlling their administrative costs.
- **Open data access:** Accessing data on clients, utilization, costs of services and other essential metrics will support the development and pricing of value-for-money insurance products and efficient claim adjudication.

## **XBRL: Driving Standards Adoption, Lowering Barriers to Information Exchange**

XBRL (Extensible Business Reporting Language) is fast becoming the open standard for financial reporting and information exchange – and has already been adopted by the Microfinance Information eXchange (MiX) to help improve information flows for the Microfinance industry,

XBRL offers a standards-based method of articulating the information requirements for the exchange of data between different players in a market. Use of XBRL has been accelerating as government and industry regulators look to improve the cost-effectiveness of their systems. The FDIC has adopted XBRL as the standard for reporting from its 8,000 member banks; the European Union Central Banks have adopted XBRL for Basel II reporting; and the SEC has announced a phased implementation of XBRL for all public company filings.

“UBmatrix is excited to contribute to the Micro-insurance Industry Consortium and furthering access to insurance for poor communities. XBRL is a powerful technology that has proven that it can be used effectively to improve transparency and exchange of information – and its application in the micro-insurance industry should be of broad benefit,” said Steve Levine, Chief Marketing Officer for UBmatrix, Inc.

## **Key Consortium Deliverables**

The consortium’s initial task is to establish a framework to support the community’s development and ongoing maintenance of the XBRL taxonomy for the microinsurance industry. The consortium members have a wide knowledge of the requirements and will provide the key input into the scope and coverage, while UBmatrix has been involved and led many of the major XBRL taxonomy initiatives around the world. A key part of the consortium’s objectives and plans is to deliver programs to help the adoption of the standard and enable knowledge transfer to microinsurance institutions.

With the standard and the taxonomy as a foundation, the consortium will review the establishment of a shared XBRL Information hub which will further enable the sharing of common data formats, workflow procedures and interfaces, along the lines adopted by the MiX. The information hub will also provide a platform for industry benchmarking and reporting to help microinsurance units track their performance, improve transparency and confidence in the microinsurance industry and hence stimulate investment.

## Micro-insurance Data Workflow Standardization (MDWS) Consortium Members

In addition to UBmatrix, the Micro-insurance Data Workflow Standardization (MDWS) Consortium Members include:



- **Gradatim** IT Ventures provides a comprehensive range of services to the microinsurance industry. They provide on-demand utility services via a multi-channel, multi device and on-demand technology platform to insurance providers and its various stakeholders – Mutuals, agents, other intermediaries such as microfinance institutions (MFIs), Banks, Brokers, NGOs, Cooperatives, etc. [www.gradatimin.com](http://www.gradatimin.com)



- **IBEX Project Services** works with a worldwide network of consultants and organizations to help implement sustainable development projects in both developed and developing countries. [www.ibex.ch](http://www.ibex.ch)



- **The Micro Insurance Academy** provides grassroots organizations *step-by-step stewardship* (through workshops, training and technical assistance) first *to understand* the benefits of being insured, then *to implement* context-relevant micro insurance solutions, and *to act* as “barefoot insurers” of their collective risks. [www.microinsuranceacademy.org](http://www.microinsuranceacademy.org)

## Micro Insurance Agency

- **The Micro Insurance Agency** is an insurance intermediary dedicated to serving poor households with an affordable and suitable range of insurance products. <http://microinsuranceagency.com>



- **Microcare Insurance Ltd** provides credible, broad-based health insurance products for the mass market in Uganda, managing risk as well as health data and corporate funds. [www.microcare.co.ug](http://www.microcare.co.ug)



- **SourceTrace Systems (STS)** provides solutions to banks, microinsurance and microfinance organizations working to provide insurance services to the unbanked through direct, secure access to their micro-insurance accounts via mobile phones and other devices or by working through local agents. [www.sourcetrace.com](http://www.sourcetrace.com)



- **Sun Microsystems Inc** has developed Finance on Request (FOR), a set of hosted financial services that includes support for insurance. The main value is in reducing the bottom line cost and expense ratios of traditional distribution channels while increasing the top line growth by providing more coverage for distribution. [www.sun.com](http://www.sun.com)

## About UBmatrix

UBmatrix, Inc. is the leading provider of XBRL- based information exchange solutions for global organizations and enterprises allowing them to more efficiently and effectively address the challenges of business and financial information management, exchange and reporting. XBRL is rapidly becoming the standard for financial information exchange and reporting demonstrated by the XBRL programs being driven at the SEC, FDIC and the European Central Bank Supervisors. UBmatrix XBRL solutions increase operational efficiency and financial transparency, and ensure reporting accuracy and reporting compliance. UBmatrix is based in Silicon Valley with development centers in Bellevue, WA and New Delhi, India. For further information, visit [www.ubmatrix.com](http://www.ubmatrix.com).

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