Ross School of Business, University of Michigan For further enquiry contact	
Colm Fay, MBA/MS 2012, colmfay@umich.edu	Andrew Merrill, MBA 2011, akmer@umich.edu
Laura Frey, MBA/MS 2011, ldfrey@umich.edu	Amrita Vijay Kumar, MBA/MS 2011, amritavk@umich.edu

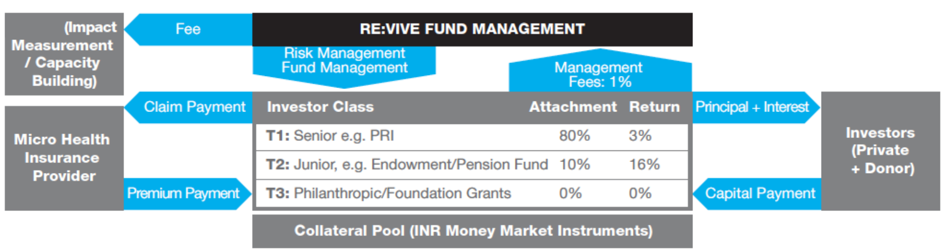
Team B4 - RE:Vive India Fund

₹670,000,000 INR Collateralized Insurance Obligation due 2021

Unique opportunity to invest in the emerging micro health insurance market in India.

The Market Opportunity India's public healthcare expenditures are one of the lowest in the world, reaching 0.9% of GDP to serve the 380 million people living at the base of the pyramid (BoP). To meet this need, micro-health insurance providers (MHIPs) are providing the BoP with access to basic coverage that offers protection from health and financial shocks. However, MHIPs are facing financial instability, which stems from their small size, low volume of transactions or from a disproportionate exposure to catastrophic risks. RE:Vive, a pioneer fund, aims to pool and diversify MHIP risk by offering reinsurance policies that allows micro health insurance to reach scale and encourage new entrants.

The Investment Opportunity The RE:Vive India Fund offers an investor the opportunity to be part of a vanguard impact investment that would catalyze the market for private healthcare micro-insurance in India. The fund is designed to deliver competitive returns with low correlation to traditional asset classes (e.g. public equities, debt). We offer investors expected returns depending on the associated tranche (refer to diagram below) while also delivering positive social impacts. These high returns will come from capitalizing on the inefficiencies and lack of investment in MHIPs.



The Investment Vehicle The fund is structured as a Collateralized Insurance Obligation denominated in INR with the exception of PRI investments in the Senior tranche, which will provide cash flows in fully hedged USD. The design of the investment vehicle allows for blended patient and private capital to flow into the fund at different attachment points and risk-reward tranches as depicted above. This offers donors a multiplier effect on their grant dollars as it enables more risk-averse private capital to flow to micro-health insurance companies.

Asset Class The underlying asset is a health insurance policy that offers a stream of cash flows based on the associated underwriting risk. Expected asset returns are targeted to be 13.2%, which is competitive with the performance of comparable investments: Swiss Re Global Cat Bond Total Return Index (2003-2011), MIX MFI Benchmark (2002 - 2009), and estimates of returns from insurance products in the Indian market (Swiss Re, 2005). Excess returns on underwritten policies not used to cover previous losses will accrue as a management fee.

Social Impact & Reporting Access to health insurance has the ability to transform lives inflicted by poverty and disease. By helping insurers extend their reach to the poor, RE:Vive India will contribute to better health outcomes, economic stability and improved productivity among people living at the BoP. Specifically, we will measure the ability of MHIPs to expand by underwriting additional health insurance policies. Robust monitoring, reporting, and benchmarking of our social impact will be based on the Global Impact Investing Network's IRIS standards for financial institutions. Additionally, RE:Vive India will contract M-Cril, an Indian MFI social rating agency, to conduct impact measurement and build capacity among MHIPs.

Investment Criteria and Due Diligence Insurance providers will be sourced from institutions currently providing micro-insurance and other financial services to the low-income sector in India. Our experienced underwriting team will source MHIPs and offer reinsurance policies in exchange for premiums. Our selection criteria and due diligence will require the following from our MHIPs: 5 years of audited financial statements, minimum 3 years profitability with Combined Operating Ratio (COR)[1] less than 65%, however, the fund will accept insurers operating a COR above this basis providing their loss ratio[2] is less than 55% and there is a clear opportunity to improve the expense ratio.

Portfolio Makeup The optimal number of policies reinsured is 350,000 or 5.85% of the existing market. Policies will be originated from MHIPs in diverse geographical regions using both our in depth understanding of the Indian insurance market and according to our due diligence process, with no more than 20% exposure in any one state.

Risk Management We seek to mitigate the risk associated with investing in emerging markets through a disciplined risk management and investment process, followed by post-investment technical capacity development and underwriting assistance.

Risk	Control
Currency Risk	- Currency hedging through investment bank for USD denominated investors
Operating and Legal Risk	- Strict Due Diligence Standards of MHIPs complying with regulatory standards - Post Investment Technical Assistance and Capacity Building of MHIPs
Financial Risk	- Maintenance of reserve buffer and solvency ratio as per regulations

[2] Cost of claim disbursements and operating expenses as a percentage of premiums collected
[3] Cost of claim disbursements as a percentage of premiums collected