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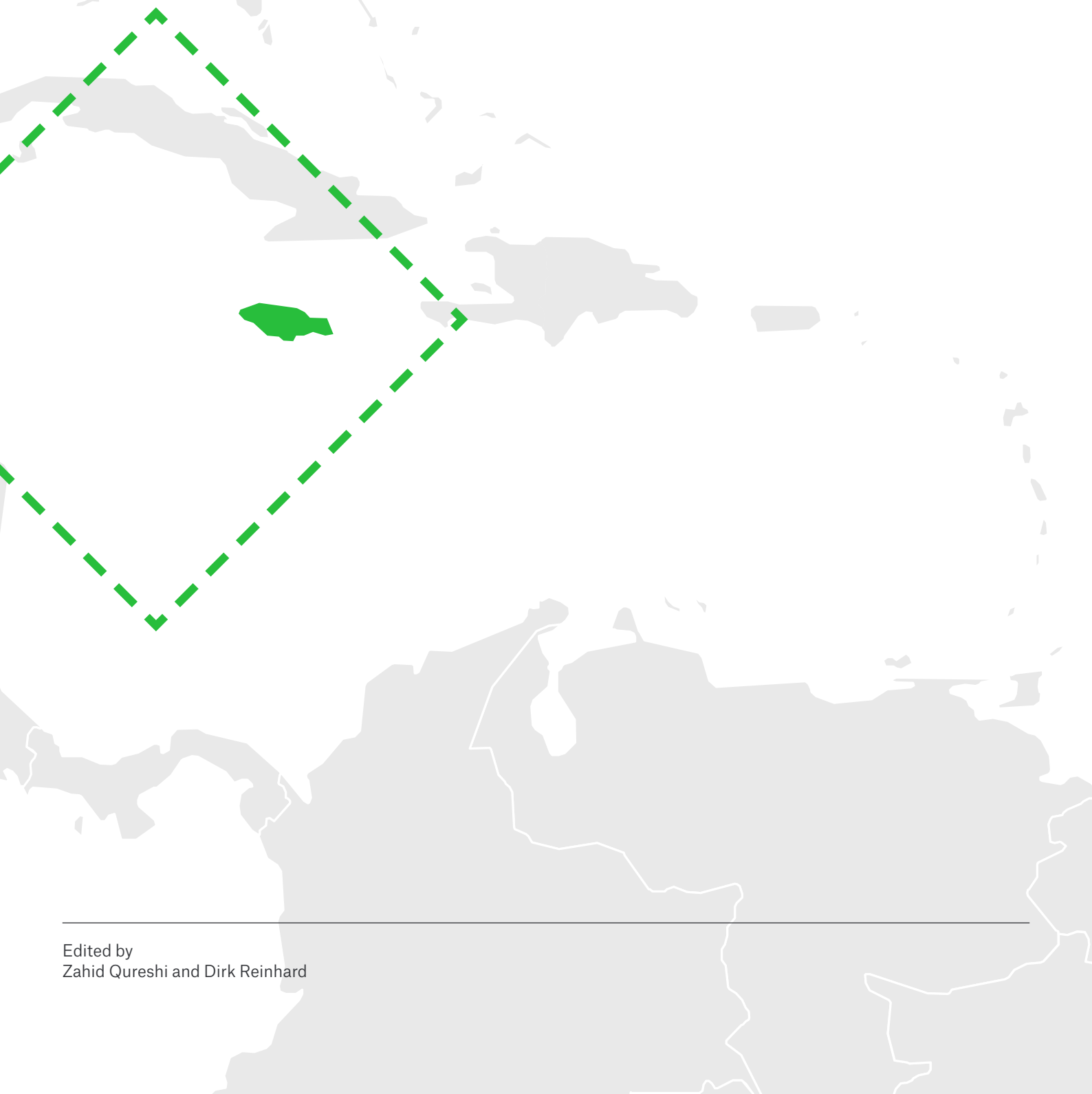
# Report

# International Conference on Inclusive Insurance 2022

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24–28 October 2022

Kingston, Jamaica



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Edited by  
Zahid Qureshi and Dirk Reinhard

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Conference documents and presentations are available online:



→ [www.inclusiveinsurance.org](http://www.inclusiveinsurance.org)

All presentations can be downloaded at



→ [www.munichre-foundation.org](http://www.munichre-foundation.org)

This report is a summary of the International Conference on Inclusive Insurance 2022, which took place from 24 to 28 October 2022 in Kingston, Jamaica. Individual summaries in various styles were contributed by a team of international rapporteurs. Readers, authors and organisers may not share all the opinions expressed or agree with the recommendations made. However, these reflect the rich diversity of the discussions.

All recordings of the sessions can be accessed at



→ [www.munichre-foundation.org](http://www.munichre-foundation.org)

Around 250 participants from over 50 countries attended the ICII 2022.



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## Foreword

Over the last 20 years, inclusive insurance has been defined by the impact of climate change on the vulnerable across the world, as we seek to provide insurance protection to prevent them falling into poverty after each of the ever-increasing disasters. While other perils such as health have been targeted for insurance solutions, the onset of the COVID-19 pandemic has redefined the importance of inclusive insurance to those who now belong to the seemingly ever-growing vulnerable groups. This brought a new focus on health insurance for this underserved market, due to the unprecedented scale of the pandemic, which widened the protection gap as its impact on economies pushed many people with marginal incomes back into poverty.

The magnitude of the pandemic has brought increased attention from governments worldwide to the need to get more involved as they recognise that, when disaster strikes, they are in fact the insurers of last resort. They have wisely seen the need to get into more public-private partnerships (PPPs), which has been a boon to many small-scale farmers who are perpetually exposed to the risks associated with climate change. They have been partnering with the private sector, putting in funds to help pay premiums while leveraging insurance structures.

The issue of finding viable solutions for relatively small states continues to be a challenge to make inclusive programmes viable. Some progress is being made with the problem of reaching scale, through increased collaboration by regulators standardising operating rules across national borders. The Minister of Finance for Jamaica, who promised microinsurance legislation in 2023 when opening the 2022 Conference, has been challenged by the President of the Insurance Association of Jamaica to use his influence in the CARICOM region in the Caribbean to use the Jamaican legislation as a template that other territories in the region can follow, as this, when combined with the enhancements in technology, can build scale. With a number of insurance companies operating in several territories, this appears doable.

The landscape survey is a great source of data for strategic planning for inclusive insurance, and continues to underscore the importance of the partnership between microcredit and microinsurance as a conduit to reach the target population for inclusive insurance. This is a natural partnership with a symbiotic relationship that can significantly increase reach and contain distribution and marketing costs – one of the factors that negatively impacts pricing. The credit union model, with its insurance associate CUNA Mutual, has achieved significant penetration in the target market for inclusive insurance in the Caribbean.

Despite the challenging environment, the future of inclusive insurance has prospects. The landscape study has indicated a rebound from the setback of COVID-19, which created an awareness of our vulnerability and hence the need for insurance protection. The annual conferences continue to provide a forum to share best practices and highlight developments such as new technologies that can help reduce the protection gap and provide a viable safety net for the vulnerable across the globe.

**Orville Johnson**

Executive Director,  
Insurance Association of Jamaica

Kingston, February 2023



## Foreword

In the wake of the COVID-19 pandemic, an unwavering, steadfast commitment to bolstering the financial resilience and risk mitigation mechanisms of emerging consumers continues to be a top priority. Jamaica's Minister of Finance, the Hon. Dr. Nigel Clarke, emphasised this and his country's promise to facilitate access to inclusive insurance to vulnerable populations by tabling the Caribbean's first microinsurance bill in 2023, during his keynote address at the conference's opening plenary.

In a region that is among the world's most prone to climate and disaster risk, subject to natural disasters and catastrophes that ravage entire towns and villages, destroying livelihoods in an instant and pushing low- and middle-income consumers back into poverty, providing them with a financial safety net and the ability to bounce back from unforeseen economic shocks is nothing short of critical.

The preliminary findings of the Landscape of Microinsurance 2022 report, which will be launched in partnership with the UNDP Insurance & Risk Finance Facility alongside the World Bank Spring Meetings in April 2023, encouragingly suggest that overall customer numbers and premiums collected have rebounded to pre-pandemic levels, although the opportunity for insurance in the emerging consumer segment remains very much untapped.

The conference provided a platform to highlight this, and a forum for discussing potential solutions. Harmonising regulation among countries in the same region with similar conditions and small populations could be an important step towards narrowing the insurance gap. Drawing on experiences from elsewhere in the world, this harmonisation would be a welcome step in the right direction to enhance access to inclusive insurance in the Caribbean.

Regulation also remains a challenge for boosting the resilience of migrants. In the aftermath of COVID-19, the plight of migrants in accessing healthcare and a limited safety net of pension and old-age savings when returning to their home countries was highlighted. With 281 million economically active migrants worldwide – which would make it the fourth most populous country globally – it is vital to find solutions to address this, and supervisors could look at experiences from insurance to collaborate across jurisdictions to bolster their resilience.

Women are also an underserved, marginalised segment – resulting in a significant gender protection gap. With insurance specifically, there is a massive market opportunity to offer women-centric solutions. However, gender-disaggregated data must be collected both on the supply and demand sides, and insurers must focus on an overall strategy to serve women.

There is considerable interest in putting weight behind closing the people protection gap – momentum is gathering. Cross-sectoral partnerships should be at the core of the development of solutions, to ensure these are tailor-made and address country-specific risks. Thus with the severity, frequency and predictability of extreme weather events worsening, a global collaborative effort to build resilience such as the Global Shield is a welcome development.

As our Chair, Lorenzo Chan, pondered when closing the conference, "we cannot expect to harvest if we cannot plant, so is this not a perfect opportunity to pursue with purpose?" Much has been achieved when we look back, but there is much more to be done. It's just not right that 90% of people in emerging markets are excluded from all the benefits of being financially included. Business as usual is not an option. This leaves me only to reiterate my words from the conference. In the spirit of the late great Bob Marley: 'Let's get together and make things right!'

**Katharine Pulvermacher**  
Executive Director,  
Microinsurance Network a.s.b.l.

Luxembourg, February 2023





## Acknowledgements

This International Conference on Inclusive Insurance (ICII) 2022 was the first conference to take place in person after the pandemic. The event was hosted by the Insurance Association of Jamaica (IAJ) in Kingston. With around 250 participants from over 50 countries, the ICII was the first global in-person meeting of insurance and development experts after the pandemic. New combinations of online and offline formats were tested, and a lot of technology had to be applied to make this conference a success. This would not have been possible, however, without the hard work of the national conference organising committee, and I would like to explicitly thank Orville Johnson, Executive Director of the IAJ, Rosemarie Henry, Vice President Risk & Compliance, CUNA Caribbean, Alison Christie, Project Manager at the IAJ, and everyone else working in the background for their hard work to pull this conference together in difficult post-COVID-19 times. We would additionally like to thank Sharon Donaldson, President of the Insurance Association of Jamaica (IAJ), and the entire Executive Team of the IAJ, for their ongoing commitment to hosting the ICII 2022, despite financial and organisational challenges and the fact that the event had originally been scheduled to take place in 2020.

A very big “thank you” also goes to all members of the steering committee for their guidance. I would also like to express my sincere gratitude to the speakers and facilitators who volunteered to present their knowledge and led the 26 sessions of this year’s event.

A special “thank you” goes to the entire team of the Microinsurance Network led by Katharine Pulvermacher, Executive Director of the Microinsurance Network, and to its Chair, Lorenzo Chan, CEO of Pioneer Insurance, for their long-term cooperation and support during the ICII 2022.

I would further like to thank all the content partners who hosted a session at the ICII 2022 – Access to Insurance Initiative (A2ii), Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC), Centre for Financial Regulation and Inclusion (Cenfri), Feed the Future Innovation Lab at UC Davis, GIZ, Insurance Development Forum (IDF), International Actuarial Association (IAA), IFC, IFAD, ILO’s Social Finance Programme/Impact Insurance Facility, Katie School of Insurance and Risk Management at Illinois State University, Munich Climate Insurance Initiative (MCII), UNCDF, UNDP, University of Lausanne, University of Liverpool, World Food Programme (WFP) and York University.

An important part of the conference and a great opportunity for international participants to learn about inclusive insurance in the hosting country is the field trip. An unprecedented number of around 50 participants attended this year’s field trip and learned about GK’s interesting journey to develop and provide insurance to smallholder farmers. I would therefore like to make a special mention of Jordan Tait, Assistant General Manager Commercial Lines at GK Insurance, and his entire team, who made this wonderful learning experience possible.

This report summarises the discussions and learnings of the ICII 2022. It was written by a dedicated team of volunteers, who devoted a substantial amount of their time to write summaries and support the editing of this publication. I would make special mention of the team of rapporteurs and authors – José Miguel Flores Contró, Maria Victoria Sáenz, Rishi Raitthatha and Nokuthula Moyo – led by Zahid Qureshi. In addition, I would like to extend my thanks to the Munich Re Foundation conference team – Renate Bleich, Julia Martinez and Natalie Horstmann – for their hard work in the background.

At the same time, I would like to invite participants to attend the International Conference on Inclusive Insurance 2023, scheduled to take place from 23 to 27 October 2023 in Accra, Ghana. The conference will be hosted by the National Insurance Commission of Ghana (NIC), the Ghana Insurance Association (GIA) and the Insurance Brokers’ Association of Ghana (IBAG) in cooperation with Munich Re Foundation and the Microinsurance Network.

### **Dirk Reinhard**

Vice Chair  
Munich Re Foundation, Germany,  
Chair of the Conference Steering  
Committee

Munich, January 2023



**Top to bottom:**

Participants of Workshop 2 working on a life insurance simulation run by the Katie School at Illinois State University, United States

The Mayor of Kingston, **Delroy Williams**, welcomed the participants of the ICII 2022 in Jamaica

**Alison Christie**, IAJ's communications and project manager for the ICII 2022 during workshop 2 (right)



**Top to bottom:**

**Michael McCord**, Managing Director, MicroInsurance Centre at MILLIMAN, United States, received a token of appreciation for his long-term support of inclusive insurance in Jamaica from **Orville Johnson**, Executive Director, IAJ, Jamaica (left) and **Sharon Donaldson**, President, IAJ, Jamaica (centre)

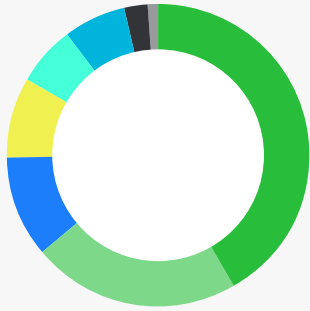
**Renate Bleich** (left), Chair of the Munich Re Foundation, thanks **Michael Kofi Andoh**, Deputy Commissioner of Ghana for hosting the ICII 2023

Participants discussing during parallel session 2



## Participant overview

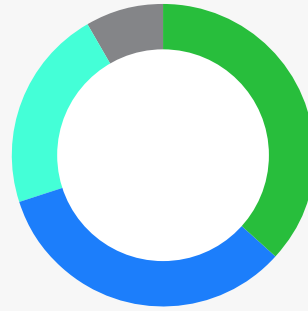
### Breakdown of participants at ICII 2022 by work sector



Insurance and finance industry	41.7%
Donor agencies, development and international organisations	22.3%
Consultants	10.8%
Government and regulatory bodies	8.6%
Microfinance and microinsurance providers	6.5%
Academics	6.5%
Media	2.5%
Other	1.1%

Source: Participants survey ICII 2022

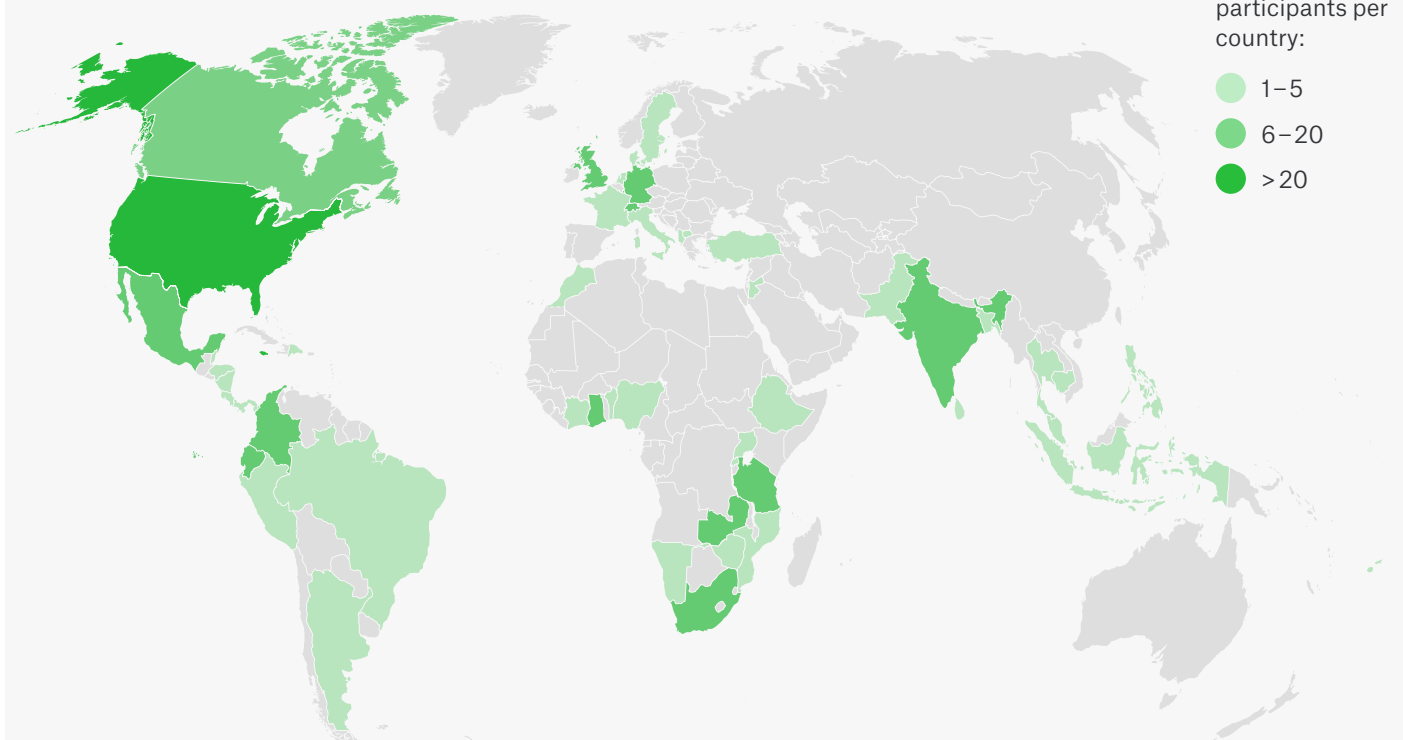
### Main reasons for attending ICII 2022



Networking	36,9%
Learning	33.3%
New business	21.4%
Other	8.3%

Source: Participants survey ICII 2022

### Geographical origin of participants



Source: Participants survey ICII 2022



## Agenda

Day 1—24 October 2022  
Pre-conference workshops

**Workshop 1**  
**Training workshop on index insurance best practices for regulators and practitioners in the insurance sector**  
Hosted by UNCDF

Speakers

**Hannah Grant**

Head of Secretariat, Access to Insurance Initiative (A2ii), Germany

**Krishnan Narasimhan**

Global Lead Specialist and Programme Manager, UNCDF, Fiji

**Agrotosh Mookerjee**

Risk Shield Consultants, index-insurance actuary and leader of the best practice guidelines research team (online), Zambia

**Esala Masitabua**

Deputy Governor, Reserve Bank of Fiji

**Sawsan Eskander**

Actuarial Consultant, Risk Shield Limited, Zambia

Facilitator

**Shriya Sundaram**

Partnerships Coordinator, UNCDF Pacific, India

**Workshop 2**  
**ATLAS Life Insurance Simulation**

Hosted by Illinois State University

Facilitator

**James Jones**

Executive Director, Katie School at Illinois State University, United States

**Steve Crook**

Consultant, Katie School at Illinois State University, United States

**Workshop 3**  
**Partnerships that work: Leveraging PPP collaboration to reach 500 million people by 2025**  
Hosted by IDF's Inclusive Insurance Working Group

Speakers

**Miguel Solana**

Inclusive Insurance Specialist, UNDP, Turkey

**Astrid Zwick**

Head of the InsuResilience Global Partnership Secretariat, Germany (online)

**Katharine Pulvermacher**

Executive Director, Microinsurance Network, Luxembourg

**Kathy Baughman McLeod**

Sr. Vice President and Director, Adrienne Arsht-Rockefeller Foundation Resilience Center, USA (online)

**Ruth Lux**

Head of Public Sector EMEA, Guy Carpenter, UK (online)

Facilitator

**Ekhosuehi Iyahan**

Secretary-General, Insurance Development Forum, UK

**Workshop 4**  
**Coping with climate risk in Small Island Developing States (SIDS): Workshop on disaster risk financing, inclusive insurance, and shock-responsive social protection**

Hosted by the ILO/CCRIF/MCII

Speakers

**Elizabeth Emanuel**

Head, Technical Assistance Manager Team and Head, Corporate Communications Manager Team, CCRIF SPC, Cayman Islands

**Raja Nazaruddin**

Associate Project Manager, Munich Climate Insurance Initiative, Germany

**Mariam Parekhelashvili**

Project Associate with the Institute for Environment and Human Security at the United Nations University in Bonn, Germany

Facilitator

**Pranav Prashad**

Senior Technical Officer, ILO's Impact Insurance Facility, Switzerland

## Workshop 1

# Index insurance best practices for regulators and practitioners in the insurance sector

Hosted by UN Capital Development Fund (UNCDF)

By Rishi Raithatha

*The workshop highlighted lessons from a recent report on the first-ever climate and disaster risk index insurance<sup>1</sup> product in the Pacific. It offers best practices for regulators, insurers and governments, and guidelines on creating an enabling ecosystem for sustainable insurance products.*

Climate vulnerability is a significant challenge across the Pacific Islands. The region includes three of the top five most vulnerable countries globally: the Solomon Islands, Tonga and Vanuatu (see Table 1). Rising sea levels have affected most countries in the region: over the last five years, at least 60 Fijian villages that were inland are now by the sea.

In 2022, the UNCDF and A2ii published a new report entitled “Index insurance best practices for insurance regulators and practitioners in the Pacific Island countries” (see Box 1). The enabling regulatory frameworks are essential to developing index insurance products, which have the potential to be important disaster risk management tools for the Pacific Islands. However, countries in the region do not have regulations specific to index insurance. There is therefore a lack of clarity on the treatment of index products. Several organisations, such as the UNCDF, have been active in the Pacific to create an enabling environment for index insurance.

Box 1

### The Pacific Islands landscape

The region is at risk from regular climatic shocks. Category 5 cyclones occur every five years, while Category 4 cyclones occur every three years. Examples include:

- In February 2016, Cyclone Winston – a Category 5 cyclone – affected Fiji.
- In 2018, Cyclones Gita and Harold affected Tonga.
- In 2015, Cyclone Pam (Category 5) hit Vanuatu.

The region’s geography exacerbates its vulnerability to climate shocks. With a population of around ten million people, 80% are in Papua New Guinea. The rest live in 15 countries dispersed over some 1,000 scattered islands. In part, this limits countries’ capacity to provide assistance in the event of a shock.

Source: A2ii & UNCDF Report “Index insurance best practices for insurance regulators and practitioners in the Pacific Island countries (2022)”.

Table 1  
Most vulnerable countries

Rank	Country	Risk
1.	Vanuatu	47.73
2.	Solomon Islands	31.16
3.	Tonga	30.51
4.	Dominica	27.42
5.	Antigua and Barbuda	27.28
6.	Brunei Darussalam	22.77
7.	Guyana	21.83
8.	Philippines	21.39
9.	Papua New Guinea	20.90
10.	Guatemala	20.23
11.	Cape Verde	17.72
12.	Costa Rica	17.06
13.	Bangladesh	16.23
14.	Fiji	16.06
15.	Cambodia	15.80
...	...	...
161.	Germany	2.66

Source: Narasimhan, Krishnan. Presentation “Introducing the Pacific Insurance and Climate Adaptation Programme”. Inclusive Insurance Conference 2022.

<sup>1</sup> Mookerjee, A. et al. (2022). Index insurance best practices for insurance regulators and practitioners in the Pacific Island countries. (A2ii and UNCDF)

**Hannah Grant**

Head of Secretariat, Access to Insurance Initiative (A2ii), Germany



Pre-conference workshop 1  
 Index insurance best practices  
 for regulators and practitioners in the  
 insurance sector

**Insurance initiatives in the Pacific**

The Pacific Insurance and Climate Adaptation Programme (PICAP) is jointly run by the UNCDF and the United Nations Development Programme (UNDP). The programme’s objective is to improve financial and market preparedness for climate and natural disasters, and to promote market-based climate risk solutions in the Pacific. This includes micro- and meso-level solutions focused on agriculture, fisheries and tourism. Through this initiative, the UNCDF led the launch of the first index insurance product in the region in 2021 – in Fiji (see Box 2).

To develop this product, the UNCDF followed a “market system development” model. This involved bringing stakeholders together to form and catalyse an insurance market (see Figure 1). Through this approach, the UNCDF aims to encourage and de-risk the private sector’s entry. This has involved developing a digital index insurance product and building insurance value chains that involve several stakeholders. These include local underwriters, aggregators (such as cooperatives and off-takers), mobile money providers and other digital financial service providers, and other ecosystem partners.

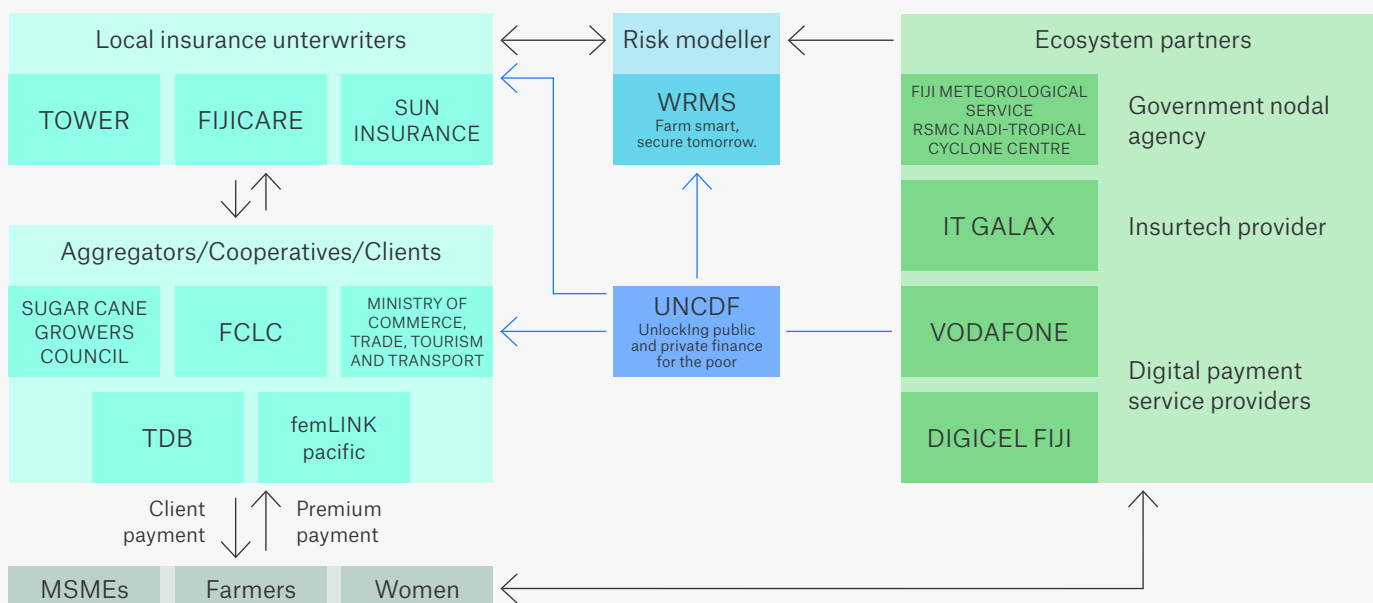
**Box 2**

**Index insurance in Fiji**

- Launched in August 2021.
- At least **1,388 individuals are insured**, of whom around 25% are women.
- The target is **to reach at least 85,000 customers**
- First insurance product in the region to use **digital onboarding**.
- Premiums are **subsidised by the Government of Fiji**.
- The government granted a **VAT exemption** to make the product affordable.

Source: Narasimhan, Krishnan. Presentation “Introducing the Pacific insurance and climate adaptation programme”. Inclusive Insurance Conference 2022.

Figure 1  
**Fiji microinsurance value chain**



Source: Narasimhan, Krishnan. Presentation “Introducing the Pacific Insurance and Climate Adaptation Programme”. Inclusive Insurance Conference 2022.

Pre-conference workshop 1  
Index insurance best practices  
for regulators and practitioners in the  
insurance sector

Distribution across island nation states is complex and challenging. For countries in the Pacific, bricks-and-mortar distribution was seen as inefficient and expensive. As a result, digital delivery via mobile money and fintechs was adopted. This digital-first approach has contributed to the product seeing early scale, with the number of index insurance products growing from zero to five since 2020.

### Best practice considerations

Several index insurance pilots have been launched worldwide, with many only lasting one or two seasons before spinning off. This has often left customers without protection, as many might not have been fully aware of their pilots ending. However, pilots not becoming fully fledged schemes has led to several lessons for index insurance providers to consider.

Based on these lessons, the report introduced a checklist for all types of index insurance stakeholders to use when designing and launching a product. This is based on best practices across three specific elements:

- 1. General principles:** Defining and differentiating between different insurance categories;
- 2. Consumer protection:** Product oversight, intermediary and distribution channel requirements; and
- 3. Prudential supervision:** Approval and review of products, and minimum solvency requirements.

### Regulation is a key barrier to scale

Regulation remains a significant barrier for index insurance. This is partly because index insurance regulation and supervision are still at a nascent stage. Many regulators in the region have not included microinsurance in their insurance legislation. Some countries, such as Tonga, lack insurance legislation altogether – limiting insurers' ability to engage with markets.

**Krishnan Narasimhan**  
Global Lead Specialist and  
Programme Manager, UNCDF,  
Fiji



**Sawsan Eskander**  
Actuarial Consultant, Risk Shield  
Limited, Zambia



**Agrotosh Mookerjee**  
Risk Shield Consultants,  
Index-insurance actuary and  
team leader of the best practice  
guidelines research (online),  
Zambia





Pre-conference workshop 1  
Index insurance best practices  
for regulators and practitioners in the  
insurance sector

## Box 3

**Insurance regulation in Fiji**

The Reserve Bank of Fiji has taken a proactive regulatory stance. It collaborates with the insurance sector on financial product design and development, product education and awareness, and data collection.

In terms of policy, the UNCDF worked closely with the Reserve Bank to produce guidelines on how insurance can reach the underserved.

To allow widespread uptake and make the product affordable, the government granted a VAT exemption. According to the A2ii, tax exemptions for insurance are a great example for other countries to follow to improve insurance penetration.

Source: Masitabua, Esala. Presentation "Opening remarks". Inclusive Insurance Conference 2022.

**Lessons learnt**

- The Pacific Islands' sparse geography and population leave them highly vulnerable to climate risk, making insurance an urgent need.
- There are now five index insurance products across three Pacific countries.
- When developing a product, insurance providers should consider best practices on the general principles of index insurance products, consumer protection and prudential supervision.
- Regulators can be proactive by collaborating with the insurance sector on product design, product awareness, and data collection.

**Esala Masitabua**

Deputy Governor, Reserve Bank of Fiji

**Shriya Sundaram**

Partnerships Coordinator, UNCDF Pacific, India



## Workshop 2

## ATLAS Life Insurance Simulation

Hosted by Illinois State University

By José Miguel Flores Contró

*The ATLAS Life Insurance Simulation<sup>2</sup> presented in this workshop is a strategic business game involving the management of a life insurance company. Working in teams, participants ran an established mid-sized life insurance company in an emerging European market.*

### Action learning

The computer-based simulation allows participants to determine and then record a business strategy for a mid-sized life insurance company. The software, available in five languages (English, Spanish, French, Romanian and Turkish), has been used in such a workshop in some 39 countries around the world.

The process of developing a strategy involves making decisions in two product categories (protection and regular savings) and two routes to market (direct sales force and independent financial advisors). Although the software is based on mainstream insurance products and is not focused on the inclusive insurance market, it allows teams to plan, operate and manage a mid-sized life insurer in a virtual insurance market's competitive environment. With access to past performance measures and management accounts, participants are made aware of all the decisions companies need to take throughout their business cycles, and how these correlate in a big picture. Learning the levers of a life insurance company means knowing how adjusting them impacts financial ratios and other key indicators.

The workshop involved four different teams taking over their own life insurance company in the fictitious country of Fustia (see Box 4). The country's economy has low inflation, facilitating the management of a life insurer. The teams kick off with a low market share, allowing room for growth. But the insurance-buying public is sceptical, an obstacle that can be overcome in part by successfully promoting distinct insurance products.

#### Box 4

##### The market in Fustia

- Developing European market (non-EU)
- Low inflation
- Competitive insurance market
- Each team's market share is less than 2%
- Sceptical public, seeking high levels of financial stability and customer service
- Major changes beset the market

Each company is assigned three products: (1) a savings plan that invests money in a life fund and at maturity pays a lump sum to the policyholder, (2) a protection plan that pays out when the policyholder dies, and (3) a pension product (see Box 5).

#### James Jones

Executive Director, Katie School at Illinois State University, United States



#### Steve Crook

Consultant, Katie School at Illinois State University, United States



#### Box 5

##### Products written by the life insurance company

- Savings: regular premium unit-linked savings plan
- Protection: regular premium term life cover
- Pension: single premium unit-linked product (second period)

Workshop 2  
ATLAS Life Insurance Simulation

The simulation can be run for up to five decision years, but just one decision year was run for this workshop. Performance is assessed using a balanced scorecard of financial and non-financial measures.

The challenge for the teams unfolds in a number of key stages:

**Analysis**

- of the market
- of the needs of the target policyholders

**Business plan**

Key business decisions include:

- pricing strategy
- incentivising agents and independent financial advisers
- spending on corporate advertising and product-specific marketing
- expenditure on information systems, staffing and salaries
- management of investment funds

**Strategy implementation**

Teams explore alternative strategies before implementing decisions.

**Feedback and review**

Actual results are evaluated to demonstrate each plan’s relative merits.

An interesting metric participants deal with is customer satisfaction, which needs to be greater than 80% by the end of the exercise (see Box 6). This indicator is particularly important because it has a direct impact on the life insurance company’s business retention levels. Life insurance businesses usually do not make any profit during the first year (when they write a policy) but over time, underscoring the importance of client retention. Keeping the sales force satisfied is critical for producing and retaining business and avoiding the cost of hiring and training new staff.

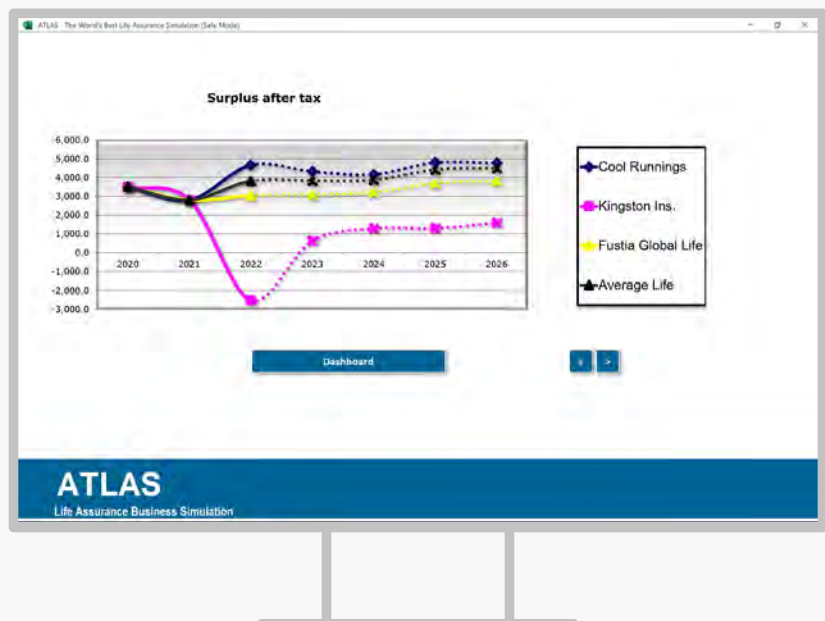
**Box 6**

**Key objectives**

- Growth in embedded value of 50% over five years
- Market share of 3% over five years
- Increase in annual premium equivalent of 50% in five years
- Customer satisfaction of 80% or more
- Sales staff retention of at least 75%
- Maintain solvency requirements as per regulation

At the end of the exercise, each company’s performance is evaluated using a balanced scorecard of non-financial and fundamental financial measures such as solvency margins and surplus after tax (see Figure 2).

Figure 2  
**Surplus after tax**



Source: Crook, Steve. Presentation “Simulation activity – To plan and manage a small life office in a competitive environment”. International Conference on Inclusive Insurance 2022.

Workshop 2  
ATLAS Life Insurance Simulation

**Workflow in the simulation**

The simulation begins with an executive synopsis of the activities to be performed. These activities take each team to an accessible and updated press release which includes Fustia statistics on business, employment, technology, markets, industry, regulation, finance and economy.

The main working screen (or dashboard) of the tool allows you to view the tracking history and projections of indicators linked to the key objectives (see Figure 3).

The decisions tab is in the centre, enabling teams to price products, set marketing and advertising budgets, and assign brokers' initial and renewal commissions. Customer support (administrative staff per 10,000 policies), IT systems (upgrading front office systems) and investments (amounts of cash, bonds and equities) are some of the other areas where decisions can be taken. The simulation ends by showing the outcome of choices reflected in the bottom lines – solvency margins and the after-tax surplus that can be set aside for growth.

**Lessons learnt**

- Running a life insurance company involves a number of choices and decisions – financial and non-financial. Action learning through a computer-based simulation shows how various decisions correlate and jointly affect the desired result.
- As a life insurance company generates profit over time and not usually in the initial years, business retention is paramount. And that is driven by sales staff satisfaction, as well as customer satisfaction.
- Business plans and strategies need to have the flexibility to adjust to market and regulation changes.
- Remaining competitive is key in inclusive insurance too – as more and more mainstream insurers focus on opportunities beyond the saturated traditional markets.

Figure 3  
Main working screen of the software



Source: Crook, Steve. Presentation "Simulation activity – To plan and manage a small life office in a competitive environment". International Conference on Inclusive Insurance 2022.



## Workshop 3

# Partnerships that work: Leveraging PPP collaboration to reach 500 million people by 2025

Hosted by the IDF Inclusive Insurance Working Group

By **Nokuthula Moyo**

*This session discussed enhancing public-private partnerships (PPPs) at the national, regional and global levels, with the aim of increasing the resilience of vulnerable people. The PPP model landscape is quite fragmented, with numerous stakeholders and their suggestions and incentives. A more coherent and systematic approach would help reduce the protection gap, and an ecosystem is needed to coordinate all efforts.*

Setting up sustainable inclusive insurance products takes time and requires all stakeholders to adopt a long-term view, as it takes several years for profits to emerge and for the business to reach scale. PPPs play a key role. Outreach can be increased through cooperation between insurance providers, with their specific expertise, and governments that can provide the necessary regulatory and consumer protection framework, infrastructure and subsidies to get schemes started.

The global protection gap<sup>3</sup> amounts to US\$ 162.5 billion<sup>4</sup>, 96% of which is in developing countries. In these regions, only 1% of natural disaster losses are insured, compared to 30% in developed countries. Response and reconstruction are mainly funded ex post (after the disaster), based on the outcome rather than the forecast.

The G7 countries have now proposed a **Global Shield against Climate Risks** – a coordination mechanism supported by a new financing structure. It will work with new and existing financing partners to analyse countries' protection gaps and design, fund and facilitate the CDRFI (Climate and Disaster Risk Finance and Insurance) measures needed.

Left to right; **Katharine Pulvermacher**, Executive Director, Microinsurance Network, Luxembourg; **Miguel Solana**, Inclusive Insurance Specialist, UNDP, Turkey



**Astrid Zwick**  
Head of the InsuResilience Global Partnership Secretariat, Germany (online)



<sup>3</sup> Protection gap is the difference between the amount of insurance needed and the amount bought. As this can be hard to measure and subjective, the gap is generally meant as the difference between total loss and covered loss.

<sup>4</sup> Lloyd's World At Risk report, October 2018. [www.lloyds.com/worldatrisk](http://www.lloyds.com/worldatrisk)

**Workshop 3**  
**Partnerships that work:**  
**Leveraging PPP collaboration to reach**  
**500 million people by 2025**

Following up on this proposal for pre-arranged solutions is the **InsuResilience Global Partnership**, a joint initiative of the G20+ and V20 (vulnerable economies) bringing together over 120 stakeholders from governments, civil society, international organisations, the private sector and academia. Its **Vision 2025** aims to deliver the benefits of insurance and climate resilience to 500 million people by 2025, of whom 150 million should be protected by microinsurance (see Figure 4).

A key contributor towards this Vision 2025 is the **Insurance Development Forum (IDF)**. The IDF is an industry-led public-private partnership established at COP21<sup>5</sup> to bring together all stakeholders to help achieve the United Nations’ Sustainable Development Goals (SDGs). It is co-chaired by the UN and the World Bank and various industry leaders. Two of the IDF working groups were showcased in the session.

**The IDF Inclusive Insurance Working Group**

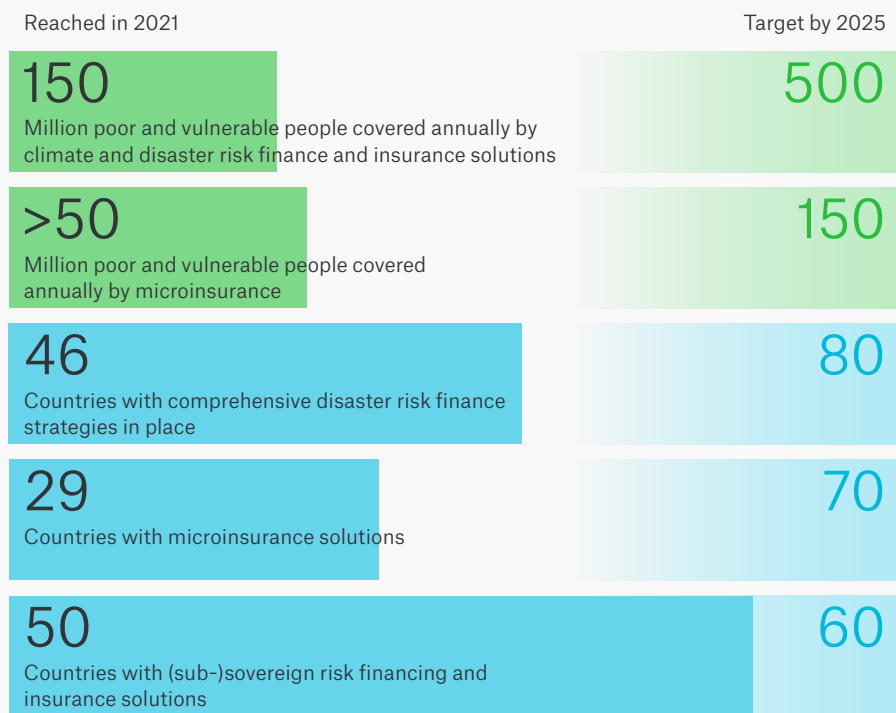
The IDF’s Inclusive Insurance Working Group (IIWG) brings together the private sector, regulators and implementing partners to help countries develop and scale up tailored inclusive insurance solutions. The group’s mandate is:

- Research – assessing the market dynamics of each country and coming up with frameworks for monitoring progress.
- Policy and regulation – to create markets conducive to inclusive insurance and ensure government buy-in for products.
- Products – implementing solutions for a viable market for practitioners.

<sup>5</sup> The two-week 21st Conference of the Parties (COP) to the UN Framework Convention on Climate Change (UNFCCC), which led to the Paris Climate Accord in December 2015.

Figure 4  
**Impact and achievements towards the InsuResilience Vision 2025**

The InsuResilience Global Partnership has a strong bandwidth of solutions all around the globe. 24 implementing programmes were active in 2021, with over 300 projects in more than 100 countries worldwide. Thanks to their collective efforts, 150 million people were financially protected through CDRFI solutions.



The Working Group has defined 21 countries on which to concentrate its efforts. These include four that were given initial priority: Indonesia, Kenya, Mexico and the Philippines. Selection criteria included political will and stability, legal and regulatory environment, and development of the insurance market.

Source: Zwick, Astrid. Presentation “The InsuResilience Global Partnership for Climate and Disaster Risk Finance and Insurance”. International Conference on Inclusive Insurance 2022.

**Workshop 3**  
**Partnerships that work:**  
**Leveraging PPP collaboration to reach**  
**500 million people by 2025**

**The IDF Sovereign and Humanitarian Working Group: Tripartite Programme**

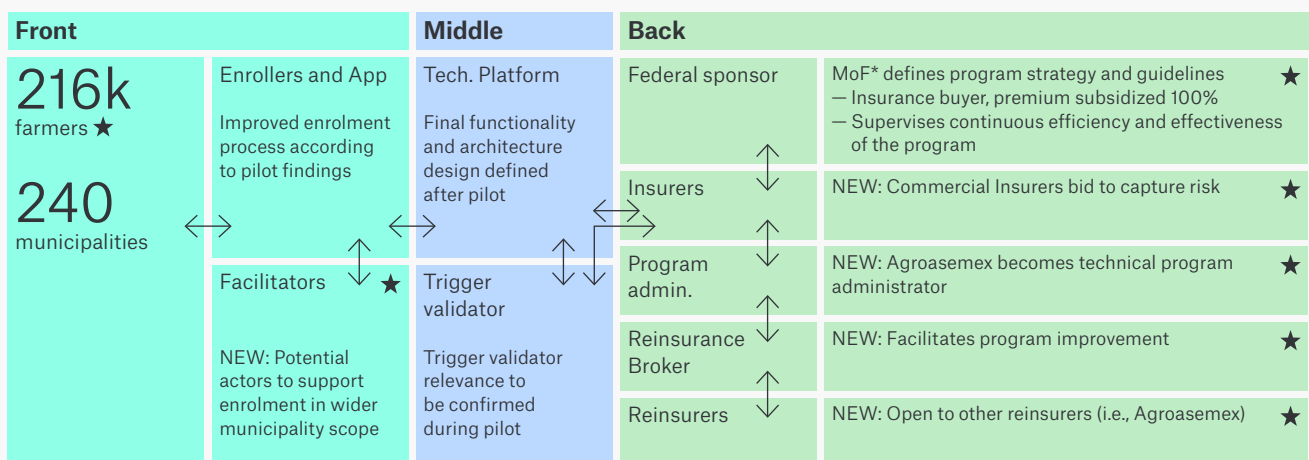
The Sovereign and Humanitarian Working Group seeks to reduce the protection gap through new risk financing in vulnerable countries and regions prone to climate disasters. The group supports local sub-sovereign and humanitarian initiatives. The goal, driven by the Tripartite Agreement<sup>6</sup> of 2019, is to provide technical assistance to 20 countries by 2025 and invest US\$ 5 billion in risk capacity to increase resilience to climate risks. To date, there are four projects in execution with a projected capacity of US\$ 570 million and 12.5 million beneficiaries, six projects in various stages of investment application with a projected capacity of US\$ 530 million and 25 million beneficiaries, and eight new countries where project teams are in place. The projects cover risks including floods/ rainfall, drought, wind and earthquakes. Six projects are run with external model providers, three are indemnity-based, and nine parametric or index-based, including one in Mexico (see Box 7).

**Box 7**  
**Mexico: Parametric insurance for smallholder farmers**

There are 4.4 million small farmers in Mexico, most of whom rely on their crops for self-consumption, so climate risk not only impacts their economic prospects but food security as well. The IDF Sovereign and Humanitarian Working Group, together with Mexico’s Ministry of Finance, came up with a parametric insurance product for small corn farmers. The parametric product provides a direct payout based on rainfall measurements, resulting in faster processing of claims. It is highly reliable, since a third party ratifies the triggers, and is also straightforward simple, with reduced operational complexities (see Figure 5).

<sup>6</sup> The Tripartite Agreement, reached by IDF, UNDP and BMZ (Germany’s Ministry of Economic Cooperation and Development) during the UN Climate Action Summit of September 2019, is aimed at leveraging and rallying local contributors to scale up pre-mechanisms for climate resilience and adaptation.

Figure 5  
**Overview of the parametric insurance product operating model**



★ Main differences vs. pilot operating model

**Workshop 3**  
**Partnerships that work:**  
**Leveraging PPP collaboration to reach**  
**500 million people by 2025**

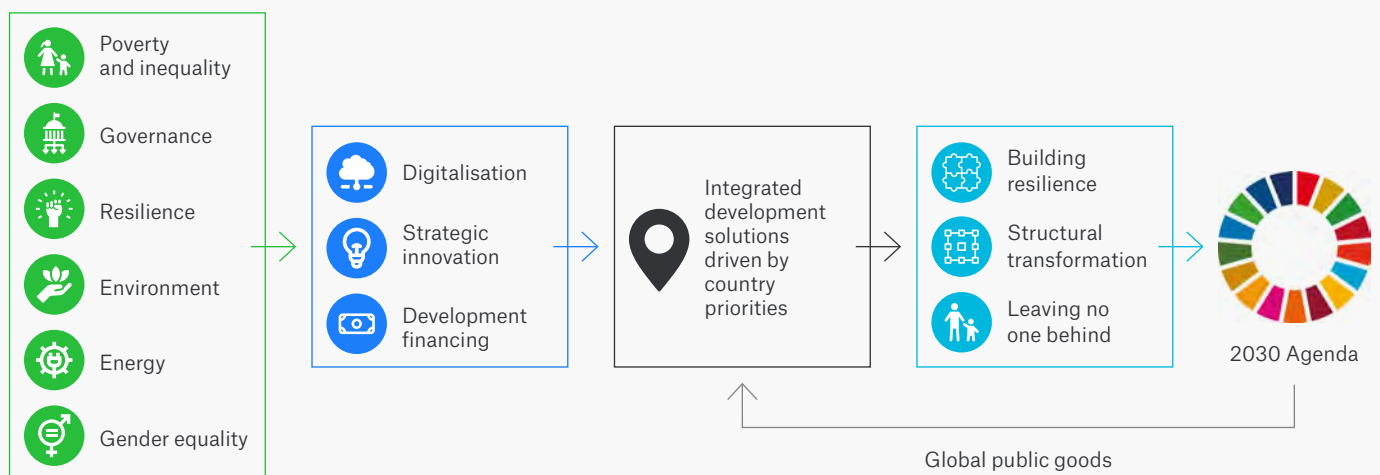
The workshop also featured some other national and international partners launching and scaling up micro-, meso- and macro-level insurance schemes to support social protection systems:

**UNDP**, the United Nations’ lead agency on international development, works in 170 countries and territories to eradicate poverty and reduce inequality, integrating insurance into its mandate (see Figure 6).

In 2021, UNDP launched **the Insurance and Risk Finance Facility** to create markets conducive to insurance and foster supportive regulation and policies, with incubators for products tailored to the focus countries. It expects support from the insurance-linked securities (ILS) market in the future.

**The Adrienne Arsht-Rockefeller Foundation Resilience Center** at the Atlantic Council was formed three years ago to help vulnerable communities cope with urgent crises, in particular from climate change and especially heat, as rising temperatures everywhere impact all spheres of life. The foundation’s work includes building an understanding of heat, quantifying the cost of heat waves, and assessing which interventions work best to reduce the risk. Its goal is to craft resilient solutions for 1 billion people by 2030.

Figure 6  
**Integrating insurance into UNDP’s work and mandate**  
 Strategic plan 2022–2025



Source: Solana, Miguel. Presentation "UNDP's work on insurance and risk finance". International Conference on Inclusive Insurance 2022.



### Workshop 3

#### Partnerships that work:

#### Leveraging PPP collaboration to reach 500 million people by 2025

#### Lessons learnt

- Inclusive insurance can reduce the protection gap by:
  - increasing the resilience of vulnerable people so that they can recover after experiencing a loss;
  - enabling people to become more proactive in risk management; and
  - empowering them via more control and choices, as well as access to more developed local insurance markets.
- There is a need for a more coherent and systematic approach to reduce the protection gap – along the lines of CCRIF in the Caribbean, which helped create an ecosystem for parametric index insurance in the region.
- There is limited knowledge on some risks, e.g. rising temperatures causing heat waves.
- Vulnerable people need protection and interventions not only against climate change, but also other growing threats: economic shifts, migration flows and security challenges.

#### Kathy Baughman McLeod

Sr. Vice President & Director,  
Adrienne Arsht – Rockefeller  
Foundation Resilience Center,  
USA (online)



#### Ruth Lux

Head of Public Sector EMEA,  
Guy Carpenter, UK (online)



#### Ekhosuehi Iyahen

Secretary-General, Insurance  
Development Forum, UK



## Workshop 4

# Coping with climate risk in Small Island Developing States (SIDS). Workshop on disaster risk financing, inclusive insurance, and shock-responsive social protection

Hosted by the ILO/CCRIF/MCII

By Maria Victoria Sáenz

*The ILO’s Impact Insurance Facility facilitated this pre-conference workshop. Speakers from CCRIF SPC and the Munich Climate Insurance Initiative explored the natural hazard landscape of small island developing states (SIDS) and the drivers of their vulnerability.*

### Access to quick liquidity without incurring deficits

In 1995, the UN General Assembly created the SIDS Unit in the Department of Economic and Social Affairs (UN DESA). The SIDS are a group of small islands with similar sustainable development challenges. Among these are small but growing populations, limited resources, susceptibility to natural disasters, vulnerability to external shocks, and fragile environments. Their growth and development are also held back by high costs for communication, energy, and transportation, irregular international transport volumes, disproportionately expensive public administration and infrastructure due to their small size, and little to no opportunity to create economies of scale. They include some of the countries most vulnerable to climate change.

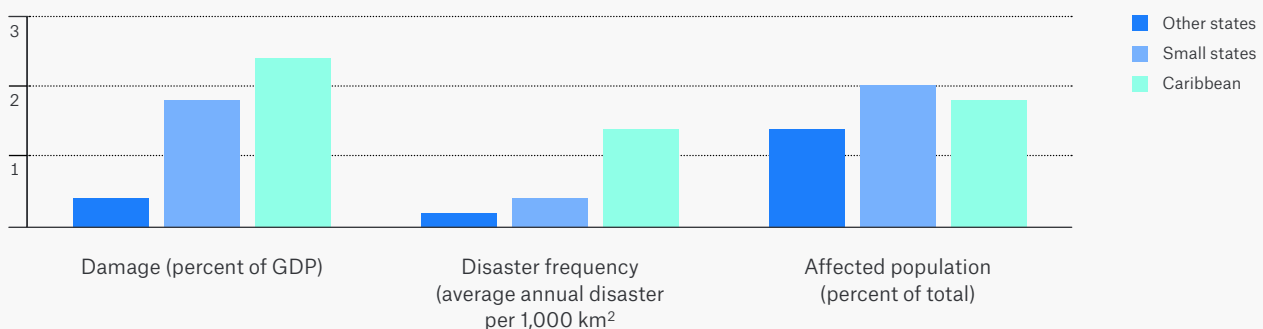
The UN DESA lists 52 islands, 23 of which are in the Caribbean, 20 in the Pacific, and 9 in Africa, the Indian Ocean, and the South China Sea<sup>7</sup>.

The Caribbean natural hazard landscape is characterised by high vulnerability. The region is vulnerable to storms, cyclones, flooding, landslides, earthquakes and tsunamis, as well as economic, environmental, and social hazards. Latin America and the Caribbean (LAC) is regarded the second most disaster-prone region in the world. According to the IMF, the region sustains more costly disasters than similar regions, as illustrated in Figure 7.

<sup>7</sup> Information taken from UN-DESA and Wikipedia.

Figure 7  
**Exposure in the Caribbean compared to other regions**

Highly exposed: Natural disasters occur more frequently and cost more on average in the Caribbean than elsewhere – even in comparison to other small states.



Source: Emanuel, Elizabeth. Presentation “Coping with climate risk: Workshop on disaster risk financing, inclusive insurance and shock-responsive social protection”. International Conference on Inclusive Insurance 2022.

**Workshop 4**  
**Coping with climate risk in Small Island Developing States (SIDS). Workshop on disaster risk financing, inclusive insurance, and shock-responsive social protection**

In many cases, the damage caused by hurricanes devastates the economy. In 2004, the losses from Hurricane Ivan were equal to 200% of Grenada’s GDP; in 2017, the losses from Hurricane Maria amounted to 225% of Dominica’s GDP.

Governments have to address these in a timely manner, a task for which they need quick liquidity without increasing fiscal deficits. Insurance is one of the tools for risk financing, and CCRIF serves as an example. The creation of CCRIF was prompted after Hurricane Ivan (2004), when the Caribbean countries requested assistance from the World Bank.

CCRIF is a multi-country, multi-peril risk pool based on parametric insurance. Parametric insurance can be critical to a country’s disaster risk financing strategy. It pre-finances short-term liquidity,

reduces budget volatility and allows governments to respond to their most pressing needs in the aftermath of a disaster. It is ideally a cost-effective mechanism for pre-financing short-term liquidity.




The governments are the beneficiaries of CRIFF and can receive payouts of up to US\$ 150 million per peril within 14 days of an event. CRIFF is designed to assist countries when they are hit by catastrophic hurricanes and earthquakes. Today, it offers coverage for losses due to earthquakes (ground shaking), tropical cyclones (wind and storm surge), excess rainfall (the amount of rainfall), fisheries (rain, waves, wind, and storm surge), and electric utilities (disruption of transmission and distribution lines by wind). (See Figure 8)

**Shock-responsive social protection**

Sovereign risk financing mechanisms such as CCRIF are likely to be an important solution to support the most vulnerable. In addition, social protection systems have to be transformed to be shock-responsive and adaptive. Governments need to understand the role of insurance in social protection, make inclusive insurance mechanisms available to all, and make them part of their social protection policy. To tackle these conditions, it is important to link the sovereign risk mechanisms (macro level) with the micro level through affordable, accessible, appropriate, simple and responsive<sup>8</sup> products.

The Caribbean has two products that link macro-level insurance with microinsurance: the Caribbean Oceans and Aquaculture Sustainability Facility (COAST) and the Livelihood Protection Policy (LPP), both supported or developed by CCRIF.

Figure 8  
**An illustration of index insurance**

Example: Cyclone (high speed winds)	Example: Flood (excess rainfall)	Example: Drought (deficit rainfall)
<p>Category of cyclone as defined by IMD</p> <p>Category 1 trigger is winds of over 119 km/h (example)</p> <p>Villages or regions that experience higher speed winds will be eligible for compensation under the policy</p> 	<p>100 mm of rain is the average over 30 years</p> <p>If rainfall is double (100% more), it leads to hardships for the population</p> <p>This means the trigger is 200 mm</p> <p>At 300 mm it is considered a total loss for which the insured is eligible for the maximum amount as defined in the insurance policy</p> 	<p>100 mm of rain is the average over 30 years</p> <p>Historically, if rainfall falls by 30%, it leads to hardships for the population</p> <p>This means the trigger is 70 mm</p> <p>At 40 mm it is considered a total loss for which the insured is eligible for the maximum amount as defined in the insurance policy</p> 

Source: Emanuel, Elizabeth. Presentation “Coping with climate risk: Workshop on disaster risk financing, inclusive insurance and shock-responsive social protection”. International Conference on Inclusive Insurance 2022.

#### Workshop 4

Coping with climate risk in Small Island Developing States (SIDS). Workshop on disaster risk financing, inclusive insurance, and shock-responsive social protection

**COAST** is a sovereign product with microinsurance features designed with the immediate needs of fishing communities in mind. COAST provides coverage for losses caused by adverse weather to fisherfolk and for direct damage caused by tropical cyclones to fishing vessels, equipment, and infrastructure. Its design allows the flow of funds to be tracked down to the level of the beneficiaries; it also promotes resilience in the fisheries sector, incentivising policy reforms and smart climate practices. Saint Lucia and Grenada are the pilot countries for this product.

The Livelihood Protection Policy (LPP) developed by the CRAIC project is the other product linked to social protection. It is targeted at individuals and designed to help protect the livelihoods of vulnerable low-income individuals (small farmers, tourism workers, fishers, market and food vendors and day labourers) by providing quick cash payouts following extreme weather events (specifically, high winds and heavy rainfall). Cooperatives are the target of group policies. Group or block policies also target governments to include cover as part of the social protection policy of agencies or local/municipal authorities.

#### Lessons learnt<sup>9</sup>

- Managing expectations: education on parametric insurance, understanding basis risk and the benefits. Clear communication among stakeholders and beneficiaries.
- Product design: continuously improving the models, aligning microinsurance products with national disaster risk management policy, multiple distribution channels, and insurers must understand the target population.
- Market development: local organisations are essential in communicating and building trust.
- Necessary to promote Integrated Climate Risk Management (ICRM), integrate microinsurance into national policies, and embed insurance into National Adaptation Plans and social protection.

8

During the pre-conference, some possible acronyms were mentioned. ASARA, an Arabic word meaning hope, is one of them.

9

[https://www.ilo.org/empent/areas/social-finance/publications/WCMS\\_761882/lang--en/index.htm](https://www.ilo.org/empent/areas/social-finance/publications/WCMS_761882/lang--en/index.htm)

Left to right: **Elizabeth Emanuel**, Head, Technical Assistance Manager Team and Head, Corporate Communications Manager Team, CCRIF SPC, Cayman Islands; **Pranav Prashad**, Senior Technical Officer, ILO's Impact Insurance Facility, Switzerland



**Raja Nazaruddin**  
Associate Project Manager,  
Munich Climate Insurance  
Initiative, Germany



**Mariam Parekhelashvili**  
Project Associate with the  
Institute for Environment and  
Human Security at the United  
Nations University in Bonn,  
Germany





## Agenda

## Day 2 – 25 October 2022

**Opening of the ICII 2022**

Welcome Notes

**Sharon Donaldson**  
President, IAJ, Jamaica

**Katharine Pulvermacher**  
Executive Director,  
Microinsurance Network,  
Luxembourg

**Dirk Reinhard**  
Chairman of the Conference  
Steering Committee  
Vice Chair, Munich Re  
Foundation, Germany

Facilitator

**Orville Johnson**  
Executive Director, IAJ,  
Jamaica

Keynote

**The Honourable  
Dr. Nigel Clarke, MP**  
Minister of Finance and the  
Public Service, Jamaica

**Plenary 1  
Reaching scale in small  
markets: Regulatory  
harmonisation in the  
Caribbean**

Hosted by A2ii

Speakers

**Samantha C. Jn. Paul-  
Samuel**  
Legislative Drafting  
Consultant/Attorney-at-  
Law, Saint Lucia/USA

**Hugo Lecué**  
Task Team Leader –  
Financial Systems, Agence  
Française de  
Développement, France  
(online)

**Rosemarie Henry**  
CUNA Caribbean Jamaica  
Ltd., Vice President Risk &  
Compliance, Jamaica

**Denis Felix**  
Executive Director, Grenada  
Authority for the Regulation  
of Financial Institutions  
(GARFIN), Grenada

Facilitator

**Hannah Grant**  
Head of Secretariat, Access  
to Insurance Initiative (A2ii),  
Germany

**Parallel session 1  
Towards a global shield  
against climate risk – The  
local perspective**

Hosted by GIZ

Speakers

**Reinhard Palm**  
Deputy Head of the Climate  
Policy Division, German  
Federal Ministry for  
Economic Cooperation and  
Development (BMZ),  
Germany (online)

**Joan Thompson**  
General Manager, Jamaican  
Co-operatives Insurance  
Agency Ltd. (JCIA), Jamaica

**Bilal Anwar**  
CEO, NDRMF, Pakistan  
(online)

**Geneva Oliverie**  
Development Specialist,  
Caribbean Policy  
Development Centre,  
Barbados

**Siraz Hirani**  
Senior Programme  
Management Specialist,  
Mahila Housing Trust (MHT),  
India (online)

**Carlos Boelsterli**  
CEO MICRO, USA

Facilitators

**Matthias Range**  
Head of Risk Finance and  
Insurance, GIZ, Germany

**Kay Tuschen**  
Adviser, Secretariat of the  
InsuResilience Global  
Partnership (IGP), Germany

**Parallel session 2  
Digital tools to reach the  
customer**

Speakers

**Barbara Magnoni**  
President, EA Consultants,  
USA  
*Can insurance convince  
women to adopt financial  
technology? The case of  
Mexico*

**Sinja Buri**  
Project Manager at the  
Munich Climate Insurance  
Initiative, United Nations  
University Institute for  
Environment and Human  
Security, Germany  
*The power of word of mouth:  
Innovative consumer  
education approaches in  
small island states*

**Natalia López Uris**  
Senior Policy Adviser –  
International Affairs,  
National Superintendency of  
Insurance, Argentina  
*Women and insurance –  
Innovation Lab experience  
(online)*

**Charlotte Rønje**  
Founder and CEO, Jamii.one,  
Denmark

**Zufan Abebe**  
CEO, Nib Insurance  
Company, Ethiopia (online)  
*Affordable life insurance to  
traditional associations in  
Ethiopia (online)*

Facilitator

**Craig Churchill**  
Head of Social Finance  
Programme, ILO,  
Switzerland

## Agenda

## Day 2 – 25 October 2022

**Parallel session 3: How can we ensure that PPPs are successful in developing the insurance market?**

Hosted by the ILO

## Speakers

**Hugo Lecué**

Task Team Leader –  
Financial Systems, Agence  
Française de  
Développement, France  
(online)

**Ovia Tuhairwe**

CEO, Radiant Yacu  
MicroInsurance Company,  
Rwanda

**Thomas Njeru**

CEO and Co-Founder, PULA,  
Kenya

## Facilitator

**Pranav Prashad**

Senior Technical Officer, ILO,  
Switzerland

**Parallel session 4  
How to create an enabling environment for research on inclusive insurance**

## Facilitator

**Michael McCord**

Managing Director,  
MicroInsurance Centre at  
Milliman, United States

**Glenn Harrison**

C.V. Starr Chair of Risk  
Management & Insurance  
and Director of the Center  
for the Economic Analysis of  
Risk (CEAR), Georgia State  
University, United States

**Plenary 2  
Inclusive insurance in Jamaica**

Hosted by IAJ

## Speakers

**Jordon Tait**

Assistant General Manager –  
Commercial Lines, GK  
General Insurance, Jamaica

**Daisy Coke O.J.**

Actuary and Trustee,  
Tourism Workers Pension  
Scheme, Jamaica

**Katrina Grant D'Aguilar**

Business Relationship  
Officer, Co-operative Credit  
Union League, Jamaica

**Georgia Morrison**

Assistant VP Sales, CUNA  
Caribbean Jamaica Ltd.,  
Jamaica

**Elizabeth Smith**

Senior Insurance Analyst,  
Financial Services  
Commission, Jamaica

## Facilitator

**Michael J. McCord**

Managing Director,  
MicroInsurance Centre at  
Milliman, United States

## Opening of the ICII 2022

“The onset of the COVID-19 pandemic has redefined the importance of inclusive insurance to those who now belong to the seemingly ever-growing vulnerable groups.”

Orville Johnson, Executive Director of the Insurance Association of Jamaica

**Orville Johnson** (left), Executive Director of the Insurance Association of Jamaica, officially opened the ICII 2022.



## Opening of the ICII 2022

By Rishi Raithatha

*Around 250 delegates from over 50 countries attended the International Conference on Inclusive Insurance 2022 in Kingston, Jamaica. The event was the first in-person version since 2019, bringing together new and familiar insurance and development experts, and marked the first time the conference has been hosted in the Caribbean.*

Welcoming the delegates, **Sharon Donaldson, President of the Insurance Association of Jamaica (IAJ)**, outlined how important inclusive insurance is in Jamaica: people in Jamaica are one flood, one fire and one drought away from sinking into poverty. She raised the importance of insurance in protecting people from shocks. Unless they have wealthy relatives, there are few alternative safeguards for people in Jamaica.

Jamaica has recently made steady progress in terms of inclusive insurance. The credit union movement has been providing insurance solutions for over 50 years – debt should die with the debtor, which is often not always the case. In agriculture, GK Insurance has been providing parametric insurance to cover smallholder farmers against flood and drought for the last 12 years.

Insurance development has spread across a range of industries in the country. The recently launched tourism-workers' pension scheme offers insurance and pensions for hotel workers and other marginalised workers – particularly those that are self-employed – who support the tourism industry. The two largest life insurance companies have partnered to provide this product.

The Government of Jamaica's role in insurance is important. When disaster strikes, the government acts as the default insurer for the underserved. The forthcoming legislative framework on inclusive insurance will have a positive impact on industry overall.

The progress that Jamaica makes could be important across the Caribbean, and may catalyse partnerships. Targeting the entire region means that islands facing similar problems can learn from each other. For this and for inclusive insurance to grow, technology is important and should be prioritised when working on new initiatives.

**Dirk Reinhard, Chair of the Conference Steering Committee and Vice Chair of the Munich Re Foundation, Germany**, expressed his delight in meeting in person again after three years. He thanked all partners and sponsors for their support, and reserved special praise for the Insurance Association of Jamaica for its commitment to hosting a conference that was initially scheduled for 2020.

The pandemic has worsened conditions worldwide. The number of undernourished people has risen, while a range of climatic and other shocks are likely to push tens of millions into poverty. These include floods in Pakistan and Nigeria, typhoons in the Philippines and the war in Ukraine. According to the World Bank, these and other events could push a quarter of a billion people into poverty.

The current insurance gap is significant and can be narrowed by focusing on cost. The Caribbean was selected as the host to discuss many important topics, in particular how to overcome barriers to scale and cost-related challenges. Both barriers have affected insurance uptake in the region.

Regulatory harmonisation is important too, particularly in the Caribbean and other small island states – such as those in the Pacific. The Reserve Bank of Fiji has adopted a proactive approach to regulation, an experience that could benefit the wider region.

Sustainable economic development goes hand in hand with risk management. Improving the resilience of billions of people without protection is vital to overcoming several economic issues. This includes the gender gap, access to work, and financial wellbeing. Potential solutions should be efficient and cost-effective. To achieve this, there is a need for more joint efforts by all stakeholders in the industry to combat poverty and achieve sustainable economic development in the process.

## Opening of the ICII 2022

**Katherine Pulvermacher, Executive Director, Microinsurance Network, Luxembourg**, thanked all participants for coming to Jamaica. She highlighted the importance of making connections to have powerful discussions, and encouraged all participants to come up with actions for insurance value chains to progress.

The world is in a difficult place. Financial, economic and political inequality have all worsened, compounded by conflict on Europe's borders. Conflicts have escalated across the world: the events in the Sahel, Ethiopia and Myanmar have set the world back.

Events in much of 2022, such as the Ukraine crisis, have led to storm clouds gathering. However, there is a strong and parallel determination to close the protection gap. Though steady and slow, some progress has been made over the last few years. But there might be a need to do things differently.

Around 90% of people in low- and middle-income countries (LMICs), and even many in developed countries, remain financially excluded. Financial exclusion undermines the financial health of every individual and household. Bob Marley, the most famous Jamaican, sang "No woman, no cry". However, women are still prone to significant gaps. Many women are decision makers and business owners, but still suffer disproportionately compared to men. Women have influence over family decisions and responsibility for managing households. It is important to ultimately see "no woman no cry", because "business as usual" cannot continue.

Left to right: The Honourable **Dr. Nigel Clarke**, MP Minister of Finance and the Public Service, Jamaica; **Sharon Donaldson**, President, IAJ, Jamaica; **Dirk Reinhard**, Chairman of the Conference Steering Committee - Vice Chair, Munich Re Foundation, Germany and **Katharine Pulvermacher**, Executive Director, Microinsurance Network, Luxembourg





“As of October 2022, the government is drafting a bill on microinsurance and pension reform as part of its commitment to the Financial Action Task Force. The legislation is due to be tabled in 2023, which could make Jamaica the first country in the CARICOM<sup>10</sup> with specific legislation on microinsurance.”

Dr. Nigel Clarke, Minister of Finance and the Public Service, Jamaica

**Dr. Nigel Clarke, Minister of Finance and the Public Service, Jamaica,**

delivered the keynote speech. He stated that inclusive insurance is as important as traditional insurance. He pointed out that the focus of the conference was important and relevant to developing new solutions for Jamaica and the region. (See excerpts from his speech below.)

*The COVID-19 pandemic has led to the world's greatest economic shock in over fifty years. The Caribbean was the region most affected by pandemic-induced setbacks. Regional economic growth declined by 14–18%; Jamaica's economy shrank by 10%.*

The Honourable **Dr. Nigel Clarke**, MP, Minister of Finance and the Public Service, Jamaica



*The pandemic made no distinction between developed and developing countries. As of October 2022, only a few countries have lower debt and lower unemployment than they did before the COVID-19 pandemic began and are almost at pre-pandemic levels of economic output. Jamaica is the only economy in the Western Hemisphere that is part of this group.*

*As a result, Jamaica has prioritised economic resilience as a principal aim. Economic shocks, natural disasters and unforeseen events are a feature of the country's economic existence. Due to its size and location and the open nature of its economy, Jamaica cannot escape the impact of shocks.*

*Having the capacity to bounce back from shocks is key. Jamaica has independently sponsored a catastrophe bond, which transfers risk from a natural level to an intense level from Jamaica to the capital markets. This involved placing a grid over Jamaica to monitor centralised air pressure. The catastrophe bond will have one type of trigger for cities such as Kingston and Montego Bay, and a differentiated trigger for the water around the cities.*

*Developing risk mitigation strategies and resilience to climate shocks remains a challenge. The penetration level of general insurance in Jamaica is low. Institutional ways of making insurance more accessible to Jamaicans is a priority. Without insurance, society risks bearing social costs, and financial inclusion will remain a challenge.*

*Access to finance is an important pillar of economic growth and is a broad target for the Jamaican government. Economic growth is dependent on people having access to finance. Finance itself is the oxygen of business all around the world. And a lack of access to financial services can limit growth and prosperity.*

*In Jamaica, the base of the pyramid lacks access to financial resources. The microcredit industry has seen growth, but a lack of regulation has led to bad practices. The government is aiming to introduce legislation to improve the institutional architecture and credit framework. This will allow small businesses and individuals to borrow credit in a safe and affordable manner.*

*Macroeconomic resilience is important for Jamaica, leading the government to make insurance available and accessible.*

<sup>10</sup> CARICOM (the Caribbean Community) is a grouping of 20 countries – 15 member states and 5 associate members – home to around 60 million people.

## Plenary 1

# Reaching scale in small markets: Regulatory harmonisation in the Caribbean

Hosted by A2ii

By Maria Victoria Sáenz

*In smaller multijurisdictional markets like the Caribbean islands, reaching scale is challenging for insurers – particularly in inclusive insurance, where controlling the cost of doing business is key to keeping premiums affordable. A primary measure of help to insurers is to reduce the compliance burden of dealing with multiple licensing and approval regimes. This plenary featured regulatory and other market harmonisation initiatives in the region.*

**Hannah Grant**

Head of Secretariat, Access to Insurance Initiative (A2ii), Germany



### Legislative framework for insurance and pensions

The Eastern Caribbean Currency Union (ECCU) is an offshoot of the Organisation of Eastern Caribbean States (OECS) set up in 1981 to institutionalise political and economic cooperation. It is composed of eight countries with a combined population of 500,000, including just 41,000 for the smallest of the islands, Saint Kitts. The OECS members share a common currency, the Eastern Caribbean dollar, pegged to the US dollar.

Each territory, all of which are sovereign independent states, has its own regulations, some very old and needing modernisation to strengthen risk-based supervision<sup>11</sup>. Developing products for low-income people separately in each island doesn't make business sense, and over the years many insurers and reinsurers have opted out of the region, leaving the vulnerable segments unprotected from the frequent natural disasters. In 2015, the ECCU launched a project intended to establish a single insurance and pension market that would be operational around 2018. A draft law has now been finalised but has yet to be adopted.

The project's goal is to have one insurance and pension market across the eight ECCU countries, with uniform legislation following the IAIS Core Principles in the case of insurance and the OECD/IOPS Core Principles for pensions. The framework includes a single, robust, and well-funded regulator. To this end, the team worked with all the stakeholders through several consultations to review existing legislation and parallel rules dealing with other issues like consumer protection. The inclusive insurance topic will be added in the next stage.

<sup>11</sup>

In 2009 Colonial Life Insurance Company (CLICO) collapsed. The effect on the GDP of the Caribbean countries was estimated at around 17%.

[https://www.researchgate.net/publication/309617363\\_Collapse\\_of\\_CL\\_Financial\\_and\\_Government\\_Intervention](https://www.researchgate.net/publication/309617363_Collapse_of_CL_Financial_and_Government_Intervention)

Box 8 summarises the main provisions of the Insurance and Pension Bill:

Box 8

#### Insurance and Pension Bill main provisions

- Licensing (one common regulator, standard licensing requirements, and process)
- ECCU passport right (gives any insurer incorporated in the region the right to operate in any territory)
- Capital and solvency requirements
- Statutory funds
- Conduct and operation
- Pensions
- Annual levies/administrative penalties and fees
- Consumer protection
- Appeals
- Transition matters

The project also included a commission as a supervisory and regulatory body with a high level of autonomy. Industry experts and policymakers selected by the Monetary Council in consultation with the jurisdictions and industries were to comprise the commission's board.

## Plenary 1

### Reaching scale in small markets: Regulatory harmonisation in the Caribbean

Box 9 summarises the main powers of the proposed commission.

Box 9

#### Commission's main powers

- Licences – conditions and cancellations
- Establishment of binding rules and standards
- Examination and investigations
- Authority to require the production of books and records
- Intervention and binding directions
- Banning powers
- Issuing of industry code of conduct
- Processes and protocols that the regulator and industry agree meet the requirements of the law

#### Private sector expectations

The private sector, represented by CUNA Caribbean Insurance, a company which is active in seven of the eight ECCU territories, highlighted the inconvenience and high cost of dealing with seven different regulators and legislations in such a small market. In general, the private sector has supported the bill throughout the consultations and lobbied for its adoption.

Despite the private sector's request and a thorough analysis of the existing regulations, including consultations with all stakeholders, why has the bill not been adopted?

#### Harmonisation is the only option

The framework for implementing this project is not simple and makes it difficult to reach a consensus: there are eight different parliaments for creating and approving laws, eight separate supervisors, and eight additional (albeit similar) insurance acts. To this day, the Eastern Caribbean Central Bank (ECCB) chairs a committee that meets quarterly to discuss developments in the insurance industry.

Despite some reservations, the supervisors generally support harmonisation and perceive its advantages. These are many: consistency in the way insurers do business and thus consistency in the regulatory process, economies of scale, and the retention of more qualified staff, among others. However, they have three reservations: One is that the approval and adoption of the harmonised legislation would wound cut jobs by 50%. Two, the composition and member selection of the commission. And lastly, the issue of funding. Many jurisdictions pay for funding from the levies and fees from the insurance business.

However, the private sector and the regulators agree on moving forward, since the difficulties are mainly operational and the advantages make it worth trying to reach a consensus.

#### Hugo Lecué

Task Team Leader – Financial systems, Agence Française de Développement, France (online)



Left to right: **C. Samantha Jn. Paul-Samuel**, Legislative Drafting Consultant/Attorney-at-law, Saint Lucia/USA; **Rosemarie Henry**, CUNA Caribbean Jamaica Ltd., Vice President Risk & Compliance, Jamaica; **Denis Felix**, Executive Director, Grenada Authority for the Regulation of Financial Institutions (GARFIN), Grenada



Plenary 1  
 Reaching scale in small markets:  
 Regulatory harmonisation in the  
 Caribbean

**Experience from Africa**

One example that the ECCU may find interesting is the experience of the Conférence Interafricaine des Marchés d'Assurances (CIMA).

CIMA, a regional oversight entity, was created to make the insurance markets in 13<sup>12</sup> countries of the francophone Africa<sup>13</sup> organisation more efficient, stable, and secure. However, the process took some considerable time, starting with cooperation in 1962 and moving into regional integration 30 years later, in 1992, followed by harmonisation of insurance legislation in 1994.

Figure 9 explains the mission and governance bodies of CIMA.

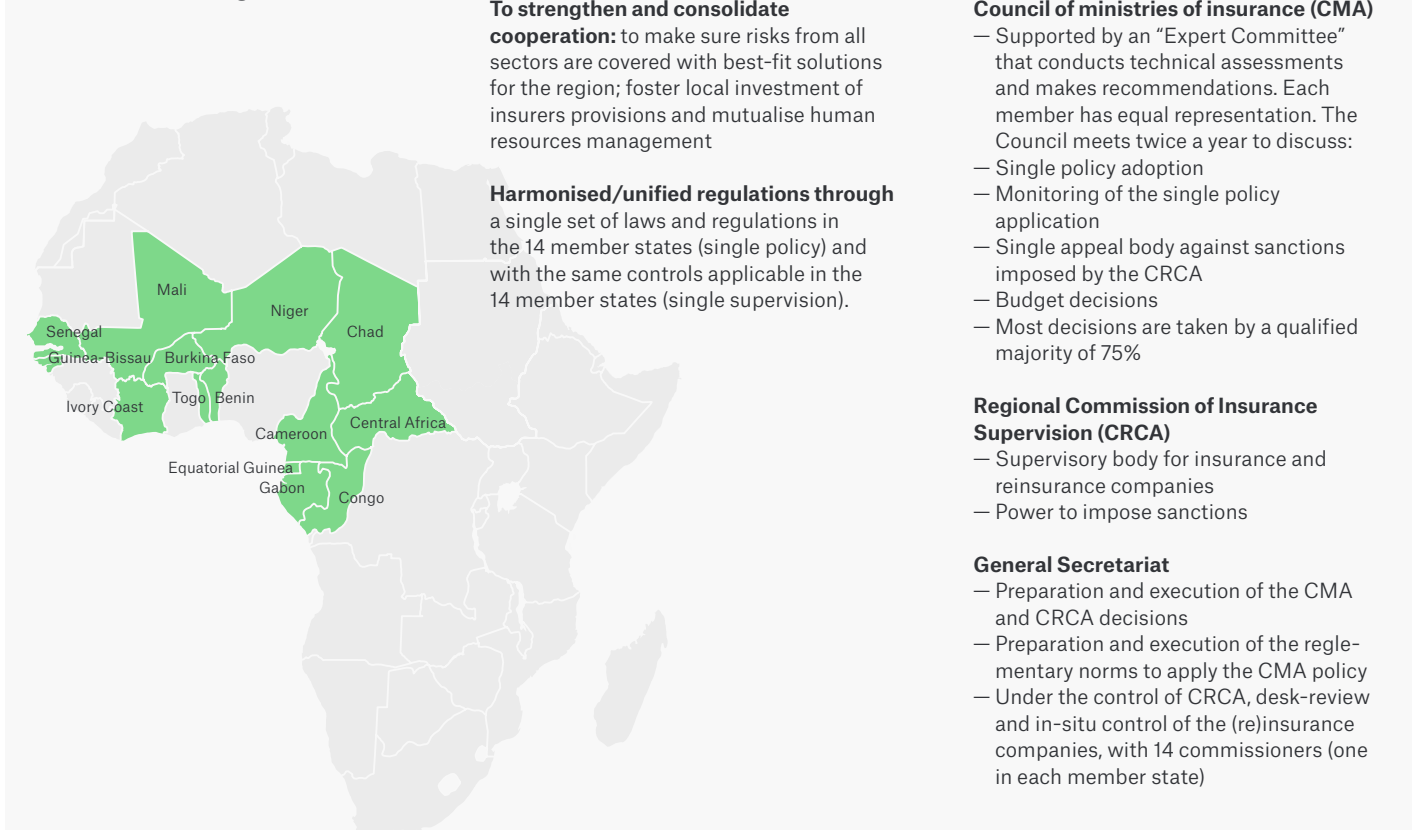
**Lessons learnt**

- Harmonisation of regulation in small countries with similar economies and markets makes business and political sense.
- In terms of consensus, although initially tricky, once the members agree on the framework, it is easy to reach a majority agreement (in CIMA's case, 75%).
- Harmonising regulations can bolster control of insurers' solvency requirements and capitalisation.
- Enforcement of the rules is also a simplified process.
- A harmonised environment facilitates regulatory sandboxes to pilot or experiment with innovations.
- The common framework put in place by CIMA in 1994 can serve as an inspiration for the ECCU's efforts.

12 Benin, Burkina Faso, Cameroon, Central African Republic, Congo, Ivory Coast, Gabon, Mali, Niger, Senegal, Chad, Togo, Madagascar.

13 In 2022, the first non-French speaking country joined CIMA: Guinea-Bissau.

Figure 9  
**CIMA's mission and governance**



Source: Hugo Lecué. “Reaching scale in small markets: regulatory harmonisation in the Caribbean”, ICII 2022. Today, CIMA is the largest insurance regulator in Africa and the second largest in the world after the European Union.

Parallel session 1

Towards a global shield against climate risk – the local perspective

Hosted by GIZ

By Nokuthula Moyo

*This session discussed the vision of the global shield and how local civil society organisations and the financial sector can systematically be included in efforts to achieve it.*

Funding for disaster response and recovery is still mainly arranged ex post, thereby increasing the cost of disasters and their impact on lives and livelihoods. To better protect vulnerable people, there is a need to increase pre-arranged finance that disburses funds quickly and reliably before or just after disasters happen. It can expand the instruments of financial protection for governments, communities, businesses and households, and lower the impact of disasters.

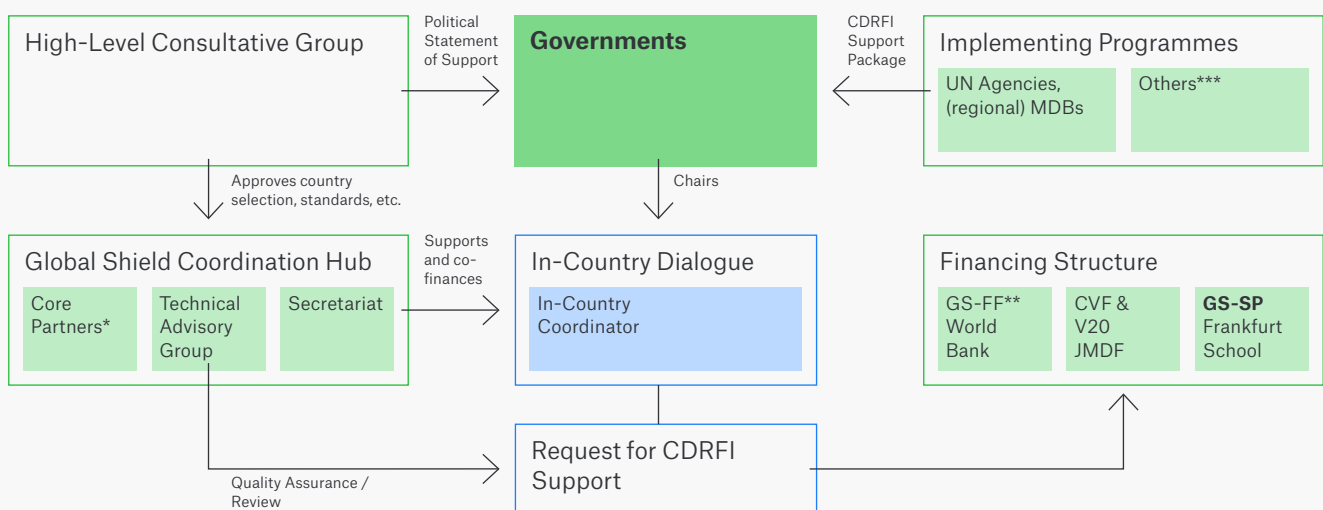
**The Global Shield**

Current efforts – by multilateral development banks and agencies, humanitarian organisations and the private sector – are part of the global Climate and Disaster Risk Finance and Insurance (CDRFI) architecture, which, however, remains fragmented. The InsuResilience Global Partnership, proposed by the G7 in 2015 and launched in 2017, has led to a scale-up in programmes. To build on that

initiative, in November 2022 the G7 announced the Global Shield programme in partnership with V20 (the bloc of finance ministers of the 58 most climate-vulnerable economies). The goal is to rapidly provide insurance and disaster protection funding in the event of floods, droughts or other climate calamities. The Global Shield will be coordinated by G7 president<sup>14</sup> Germany, which is making a seed contribution of US\$ 172 million. It aims to foster systematic, coherent, and sustained financial protection to address, minimise and avert losses and damage from climate change (see Figure 10).

14 In 2023, Japan will take over as the G7 president.

Figure 10  
Proposed structure of the Global Shield



Source: Palm, Reinhard. Presentation "Working towards a Global Shield against Climate Risks – The local perspective". International Conference on Inclusive Insurance 2022.

\* V20 Sec, BMZ, FCDO, ADB, Centre for Disaster Protection, KfW, UNDP, World Bank, IDf Sec  
 \*\* GS-FF can fund both World Bank-executed projects and external projects via transfer-outs  
 \*\*\* Private Sector, Risk Pools, IIF, NDF, GIZ, V20 SIF/UNEP FI PSI, V20 Loss and Damage Funding Program, Climate Prosperity Plans, bilateral G7 programs



Parallel session 1  
Towards a global shield against climate risk – the local perspective

The Global Shield will address deficiencies in current climate disaster response measures and leverage the CDRFI tools and mechanisms to overcome fragmentation.

The Shield will have three main functions:

at the global level, a steering committee, plus a coordination hub to act as a secretariat and recommend decisions for the steering committee; the in-country function, to manage the programme, working with the government and local stakeholders; and the financing function, to coordinate financial vehicles with implementing partners

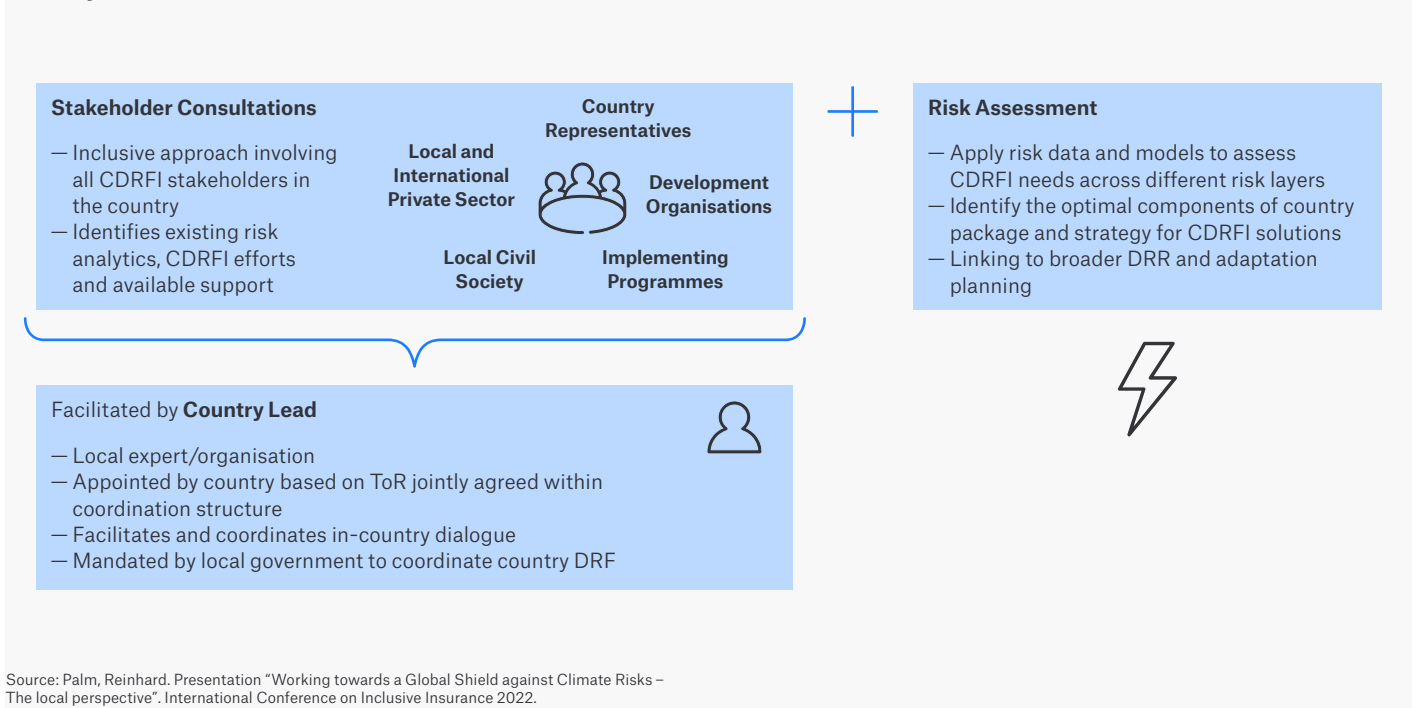
To set up the in-country function, the Global Shield will work with a set of pathfinder countries to set up processes that can be replicated across beneficiary countries. The proposed initial steps are:

1. A government applies to take part in the Global Shield.
2. If accepted, a national coordinator will be nominated to manage the process.
3. The country coordinator or lead will help select supporting agencies, national and/or international ones that will participate in and support the in-country dialogue.
4. The dialogue will start with an analytical stocktaking of the existing protection infrastructure, the needs of the country and its protection gap.

Once the initial steps culminate in a complete risk assessment, the in-country dialogue will reconvene to set up processes to reduce the protection gap. An inclusive process will be a minimum requirement to take part in the programme, with inputs from multiple stakeholders such as local and international organisations, NGOs, regulatory bodies, and vulnerable groups (see Figure 11).

Building on local expertise, the in-country dialogue will decide on the request for CDRFI support and how it will be followed up (see Figure 12).

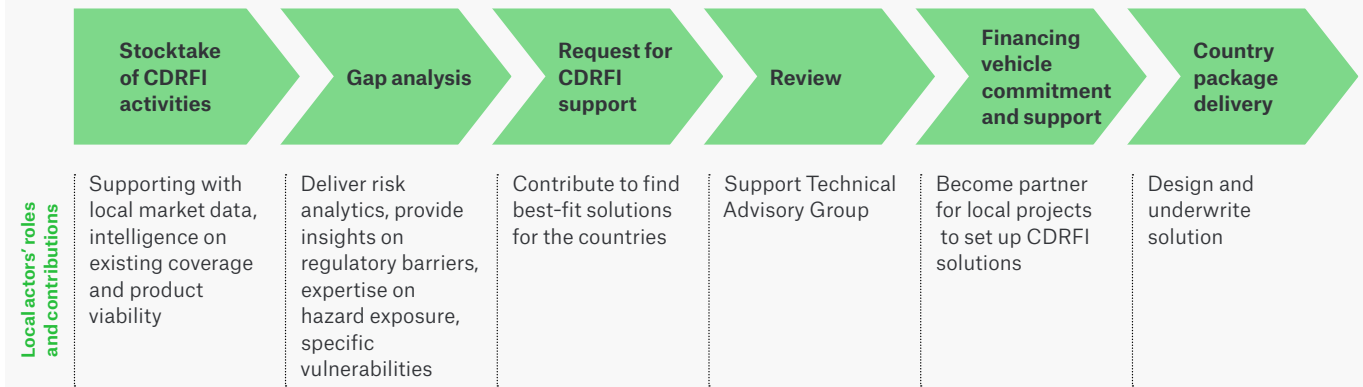
Figure 11  
**Proposed Global Shield in-country process: Country-owned local needs-assessment**



Source: Palm, Reinhard. Presentation "Working towards a Global Shield against Climate Risks – The local perspective". International Conference on Inclusive Insurance 2022.

Parallel session 1  
Towards a global shield against climate risk – the local perspective

Figure 12  
The in-country dialogue builds on local expertise



Source: Palm, Reinhard. Presentation "Working towards a Global Shield against Climate Risks – The local perspective". International Conference on Inclusive Insurance 2022.

Left to right: **Geneva Oliverie**, Development Specialist, Caribbean Policy Development Centre, Barbados; **Joan Thompson**, General Manager, Jamaican Co-operatives Insurance Agency Ltd. (JCIA), Jamaica



Left to right: **Kay Tuschen**, Advisor Secretariat of the InsuResilience Global Partnership (IGP), Germany; **Carlos Boelsterli**, CEO MICRO, USA



## Parallel session 1

## Towards a global shield against climate risk – the local perspective

**Reactions to the Global Shield**

Comments in the panel discussion included: The structure and process should *accommodate assistance initiatives* from local private sector organisations as well as government. These include products and services geared towards vulnerable groups. A major issue locally is the cost of such products.

In addition to addressing affordability, it is critical that financial products do not replicate failed government programmes and are tailored to each community's real needs. Consultation, starting with the local vulnerable community, will help the stock takers understand the needs and mechanism by which the community can participate in the proposed financial products.

Risk transfer is only a small part of the solution. The bigger part is active risk management, i.e. how the Shield will impact the behaviours of people in vulnerable communities. By taking a consultative approach with local communities, the Shield will spur everyone to reduce risk, mitigate, and better prepare, so that only the residual part of the risk is transferred.

A key to ensuring success will be solving distribution constraints and building financial literacy – by complementing new distribution channels with workshops and training sessions.

A two-pronged approach will work: a national-level strategy that incorporates not only insurance but also other financial instruments and facilitates access to both mature insurance products and new, small and targeted products.

The model that could work well for the Global Shield is one that has worked for CCRIF, ARC and others: provide parametric insurance to sovereign governments that cover vulnerable populations. The policyholder is the government, but the actual beneficiaries are the vulnerable communities.

One issue with sovereign plans like CCRIF and ARC is that there is no connection between the insurance industry and people on the ground. The connection is at the sovereign level. We should ensure that there is a primary insurance company on the ground, with the reinsurance scheme and the sovereign scheme serving as a disaster risk stop-loss. This will help with collaboration and with managing risks that we may call uninsurable.

Focus on the capacity of vulnerable individuals' organisations to develop and deploy practical, strategic and operational tools to build resilience and incorporate sustainability. This will go a long way to reducing the cost of insurance. It will also help us remove or reduce moral hazard, which can keep a concept from becoming sustainable.

**Lessons learnt**

- High costs are a deterrent for most providers – to increase coverage, costs to insurers must be lowered.
- Financial products developed should not replicate past failures.
- Proposed solutions should be tailored for each local market.
- By taking a consultative approach with local communities, the Shield will spur everyone to reduce risks.
- The architecture of the Shield should be flexible enough to allow for adjustments.
- Building the capacity of local organisations, and even governments, requires a focus on moral hazard, which often threatens and offsets the objectives of an assistance measure.

**Siraz Hirani**

Senior Programme Management Specialist, Mahila Housing Trust (MHT), India (online)

**Matthias Range**

Head Risk Finance & Insurance, GIZ, Germany

**Bilal Anwar**

CEO, NDRMF, Pakistan (online)

**Reinhard Palm**

Deputy Head of the Climate Policy Division, German Federal Ministry for Economic Cooperation and Development (BMZ), Germany (online)



Parallel session 2

Digital tools to reach the customer

By Maria Victoria Sáenz

*Technology is opportunity. It allows the industry to serve market segments that not so long ago were difficult to reach. This session looked at cases that unlock the potential of technology to enhance processes and increase outreach and affordability.*

**Mexico: Noahui Soluciones**

Mexico has significant economic disparities that influence digital adoption and affect access to modern financial tools. Only 32% of informal workers use a debit card, 40% of women have a debit card (54% of men), and 13% of customers of small grocery shops use cards or digital payment methods (44% of customers in supermarkets).

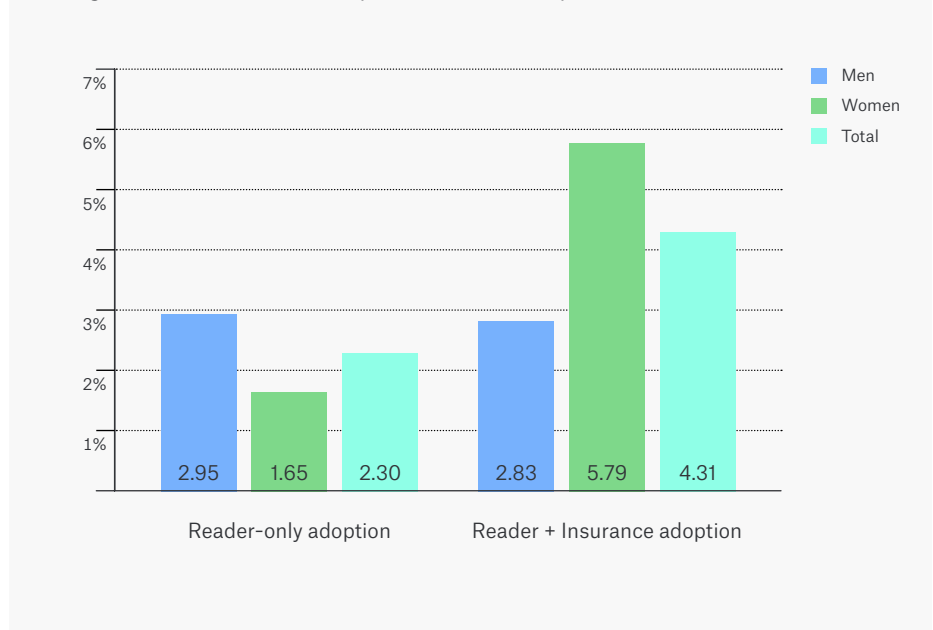
Noahui Soluciones was created to promote digital financial services to small businesses, informal sector workers, and employees. Noahui is a Nahuatl (ancient Aztec) word meaning aunt, an older, wiser, and trusted woman. The Noahuis are women over 40 with close relationships with their communities who, after training in sales, financial services, and technology, serve as sales channels, teaching digital skills to low-income households and businesses.

The beneficiaries must have a smartphone with WiFi and data, know how to use email, and have a bank account or digital payment method.

The objective is to make them adopt and acquire products that facilitate better management of their businesses, specifically the money issues, by using fintech tools like digital card readers. In this case, the small entrepreneurs coached by the Noahuis use the Kiwi fintech platform and a digital card reader.

As a way to incentivise small and medium shop owners to start including fintech solutions, Noahui Soluciones implemented a pilot to see whether bundling free insurance with a digital card reader can increase the adoption of fintech tools. The insurance product offered was a US\$ 1,500 life insurance benefit payable in two tranches: US\$ 750 within 24 hours on presentation of just the death certificate and beneficiary ID, and US\$ 750 after submission of the rest of the documentation required by Mexican law. Kiwi covered the entire premium cost. The product is sold randomly as either a Kiwi card reader only, or a Kiwi card reader plus life insurance. Figure 13 illustrates the results, showing that women are the real drivers.

Figure 13  
**Kiwi Pilot** (Noahui’s result)  
% of eligible customers who adopted and used the product (n=1.694)



Source: Magnoni, Barbara. Presentation "Using insurance to incentivise women’s adoption of insurance: Findings from a pilot with Noahui Soluciones". International Conference on Inclusive Insurance 2022.

Parallel session 2  
Digital tools to reach the customer

**Argentina – Digital support from the regulator**

Most Argentinians see insurance as an expense rather than an investment. In addition, the gender gap is well known, with women having less access to and using fewer insurance products. With this in mind, the Superintendencia de Seguros de la Nación (SSN), the country’s regulator, along with a group of insurance companies, started a campaign “*Mejor con Seguro*” (Better with Insurance) to build awareness and a culture of prevention in Argentinian society. The campaign is a success story, having reached more than one million people, with the video downloaded over 500,000 times and shared on other social platforms over three million times. To further improve the level of engagement, the SSN developed booklets and created a digital character, “*Segurola*”, who “knows everything about insurance”. These add-ins saw a 27% increase in followers and 176.6% in engagement.

Following its participation in the A2ii Second Innovation Lab, the SSN developed an insurance product designed for women and is now enhancing it through a “combo” to protect women’s lives at an affordable price. It includes health, home, life, bag protection, and personal accident coverages. RUS, Triunfo, Sancor, La Segunda and CNP Seguros are the insurance companies participating.

**MCII in the Pacific<sup>15</sup>**

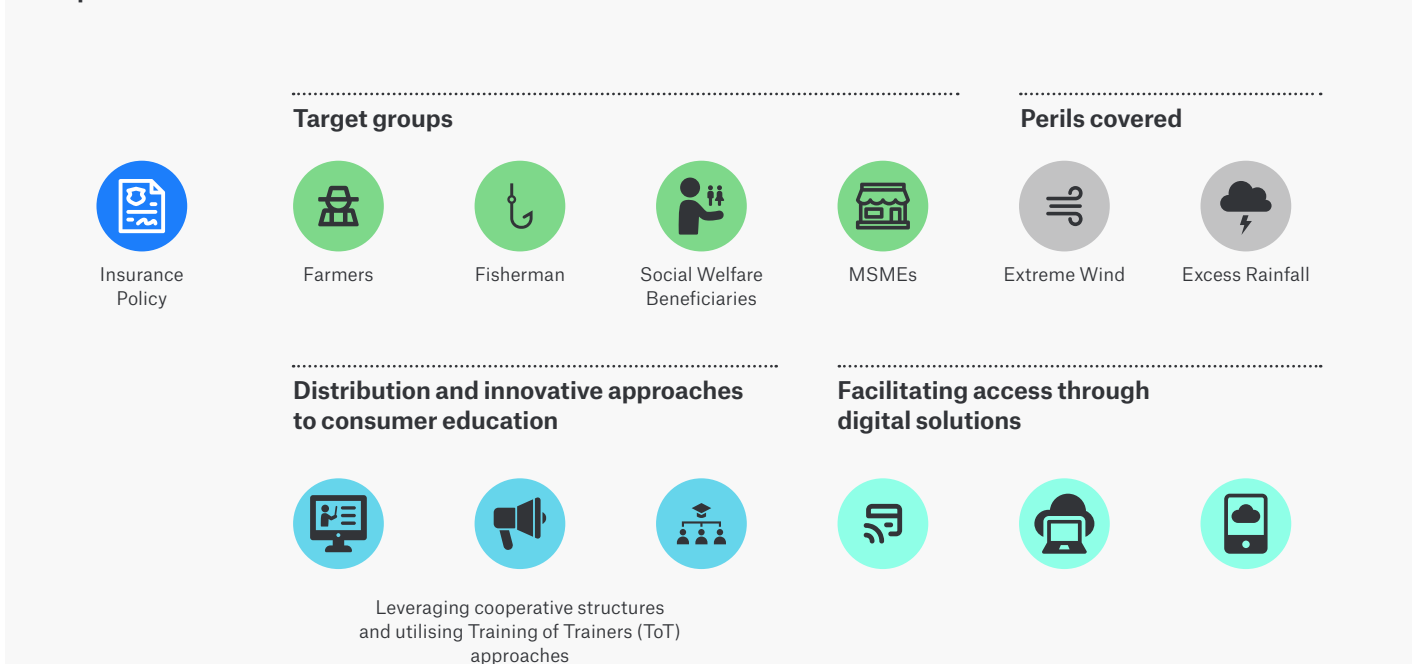
The Pacific Insurance and Climate Adaptation Programme (PICAP) of the Munich Climate Insurance Initiative (MCII) aims to improve the financial preparedness and resilience of Pacific Islanders to climate change and natural hazards through the development and implementation of market-based meso- and microinsurance schemes. The programme, still in its inception stage but already launched in Fiji and expanding to Vanuatu and Tonga, offers the national and sub-national governments the option of subscribing to a ‘macro to micro’ scheme.

When catastrophic events occur, the government receives the payouts and passes them on directly to beneficiary communities. It is the first parametric microinsurance developed for the region and is almost entirely digitised. The target population is the one most vulnerable to climate events (farmers, fishermen, social welfare beneficiaries, SMEs, and their value chains).

Figure 14 illustrates the product’s characteristics, including target beneficiaries, perils covered, and distribution approaches.

15 <https://climate-insurance.org/projects/pacific-insurance-and-climate-adaptation-programme/>

Figure 14  
**Micro parametric climate risk insurance in the Pacific**



Source: Sinja Buri. Presentation “Digital tools to reach the customer. The power of word of mouth: Innovative consumer education approaches in small island states”. International Conference on Inclusive Insurance 2022.



Parallel session 2  
Digital tools to reach the customer

The PICAP project uses the iOnboard Platform<sup>16</sup> to develop an app that is easy to use, facilitates collaboration with insurers, makes the whole process (management, prequalification, approvals, etc.) easier for all and, importantly, leaves a complete audit trail.

The success of this project can be attributed to four factors: the use of technology, evidence-based policy making, innovative consumer education and distribution approaches, and a focus on reaching the more vulnerable, and trying not to leave anyone behind.

**Ethiopia: Nib Insurance Company and Jamii.one**

Ethiopia has a population of 115 million, a poverty rate of 23.5%, and a very low insurance penetration (0.32%). Around 40 million people are organised in community-based groups, many of which have self-insurance schemes for funeral costs and periods of mourning.

**Nib Insurance Company (NIC) and Jamii.one**

A life insurance product with a premium of US\$ 6 per year and a benefit of US\$ 2,000.

**Results:**

- 80+ community-based groups enrolled
- 12,424 people enrolled
- Sixteen claims settled for US\$ 28,000. The first claim was paid two months after the launch.

Claims ratio 35%

Source: Rønje, Charlotte and Abebe, Zufan. Presentation "Nib Insurance Company (NIC) and Jamii.one. Partnering for microinsurance". International Conference on Inclusive Insurance 2022.

Nib Insurance Company (NIC) is a large company offering general and life insurance products since 2002, selling more than 100,000 policies per year. Recently, NIC decided to move into the microinsurance sector with a clear strategic focus and support from the country's top-level administration. It hoped to take advantage of the high potential of serving a wider market and earning a reasonable profit in the long term. To do this, it formed a partnership with a fintech platform, Jamii.one. The resulting product, launched on 1 April 2022, is not subsidised, but the company is making every effort to make it affordable.

Jamii.one is a digital platform and ecosystem enabler, created with and for community-based groups for financial health, with more than 200,000 users of the platform in Ethiopia.

**Barbara Magnoni**  
President, EA Consultants, USA



**Sinja Buri**  
Project Manager at the Munich Climate Insurance Initiative, United Nations University Institute for Environment and Human Security, Germany



## Parallel session 2

### Digital tools to reach the customer

Together, NIC and Jamii.one developed an approach based on utilising existing social structures to build trust, reach people and promote literacy and awareness of insurance. In rural areas, the connectivity and availability of smartphones are sometimes precarious. Jamii.one's system can work with one smartphone to register groups of up to 150 people.

Its success comes from digitalising the groups with Jamii.one technology and reducing the risk by defining a group life insurance. In this way, they build on their tradition of group and self-insurance.

#### Lessons learnt

- Technology is a game-changer. It can facilitate speed, transparency, convenience, scalability and affordability. However, there is still a need for a degree of personal touch.
- Bundling free insurance can help increase the speed and rate of fintech adoption.
- Women in low-income communities may require more time to learn about digital financial services, but they can be the main drivers of adoption.
- It is vital to leverage existing structures like cooperatives or community-based groups.
- Digital tools are an ecosystem enabler, facilitating all processes and thus making the products more accessible and affordable.
- Active involvement in the communities is a must.

#### Natalia Lopez Uriz

Senior Policy Advisor –  
International Affairs, National  
Superintendence of Insurance,  
Argentina (online)



#### Charlotte Rønje

Founder and CEO, Jamii.one,  
Denmark (online)



#### Zufan Abebe

CEO, Nib Insurance Company,  
Ethiopia (online)



#### Craig Churchill

Head, Social Finance Programme,  
ILO, Switzerland



## Parallel session 3

# How can we ensure that PPPs are successful in developing the insurance market?

Hosted by the ILO

By Rishi Raithatha

*The session highlighted how governments can work with the private sector to provide insurance. Lessons learnt from the ILO's work in supporting public-private partnerships were used to showcase new approaches being used by insurance providers and their partners.*

There are several gaps in the agricultural insurance value chain. On the supply side, insurers may lack capacity, while on the demand side, governments lack the experience and budget for an agricultural insurance scheme. As a result, many investors are hesitant to get involved – they see insurance as a gamble. Meanwhile, farmers need insurance but often don't think they need it due to optimism bias.

Governments have a major role to play in inclusive insurance, both in terms of their function in the insurance value chain and in how the scheme works. For inclusive insurance to succeed, there is a need for close interaction with governments and the system's mechanisms, resources and outreach programmes.

Public-private partnerships (PPPs) are more important for insurance than for other sectors. The industry as a whole needs expertise – particularly around inclusive insurance – which is mainly found in parts of its private sector. Governments should provide regulation, a policy on consumer protection, infrastructure and outreach capacity. However, governments may lack specific insurance expertise.

### Why development agencies can drive PPPs in inclusive insurance

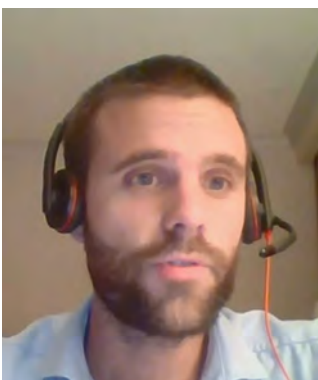
The *Agence Française de Développement* (French Development Agency or AFD) has been working with the International Labour Organization (ILO) to promote the use of PPP models. The AFD's level of cooperation can vary between soft collaboration and deeper involvement, e.g. on product design. Few products are perfect from the outset. Most require incremental improvements as product awareness grows. Besides encouraging innovation through PPPs, the AFD is keen to engage with governments to raise product uptake. Government involvement through either subsidies or infrastructure investment (or both) can add value to the industry.

### Case study: The National Agricultural Insurance Scheme, Rwanda

In 2018, the Ministry of Agriculture in Rwanda (MINAGRI) designed a National Agricultural Insurance Scheme (NAIS) with the aim of reducing the impact of risks in agriculture and building farmers' resilience. Covering both specific crops and livestock through index insurance, the scheme aims to improve smallholder farmers' access to both credit and savings, and to improve agricultural productivity in the process.

#### Hugo Lecué

Task Team Leader – Financial systems, Agence Française de Développement, France (online)



#### Ovia Tuhairwe

CEO, Radiant Yacu MicroInsurance Company, Rwanda (online)



Parallel session 3

How can we ensure that PPPs are successful in developing the insurance market?

The scheme has been structured as a PPP model. The insurance value chain comprises the Ministries of Agriculture and Finance, Access to Finance Rwanda, the National Bank of Rwanda (as the regulator), local insurance underwriters and a range of distribution partners (see Figure 15). These include cooperatives (crop and dairy), milk collection centres, banks, microfinance institutions (MFIs), and Savings and Credit Cooperatives (SACCOs).

Using PPPs has created a conducive environment for agricultural insurance in Rwanda and has been beneficial. The subsidy has encouraged many farmers to join the scheme. All scheme participants are required to adhere to the same standardised terms and conditions, limiting any potential for fraud. The use of an efficient, transparent and uniform claims settlement process has strengthened this co-insurance approach. What is more, the scheme has helped to cross-sell other insurance products to farmers.

**Cast study: How PULA Advisors works with governments**

Governments often run input subsidy schemes or offer cheap credit to farmers, which can cost millions of dollars. These investments can be seen as a risk, as they are not insured. PULA Advisors (PULA), an insurtech based in Kenya, works with seven governments as distribution partners and provides insurance for some of these programmes.

**PULA Advisors product profile**

A life insurance product with a premium of US\$ 6 per year and a benefit of US\$ 2,000.

- Number of people insured: 6.5 million smallholder farmers
- Distribution partners: Over 100
- Insurance partners: 67
- Reinsurance partners: 22
- Premiums collected: US\$ 52 million
- Claims paid out: US\$ 20 million

Source: Njeru, Thomas. Presentation "Public-private partnerships for agriculture insurance adoption". International Conference on Inclusive Insurance 2022.

Figure 15  
NAIS stakeholder roles

	Reinsurer	Insurer	Delivery Channel	Policyholder
<b>What they do? (Responsibilities)</b>	<ul style="list-style-type: none"> <li>– Provides insurance to insurers for catastrophic risks (helps spread the risk further)</li> </ul>	<ul style="list-style-type: none"> <li>– Carries the insurance risk</li> <li>– Pays claims</li> <li>– Receives premiums</li> <li>– Manages regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>– Sells the insurance product</li> <li>– May aid clients with, or settle, claims</li> <li>– Settles premiums</li> </ul>	<ul style="list-style-type: none"> <li>– Buys the insurance scheme (bundled either with livelihood or other products, e.g. credit linkage)</li> </ul>
<b>Examples</b>	<ul style="list-style-type: none"> <li>– International reinsurers</li> </ul>	<ul style="list-style-type: none"> <li>– Domestic commercial insurers</li> </ul>	<ul style="list-style-type: none"> <li>– Insurance Agents</li> <li>– Multi-purpose NGOs</li> <li>– Cooperatives</li> <li>– Banks/MFIs</li> <li>– Agricultural Product</li> <li>– Buyers and Processors</li> </ul>	<ul style="list-style-type: none"> <li>– Farmers</li> <li>– Cooperatives</li> <li>– Milk Collection Centers</li> <li>– Banks/Micro Finance Institutions</li> </ul>
<p><b>Support Structures</b> – Associates, adjustors (veterinary clinics; veterinary practitioners), extension agents</p> <p><b>Regulations and Supervision</b></p>				

Source: Tuhairwe, Ovia. Presentation "How can we ensure that PPPs are successful in developing the insurance market?" International Conference on Inclusive Insurance 2022.

### Parallel session 3

#### How can we ensure that PPPs are successful in developing the insurance market?

In *Nigeria*, the Central Bank of Nigeria lends to farmers at a low rate of interest. PULA offers an area-yield index insurance product. The payout from this product first covers the outstanding loan value to be repaid and leaves some money to compensate farmers for loss of income. Importantly, the scheme has attracted the private sector – at least 14 local underwriters are now involved. The scheme has been a success, having paid out US\$ 7 million in flood claims in 2020.

In *Zambia*, PULA works with the Ministry of Agriculture's Farmer Input Support Programme. Farmers pay US\$ 22 to access an input package worth US\$ 116 that is subsidised by the government. This de-risks the Government of Zambia's investment in inputs for farmers. The insurance is embedded within the input subsidy scheme, while digital extension services and field monitoring are also provided as value-added services.

Embedding insurance with loans or inputs requires establishing a consortium with local insurers to grow capacity and promote champions who continuously build local relationships. There are several challenges to overcome in order to achieve this. For instance, slow, complicated and

ambiguous decision-making processes can make the product onerous to run. Scepticism based on previous experience can limit uptake, including uptake from repeat customers. The lack of government budgets for insurance is a significant barrier too.

According to PULA, there are benefits to working with governments. For instance, providing insurance through a government scheme can be the fastest route to scale. Government extension agents can play a key role in promoting insurance and educating farmers. Once aligned, governments can be an agent for change by amending policy and providing adequate regulation. Government-led subsidy programmes have the potential to crowd in the private sector too, while government involvement can be seen as "de-risking" by private enterprises. For governments, involving the private sector means that they can limit their role as "insurer of last resort".

#### Lessons learnt

- Public-private partnerships are more important for insurance than for other sectors: the industry needs the expertise, which is mainly found in the private sector.
- Governments cannot go it alone with index insurance: they can provide regulation, consumer protection guidelines, infrastructure and outreach – but they lack insurance expertise.
- A national agricultural insurance scheme can create an enabling environment for agricultural insurers, as in the case of Rwanda.
- In Rwanda, a PPP model has empowered the private sector to allocate distribution among themselves, a process that is supervised by the government.
- PULA's experience was that working with governments can be the quickest route to scale. Government-led programmes can de-risk entry for private sector players.

#### Pranav Prashad

Senior Technical Officer, ILO, Switzerland



#### Thomas Njeru

CEO and Co-Founder, PULA, Kenya





## Parallel session 4

# How to create an enabling environment for research on inclusive insurance

By José Miguel Flores Contró

*Research plays an important role in understanding the impact of inclusive insurance. In this session, panellists developed recommendations on how to improve the framework for research on inclusive insurance, make the results more accessible, and bring together topics, researchers and financial resources more easily.*

### Identifying the stakeholders

Producers of research generate both immaterial (concepts) and material (books) forms of knowledge. They include, among others, academics doing theoretical and empirical work, academic policy centres and think tanks, general and specialist consulting firms, government agencies, non-governmental organisations (NGOs) and international agencies. Potential consumers of research may also be producers of research – including insurance and reinsurance companies, specialist government agencies and international organisations, insurance regulators, policy advocacy organisations and lawyers.

#### Box 10

#### The three main axes for research on inclusive insurance

1. Producers of research
2. Consumers of research
3. Barriers to research

### Dealing with barriers

There are several obstacles in the research environment. For research on inclusive insurance, barriers include difficulties in differentiating research in progress from research that is ready to be used in the field

- Obstacles to finding long-term funding to build teams
- Lack of incentives to communicate and explain research
- Absence of awareness of the potential relevance of research
- Policy inertia (including lobbying forces at work)
- Availability and privacy of data

Indeed, one of the main factors preventing academics from being far more relevant in the inclusive insurance industry is the lack of access to the actual claims data. Most often, graduate students preparing to become tomorrow's skilled workers in the inclusive insurance industry are taught with simulated data that may be useful for learning the techniques, but may not hone them for dealing with real data.

The absence of an adequate research question is also a critical hurdle. Typically, research questions arise when producers of research read what their peers have done previously, so they can then adjust their work to come up with a new result. This might not be the best approach, as previous research could not have been relevant at the time of publication nor over the years. This highlights the importance of increasing interaction among producers and the consumers of research – readers – as this is likely to give rise to innovative and impactful research ideas. Certainly, events such as the International Conference on Inclusive Insurance (ICII) are the perfect place to establish these types of relationships and generate valuable research questions.

### Making research practitioner-friendly

*Communicating research to practitioners is not an easy task. Making research more practitioner-friendly is certainly an area of opportunity for research on inclusive insurance. Compared to other disciplines such as accounting and financial planning, research articles that are focused on insurance are characterised as being complex and tedious reading for practitioners. This becomes more apparent when looking at the list of subscribers to the top academic journals. In the case of accounting and financial planning, these lists are composed of numerous practitioners, while the subscribers and editors of the top academic journals focusing on insurance are mostly academics. Getting practitioners to participate more in journals (e.g. as guest editors) would go a long way towards producing more practitioner-friendly research.*

**Michael McCord**  
Managing Director,  
Microinsurance Centre at  
Milliman, United States



Parallel session 4  
How to create an enabling environment  
for research on inclusive insurance

*Interdisciplinary knowledge and application of different disciplines* can lead to greater creativity. Moreover, it can also be of help when communicating research. Gender-sensitive index-based agricultural insurance products, which are starting to be introduced in some developing countries, are, generally speaking, examples of success stories of integrating knowledge on inclusive insurance across disciplines. Gender specialists, economists and remote-sensing scientists jointly contributed to the design of these specific insurance products. Gender specialists helped understand the differences men and women present when accessing agricultural insurance, whereas economists quantified the sustainability of the products, and remote-sensing experts assessed the viability of spatial mapping and monitoring tools (e.g. satellite image archives) to reach product scale.

Undoubtedly, there is also *the challenge of keeping staff engaged in academia*. A wave of departures, mainly of young and mid-career scientists because they are more likely to find better job opportunities in the private sector, has become a common denominator at universities and research institutes. This is particularly common in the field of insurance mathematics and economics. Thus, maintaining strongly motivated researchers is key for the feasibility of research on inclusive insurance.

**Lessons learnt**

- Establishing collaborations and good communication between producers and consumers of research can bring significant benefits to the inclusive insurance industry.
- The absence of an adequate research question is one of the main hurdles for research on inclusive insurance.
- Insurance regulators can use much more research in various aspects of their work.
- Making research more practitioner-friendly is an area of opportunity for research on inclusive insurance.
- The combination of interdisciplinary knowledge could be seen as the key to addressing challenges such as the lack of creativity and the inadequate ways of communicating research outcomes.

Table 2

Barriers	Ideas
Research in progress vs market ready	Avoid mission creep (stay within scope) Clearly defined objectives and target audience
Research quality	Impact research access to good data that really matters
Sustainable funding	Creating long-term structures and finding the right partners (building local capacity)
Knowledge exchange incentives	More interdisciplinary research Start with a real-world problem Educate industry on importance of research
Relevance and awareness	Sprints
Policy inertia	Small experiments Sandboxes
Data privacy and availability	Access to real world data Registry data partner data, consultant data

**Glenn Harrison**

C.V. Starr Chair of Risk Management & Insurance and Director of the Center for the Economic Analysis of Risk (CEAR), Georgia State University, United States



Source: Harrison, Glenn and McCord, Michael. Presentation "How to create an enabling environment for research on inclusive insurance". International Conference on Inclusive Insurance 2022.

## Plenary 2

## Inclusive insurance in Jamaica

Hosted by the IAJ

By Rishi Raithatha

*This plenary discussed opportunities for and barriers to market development in Jamaica. The inclusive insurance space in Jamaica has witnessed numerous achievements and improvements. Within the Caribbean, Jamaica is viewed by other island nation states as a model for new ideas and guidance.*

### Why penetration is low in Jamaica

A recent “landscape diagnostic study” on Jamaica, carried out by the Microinsurance Centre at Milliman, found that many Jamaicans were only likely to buy insurance if it was mandatory, e.g. motor and life insurance. Most were either disinterested or did not trust insurance. To overcome this obstacle, general and life insurance companies started offering micro-insurance products. Since their launch, the use of these products for both non-life and life insurance has grown.

To improve awareness, insurance, its benefits, and the impact of climate change were promoted in several ways. Sensitisation campaigns were carried out for corporate and rural stakeholders, while electronic media were used to promote insurance to a wide audience.

The process of building insurance schemes and developing an insurance education programme has benefited from engagement with a range of stakeholders. For instance, working with international organisations such as the International Association of Insurance Supervisors has improved technical knowledge and capacity.

### Distribution through credit unions: CUNA Mutual

Since 1941, credit unions have played an important role in improving financial inclusion in Jamaica, typically welcoming customers who couldn't access formal financial services elsewhere. There are now over 100 employee-led and community-based credit unions.

Credit unions have served as a distribution channel for access to credit and savings. In Jamaica, insurance can often be inaccessible, which has prompted the Co-operative Credit Union League to offer affordable policies to all. Microinsurance is offered in partnership with CUNA Mutual (see Box 11).

To raise awareness of insurance and climate change among its members, education and literacy campaigns are run by the Co-operative Credit Union League. These campaigns are essential, as access to financial services is important to foster a sense of belonging and choice.

#### Jordon Tait

Assistant General Manager – Commercial Lines, GK General Insurance, Jamaica



Left to right: **Katrina Grant-D'Aguilar**, Business Relationship Officer, Co-operative Credit Union League, Jamaica; **Georgia Morrison**, Assistant VP Sales, CUNA Caribbean Jamaica Ltd, Jamaica



## Plenary 2

### Inclusive insurance in Jamaica

#### Box 11

#### CUNA Mutual profile

CUNA Mutual has two million members across 12 territories in the Caribbean. CUNA provides its services through 25 credit unions in Jamaica, which have 116 branches – offering a good access point for insurance solutions. In Jamaica, CUNA serves around one million members.

Credit is a key driver to grow the microfinance sector. CUNA has partnered with the Co-operative Credit Union League to insure loans. The objective is to protect households and reduce financial instability and the risk of default.

The insurance product covers the loan balance if a borrower passes away or develops a disability. This means that the debt dies with the debtor – the family will not have to worry about the loan. This reduces the impact of the shock on the family and their vulnerability. The credit union pays the premium rather than passing it on to the borrower. This is down to CUNA's ethos on partnership. Loan instalments can be paid by the credit union if the borrower develops a temporary disability.

CUNA offers savings plans as well as insurance: microentrepreneurs are seen as good savers. Their savings are insured too, with premiums paid by the credit unions. In the event of a death, a named beneficiary can receive twice the value of the savings. Long-term savings goals are also insured. This is a favourite product for many, as the savings goal is insured, e.g. savings for university fees. If the account holder passes away, their child can still go to university thanks to the insurance payout.

CUNA offers up to 11 different family illness and life insurance plans. Individuals can insure themselves and up to five family members for one monthly premium. With the family illness plan, five extra people can be added for an additional charge.

Source: Morrison, Georgia. Panel presentation. International Conference on Inclusive Insurance 2022.

Left to right: **Daisy Coke O.J.**, Actuary and Trustee, Tourism Workers Pension Scheme, Jamaica; **Elizabeth Smith**, Senior Insurance Analyst, Financial Services Commission, Jamaica



**Michael McCord**, Managing Director, Microinsurance Centre at Milliman, United States





## Plenary 2 Inclusive insurance in Jamaica

### Distribution through credit unions: GraceKennedy Insurance

Credit unions have been distributing GraceKennedy (GK) Insurance's products for several years. A credit union was the first client for GK's livelihood protection product, which insures farmers against adverse weather.

In 2004, before Hurricane Ivan hit the Caribbean, there were several insurance schemes available. In addition, different farmer types had their own insurance schemes. However, due to the impact of the hurricane, many insurance schemes ran out of funds and were unable to indemnify all farmers. While lack of insurance expertise and improper pricing were part of the cause, insufficient funds had been set aside for losses.

In 2010, GK partnered with MicroEnsure, CCRIF and the Munich Climate Insurance Initiative (MCII). This partnership has helped improve GK's knowledge and capacity. Through this initiative, GK designed its first parametric product, which proved to be popular among farmers. Importantly, the product was distributed through the PC Bank and credit unions. Since then, the scheme has been offered through a wider range of partners.

### The Tourism Workers' Pension Scheme

Tourism is a significant employer and makes an outsized contribution to the economy. The Tourism Workers' Pension Scheme, launched in January 2022, is aimed at the sector's 300-350,000 workers (over 10% of the country's population). By comparison, less than 10% of the population has a private pension.

The COVID-19 pandemic delayed the launch of the scheme. As of October 2022, around 6,500 workers (of the 10,000 who applied) have joined. The target for 2022 was 100,000, but the use of temporary, casual and seasonal contracts in the industry means that employees are often ineligible for pension schemes that employers are required to set up.

### Lessons learnt

- As in many other emerging economies, insurance knowledge in Jamaica is low. As a result, many people do not like or trust insurance. Awareness campaigns are important to explain the benefits of insurance. Doing this through partnerships can be effective. In Jamaica, this is done through the Co-operative Credit Union League.
- Credit unions can serve as an effective channel to provide affordable insurance to their members, alongside credit and savings products. Credit unions typically enable access to financial services for the financially excluded. Currently, the Co-operative Credit Union League provides insurance in partnership with CUNA Mutual.
- There were several insurance schemes for smallholder farmers in the past. However, many have been unable to offer sufficient cover. While technical knowledge on pricing is important, adequate funding for insurance schemes is key.
- Partnerships and bundling remain key strategies to grow insurance uptake. For instance, the Tourism Workers' Pension Scheme was launched in January 2022 for employees in the tourism sector – with support from the Ministry of Tourism. As of October 2022, the scheme covered 65% of the workers who applied to join.



## Agenda

## Day 3 – 26 October 2022

### Plenary 3

#### The people protection gap – The landscape of inclusive insurance

Hosted by the Microinsurance Network

Speakers

**Andrea Herrera**  
Project Manager,  
Corporation InMedical,  
Ecuador

**Ekhosuehi Iyahan**  
Secretary-General,  
Insurance Development  
Forum, UK

**Stephanie Soedjede**  
Africa Regional Manager,  
Microinsurance Network,  
Togo

**Miguel Solana**  
Inclusive Insurance  
Specialist, UNDP's Insurance  
and Risk Finance Facility  
(IRFF), Turkey

Facilitator

**Katharine Pulvermacher**  
Executive Director,  
Microinsurance Network,  
Luxembourg

### Parallel session 5

#### Closing the protection gap for smallholder farmers in Latin America and the Caribbean – Global examples of innovative climate risk insurance solutions

Hosted by the MiN, IFAD and the World Food Programme

Speakers

**Emily Jones**  
Climate and Disaster Risk  
Financing Advisor, WFP, Italy

**Thomas Njeru**  
Co-Founder and CEO, PULA,  
Kenya

**Leticia Gonçalves**  
Risk Financing Consultant,  
WFP, Italy

**David Maslo**  
Head of Business  
Development, African Risk  
Capacity, South Africa

Facilitator

**Tara James**  
Agricultural and Climate  
Risk Insurance Expert, IFAD,  
Italy/Barbados

### Parallel session 6

#### Evaluating customer value – More than claims ratios

Hosted by the International Actuarial Association (IAA)

Speakers

**Denis Garand**  
President, DGA, Canada

**Britta Hay**  
Lecturer, University of the  
West Indies, Jamaica

Facilitator

**Nigel Bowman**  
Chair of the Inclusive  
Insurance Virtual Forum,  
International Actuarial  
Association, South Africa

### Parallel session 7

#### Agriculture index insurance – Collaboration between the public and private sector players to reach scale in Africa

Hosted by IFC

Speakers

**Isaac Magina**  
Agriculture Underwriting  
and Marketing Manager,  
Africa Re, Nigeria

**Yizaso Musonda**  
Manager – Market  
Development, Pensions and  
Insurance Authority, Zambia

**Humphrey Mulele**  
Manager – Agriculture  
Specialities, Mayfair  
Insurance, Zambia

**Grace Muradzikwa**  
Commissioner of the  
Insurance and Pensions  
Commission (IPEC),  
Zimbabwe

Facilitator

**Sharon Adhiambo Onyango**  
Financial Sector Specialist,  
IFC/GIIF, South Africa

## Agenda

## Day 3 – 26 October 2022

**Parallel session 8****Targeting women in inclusive insurance**

Hosted by the ILO/IFC

Speakers

**Lisa Morgan**

Technical Specialist, ILO's Impact Insurance Facility, Switzerland (online)

**Seugnette van Wyngaard**

Head of First for Women Insurance, South Africa (online)

**Margrit Schmid**

COO, ParaLife Group, Switzerland (online)

**Jean-Yves Drolet**

Head – Agri Risks Management, SOCODEVI, Canada (online)

Facilitator

**Fatou Giwa**

Global Lead, IFC Women's Insurance Programme, Nigeria

**Parallel session 9****New partnerships to unlock the MSME insurance market**

Hosted by Cenfri/ Microinsurance Network's MSMEs Best Practice Group

Speakers

**Laura Rosado**

Strategy and Finance Manager, AXA Emerging Customers, France

**Alejandra Díaz Agudelo**

Director Sustainability, Seguros Bolívar, Colombia

**M. K. Balachandran**

Head – Rural Retail and Microinsurance, SBI Insurance, India (online)

Facilitator

**Jeremy Gray**

Principal, Cenfri, South Africa

**Parallel session 10****Macro solutions for micro needs (linking disaster risk finance instruments to national social protection systems)**

Hosted by the World Food Programme

Speakers

**Kathryn Milliken**

Regional Climate Advisor, World Food Programme, Barbados

**Nicholas Grainger**

Programme Policy Officer, World Food Programme, Barbados

**Alma Gomez**

Supervisor of Insurance and Pensions at the OSIPP, Belize

**Isaac Anthony**

CEO CCRIF SPC, Saint Lucia

**David Maslo**

Head of Business Development, African Risk Capacity, South Africa

Facilitator

**Emily Jones**

Climate Risk Financing Advisor, World Food Programme, Italy

**Parallel session 11****Towards better support for future inclusive insurance initiatives – Looking back at failures and successes**

Hosted by the UNDP

Speakers

**Salvador da Cunha**

CEO, Affinity International, Dominican Republic

**Mauricio Osorio**

CEO, Crezcamos, Colombia

**Barbara Magnoni**

Director, EA Consultants, United States

Facilitator

**Miguel Solana**

Inclusive Insurance Specialist, UNDP, Turkey

## Agenda

Day 3—26 October 2022

### Parallel session 12

#### Inclusive Insurance – When academia meets practice

Hosted by the Consortium of Excellence for the 17 Goals (C-17): University of Lausanne, University of Liverpool, and York University (Canada)

Speakers

#### José Miguel Flores Contró

PhD Candidate in Actuarial Science, University of Lausanne, Switzerland

#### Corina Constantinescu

Professor, University of Liverpool, United Kingdom

#### Tsvetanka Karagyozeva

Assistant Professor, York University, Canada

#### Michael McCord

Managing Director, Microinsurance Centre at Milliman, United States

#### Kira Henshaw

Research Assistant, University of Liverpool, UK

Facilitator

#### Ida Ferrara

Associate Professor, York University, Canada

### Plenary 4

#### Insurance and pension for migrant workers: Need and the business case

Hosted by the UNDCF

Speakers

#### William Price

Senior Advisor – Insurance and Pensions, UNCDF, UK

#### Hannah Grant

Head of Secretariat, Access to Insurance Initiative (A2ii), Germany

#### Rupal Kulkarni

CEO, ShramSarathi, India

Facilitator

#### Premasis Mukherjee

Remittance and Digital Finance Specialist, UNCDF

## Plenary 3

# The people protection gap – The landscape of inclusive insurance

Hosted by the Microinsurance Network

By Nokuthula Moyo

*This session presented preliminary findings from the annual landscape study conducted by the Microinsurance Network (MiN). It provided the study’s context, emerging trends, and case studies of products, service delivery and distribution approaches that are driving success in reaching scale. Video voices from the field showcased the role of the landscape study in the journeys of some stakeholders and inclusive insurers, and a panel discussion highlighted the impact of climate change on different areas of risk and the contribution of microinsurance to achieving the SDGs.*

### The Landscape of Microinsurance

The study entitled “The Landscape of Microinsurance 2022” provides an overview of insurance products that target people earning between US\$ 2 and US\$ 20 (international dollars on a purchasing power parity basis) per day. A team of 31 researchers gathered information for the year 2021 on coverage, type of products, claims and other metrics from 253 insurers and brokers in 34 countries. Also contributing to the research were 27 members of MiN’s Best Practice Group, 20 industry experts, and insurance supervisors and associations in the participating countries. Information was gathered on over 900 products (see Figure 16).

### Emerging trends

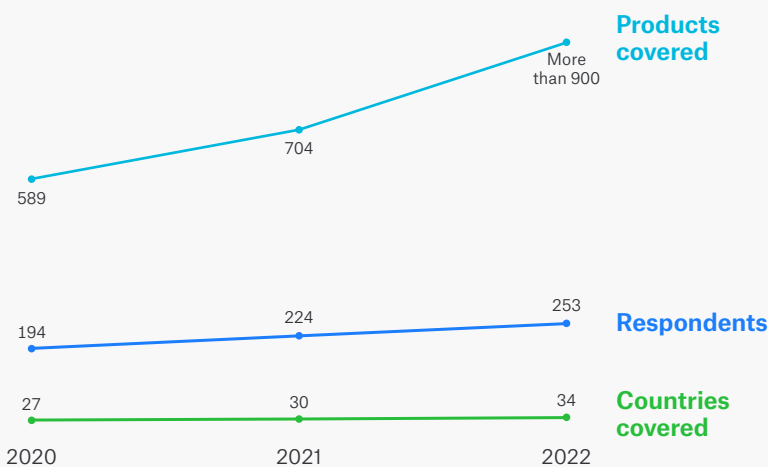
#### Coverage

Up to 223 million people (8% of the target population in the 34 countries covered by the study) were reported as being covered. On average, only 6% of the estimated potential market is covered by some form of insurance, indicating that many emerging consumers in the 34 countries covered still lack protection.

#### Products sold

For products for which data was reported over the last three years, the decrease in customer numbers and the value of premiums seen between 2019 and 2020 has almost been reversed, with 2021 customer numbers almost at pre-pandemic levels and 2021 premiums above pre-pandemic levels. Life insurance products cover the largest proportion of people, followed by credit life products. Uptake of health and bundled products continued to grow.

Figure 16  
The Landscape Programme



#### Key emerging trends



Globally, cash, direct debits/standing orders reported as the most used payment channels in 2021



Digital platforms, cited as an emerging trend for several years, were picked up by a large number of providers in 2021 as part of their distribution model

### Plenary 3

#### The people protection gap – The landscape of inclusive insurance

##### *Distribution channels and payment methods*

MFIs are the primary distribution channel used for products reaching the highest number of people in 2021, followed by financial institutions, and brokers and agents. Most premiums were paid either by cash or direct debits/standing orders. A large number of providers in 2021 adopted digital platforms as part of their distribution models.

##### **Why the Landscape of Microinsurance study matters**

The study helps to size the protection gap. It gives information about the size of the target market, shares global experience and developments from various stakeholders, and serves as a tool for tracking market evolution and development. The study helps providers and donors redefine strategies and identify new opportunities in the inclusive insurance space.

##### **Case studies**

About six years ago *EFU Life* (Pakistan) decided to commit to inclusive insurance as an important strategic pillar and this resulted in massive growth. The company went from covering 6,000 people in 2016 to 2 million in 2021. A key driver of this growth was promoting claims awareness and demonstrating the impact/benefit of having insurance in place. There were claims awareness campaigns via radio, SMS, call centres and other media to encourage customers to submit claims when they are eligible. Team members and external partners were educated on the purpose and impact of their work, ensuring that everyone understood the importance of claims. By demonstrating the benefits of having insurance, policyholders were turned into insurance advocates who then encouraged others in their spheres of influence to buy insurance.

Insurance for low-income households in Indonesia is often provided informally through cooperatives. As an unregulated arrangement, there are many risks associated with it and no policyholder protection. To address this issue, the *Inkopdit* credit cooperative entered into a partnership with GIZ and AXA Financial Indonesia in 2019 to formalise its insurance offering.

To grow the portfolio, intensive promotion campaigns and a capacity building programme were implemented, and by September 2022, 2.4 million active policies were registered.

According to the UN, 65% of women in Ecuador suffer from domestic violence. Often it is difficult for women to leave an abusive environment because of lack of income and a safe place to go, especially with children.

To address these challenges, InMedical developed an insurance product called *Amigas*. The product has not yet reached scale, mainly due to a lack of readily available temporary accommodation that is offered as one of the benefits of the cover.

Left to right: **Miguel Solana**, Inclusive Insurance Specialist, UNDP's Insurance and Risk Finance Facility (IRFF), Turkey; **Ekhosuehi Iyahen**, Secretary-General, Insurance Development Forum, UK

**Andrea Herrera**  
Project Manager, Corporation  
InMedical, Ecuador





## Plenary 3

## The people protection gap –

## The landscape of inclusive insurance

## Lessons learnt

- The 2021 landscape study covered more countries and products than previous studies, thereby providing a more comprehensive view of inclusive insurance across different markets.
- Based on reported data, the inclusive insurance market is still very much untapped, with over 90% of the target market still uninsured<sup>17</sup>.
- The inclusive insurance market has almost rebounded from the effects of the pandemic: for the products for which data was reported in the last three years, the 2021 customer numbers are almost at pre-pandemic levels and 2021 premiums are above pre-pandemic levels.
- The suite of products offered in the inclusive insurance space is steadily increasing, led by health products, often bundled with other covers.
- MFIs remain the primary distribution channel used. However, in 2021 a lot of providers used digital platforms as part of their distribution channels.
- Insurance protects and preserves the progress made towards the attainment of the sustainable development goals (SDGs).
- Although insurance increases resilience to risks, there are limits to its impact, so there basically needs to be investment in risk reduction strategies.
- Recent events such as COVID-19 and extreme weather have highlighted how vulnerable low-income households are. Such disasters call for the urgent development of solutions to make everyone more resilient to risks.

17

Source: Microinsurance Network. Presentation "The people protection gap – The landscape of inclusive insurance". International Conference on Inclusive Insurance 2022.

**Stephanie Soedjede**

North & West Africa Regional  
Coordinator, Microinsurance  
Network, Togo

**Katharine Pulvermacher**

Executive Director,  
Microinsurance Network,  
Luxembourg



Parallel session 5

# Closing the protection gap for smallholder farmers in Latin America and the Caribbean: Global examples of innovative climate risk insurance solutions.

Hosted by the MiN, IFAD, and the World Food Programme

By Maria Victoria Sáenz

*This session focused on the challenges of scaling up inclusive climate risk insurance solutions in the LAC region, the pitfalls to avoid and cutting-edge examples in other regions to replicate.*

**The African Risk Capacity (ARC) Group** is a specialist insurer set up by the African Union in 2012 to help its member governments assess and manage climate risk, mainly through parametric insurance. The Group includes the ARC Agency, managed by member states to provide guidelines and oversight, and the ARC Insurance Company Limited (ARC Ltd.), based and regulated in Bermuda, to carry out underwriting and pooling functions and transfer risk to markets.

Together, they now help 35 countries with contingency planning, funding, finding partners for premium financing, and general capacity building in regulation, policy making and technical know-how.

At the macro level, ARC supplies liquidity to governments in the event of disasters. To reach the eventual beneficiaries, ARC is also de-risking value chains through aggregators (meso) and protecting individuals through local insurers with business continuity and income protection policies (micro). See Figure 17.

Since 2014, ARC Ltd. has collected over US\$ 100 million in premiums and provided over US\$ 1 billion in insurance coverage to protect more than 100 million people. It has paid US\$ 125 million in claims to countries for drought and tropical cyclone relief, benefiting over 5 million vulnerable people.

The **World Food Programme (WFP)**, has been a supporter and enabler of risk finance tools, offering innovative approaches for governments and communities.

In 2017, the WFP engaged with ARC Replica, a technical and financial partnership between the WFP and ARC member countries where the WFP has ongoing projects. The technical component includes supporting governments in deciding how much risk to transfer, contingency planning, and improving governments' response capacity and preparedness to face future events. Through the financial component, the WFP purchases its insurance policy from ARC, which mirrors the terms and conditions of the government's policy.

Figure 17  
**ARC Levels of Action**

<b>MACRO</b>	<p><b>What?</b> Solutions to address liquidity gaps in public finance in case of disasters</p> <p><b>Who?</b> Governments, provinces, cities and development partners</p>	<p><b>Objectives</b> <i>Food security and public infrastructure</i></p>
<b>MESO</b>	<p><b>What?</b> Solutions to reduce production volatility and build commercial resilience</p> <p><b>Who?</b> Aggregators such as agribusinesses and financial institutions</p>	<p><b>Objectives</b> <i>De-risking value chains and enhancing resilience</i></p>
<b>MICRO</b>	<p><b>What?</b> Market-driven solution to protect the revenue of individuals</p> <p><b>Who?</b> Smallholder farmers, producers and individuals through local insurance companies</p>	<p><b>Objectives</b> <i>Business continuity and income protection</i></p>

Source: Maslo, David. Presentation "African Risk Capacity: For 10 years, the African Union solution to climate risk financing". International Conference on Inclusive Insurance 2022.

Parallel session 5  
Closing the protection gap for smallholder farmers in Latin America and the Caribbean: Global examples of innovative climate risk insurance solutions.

This “replica” allows the WFP to double the number of people who can benefit from an insurance policy. When the parameter is triggered, the WFP receives the payout and channels the resources to reach the affected people earlier than standard response timeframes.

In 2021, the WFP adopted the ARC replica model to work with Dominica and Belize through CCRIF, the regional sovereign risk pooling framework. In this case, the WFP provides funds to “top up” the coverage purchased by the government. If the insurance triggers, the government receives the payout – the “top-up” payment is directed to the social protection systems. Hence, the government is introducing a shock-

responsive social protection element to disaster risk financing. Almost four million people received protection through 21 policies in 5 countries. With the payouts received, the WFP has supported more than 300,000 people with cash, food assistance, and nutrition. See Figure 18.

Figure 18

**People reached and goals**

How many people is the WFP currently reaching and what is the goal?

**Macro policies**

- 3.6m people protected since 2019
- US\$ 127.7m coverage purchased with US\$ 20.5m paid in premiums
- 21 policies purchased in 5 countries
- 3 premium top-ups paid

**Macro payouts**

- 5 payouts from 2 seasons across 4 countries
- US\$ 9.9m paid out to the WFP, an additional US\$ 7–20m expected for 2022/23
- 303,000 people supported with cash, food assistance, nutrition support, and emergency asset creation

**Macro goals**

- Expand ARC replica to 18 countries by 2026
- Support all 4 regional sovereign risk pools with premium payments by 2024
- Protect up to 4.6m people per year with macro insurance policies by 2026
- Systematic integration of CDRFI and SRSP
- Risk layering: Better understanding and utilisation of additional financial instruments

Source: Jones, Emily. Presentation “World Food Programme promoting financial protection for climate shocks through sovereign risk pools”. International Conference on Inclusive Insurance 2022.

Parallel session 5  
Closing the protection gap for  
smallholder farmers in Latin America  
and the Caribbean: Global examples of  
innovative climate risk insurance  
solutions.

**WFP’s strategy in Latin America**

The WFP aims to enable access to risk finance instruments sustainably and at scale by investing in “last mile” outreach, institutionalisation of risk management, advocacy and by building up government capacities.

In 2021, several pilots (*Guatemala, El Salvador, Nicaragua, Dominica and Belize*<sup>18</sup>) were launched in partnership with key regional or country stakeholders, insuring nearly 12,000 people (see Figure 19). In 2023, more pilots should be launched in LAC. Haiti also launched a microinsurance product in October 2022, and Cuba in February 2023.

In *Guatemala*, the WFP designed a risk-layered approach linking social welfare (conditional cash transfers), micro-finance (rural women’s savings and credit groups) and parametric insurance. During the second year, 20% of the insured beneficiaries made a 10% contribution to the insurance premium. WFP subsidised the remaining 90% of the total premium value (see Figure 19).

18  
Dominica, Nicaragua and Belize are part of a microinsurance approach that provides a top-up to the countries’ CCRIF SPC policy.

Figure 19

**Inclusive Risk Finance: Examples from Central America**

<b>Guatemala</b> micro	<b>9,437</b> <b>Farmers and SMEs insured</b> (81% women) Product: Parametric Insurance Insurance partner: Seguro Productivo
<b>El Salvador</b> micro	<b>2,143</b> <b>Farmers and SMEs insured</b> (46% women) Product: Parametric insurance Insurance partner: Emprende Seguro
<b>Nicaragua</b> micro + macro	<b>299</b> <b>Farmers insured (first season)</b> (61% women) Product: Traditional agricultural insurance Insurance partner: Seguro Agrícola Macro: Policy top-up that can generate up to a US\$ 2m payout

**Climate Risk Insurance and Anticipatory Actions (AA) Guatemala**

Key information

2021	2022
1,292 people insured (69% women)	9,437 people insured (81% women)
5 departments Alta Verapaz; Baja Verapaz; El Progreso; Chiquimula; Zacapa	7 departments Alta Verapaz; Baja Verapaz; Izabal; El Progreso; Chiquimula; Jalapa; Zacapa
US\$ 25 Premium	US\$ 32 Premium
US\$ 311 Sum insured	US\$ 390 Sum insured
1 payout of US\$ 100 made to two women’s associations	—
—	1,659 people made contribution of 10% of insurance premium.
Funded by: Government of Canada, European Union, IFAD and WFP	Funded by: Government of Canada, European Union, IFAD and WFP

Source: Gonçalves, Leticia. Presentation “Inclusive risk finance to build resilience in the most vulnerable and food insecure in LAC”. International Conference on Inclusive Insurance 2022.

### Parallel session 5

#### Closing the protection gap for smallholder farmers in Latin America and the Caribbean: Global examples of innovative climate risk insurance solutions.

During the last week of October 2022, the insurance sector paid US\$ 260,000 to almost 7,000 farmers following triggers from Hurricane Julia in Guatemala. In Nicaragua, there was also a triggered event under the macro approach. The government (policy-holder) receives the payout and transfers to the WFP the proportion of the premium representing the top-up amount paid by the WFP. The WFP channels the funds through the school meals programme.

The pilot project for 2023 includes “Anticipatory Action”. This links the forecast triggers (in Guatemala, the “canícula” or height of the drought) to pre-defined actions or payments progressively and gradually during a window of time between the forecast and the extreme weather event. This product is called “Forecast Index Insurance” (FII) and is currently being designed by Blue Marble.

#### Innovations from other regions

Another innovative solution for climate risk is the partnership between PayGo Solar companies, the Shell Foundation, IFAD, and PULA. PULA is a platform that develops, distributes, and implements climate risk insurance solutions, mainly parametric crop insurance, through Yield and Weather Index Insurance. It has reached 6.5 million small farmers, working with 67 insurers, 22 reinsurers, and over 100 distribution partners (credit companies, government, providers, produce buyers, etc.). PULA has a presence in 17 countries in Africa, Asia, and one country in Latin America – Mexico.

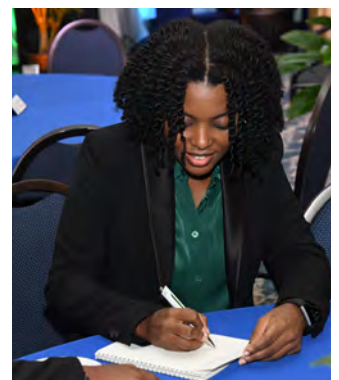
Left to right: **David Maslo**, Head of Business Development, African Risk Capacity, South Africa; **Emily Jones**, Climate and Disaster Risk Financing Advisor, WFP, Italy; **Thomas Njeru**, Co-Founder and CEO, PULA, Kenya



**Leticia Gonçalves**  
Risk Financing Consultant,  
WFP, Italy



**Tara James**  
Agricultural and Climate Risk  
Insurance Expert, IFAD, Italy/  
Barbados





## Parallel session 5

Closing the protection gap for smallholder farmers in Latin America and the Caribbean: Global examples of innovative climate risk insurance solutions.

The PayGo Solar companies supply energy to low-income rural households. In 2019, a severe drought in Zambia caused small farmers to default on their loans, threatening PayGo's sustainability. The solution was an agriculture insurance product that covered the amount of the outstanding loans.

The product was launched during the 2019/2020 season, which coincided with the onset of COVID-19. In the 2021/2022 season, the sum insured increased twentyfold (from US\$ 609,530 to US\$ 12,947,220), and the premiums increased by 47% (see Figure 20). A partnership with development agencies led to the establishment of a subsidy for the premiums, which helped the take-up. To receive the subsidy, the farmer must commit to the programme for three years, during which time the subsidy gradually decreases.

## Lessons learnt

- Smart subsidies, with benefits to a provider to overcome the initial barriers of serving certain segments, are crucial and help achieve sustainability.
- Partnerships are vital, but evidence generation is still a challenge.
- There is a need for capacity building, to ensure every stakeholder speaks the same language.
- Insurance alone is not the silver bullet. There needs to be a layered approach involving other financial and non-financial tools.

Figure 20

## PULA's impact and reach

Type of cover	Area yield index insurance (AYII)		
	2019/20	2020/21	2021/22
Season	2019/20	2020/21	2021/22
Sum insured	US\$ 161,610	US\$ 609,530	US\$ 12,947,220
Gross premium rate	1.98%	5.00%	11.05%
Premiums paid	US\$ 3,192	US\$ 30,477	US\$ 1,439,897
<b>Farmers covered</b>	<b>8,838</b>	<b>8,508</b>	<b>280,731</b>

Parallel session 6

Evaluating customer value – more than claims ratio

Hosted by the International Actuarial Association (IAA)

By Nokuthula Moyo

*What is the lowest claims ratio at which inclusive insurance still provides value? Can one truly say that a product with a claims ratio of 0% isn't good? The answer to this question is not as simple as looking at claims ratios in isolation, as this does not paint the whole picture. This session reviewed work by the IAA and MiN on how customer value can be sustainably improved if a low claims ratio does not necessarily indicate poor customer value.*

If we look at the example of a crop insurance product, in a season where there were good rains and farmers had a good harvest and return on their crops, there will be no claims and the claims ratio will be 0%. However, because the farmers had insurance in place, they planted crops that are more drought-resistant and high-yielding, and as a result were able to earn higher income. In this case, insurance enabled entrepreneurship and incentivised behaviour that reduces risk.

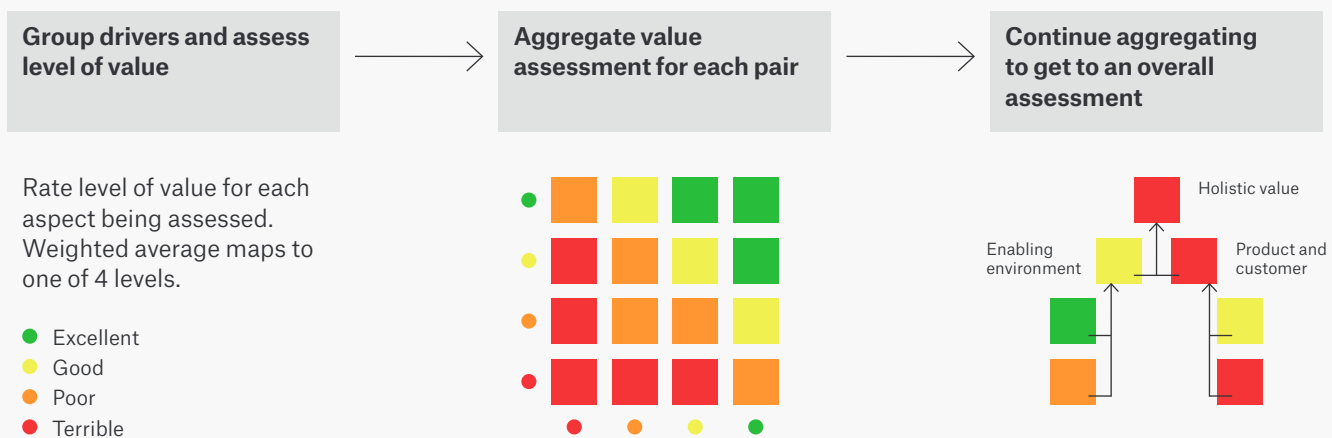
**A holistic view and drivers of value**

The median claims ratio from the 2021 landscape study was 20%, much lower than anticipated, and raised a lot of questions about the value of the products sold. To address the questions, the IAA is developing a more holistic assessment of the value of inclusive insurance that takes into account the different factors that influence value (see Figure 21).

There are a number of layers to consider when assessing value. Essentially

- the product must provide cover appropriate to the risks faced by the customer,
- provide an adequate amount of cover to offset the loss,
- and the cost of cover must be reasonable.

Figure 21  
**A holistic view of value**

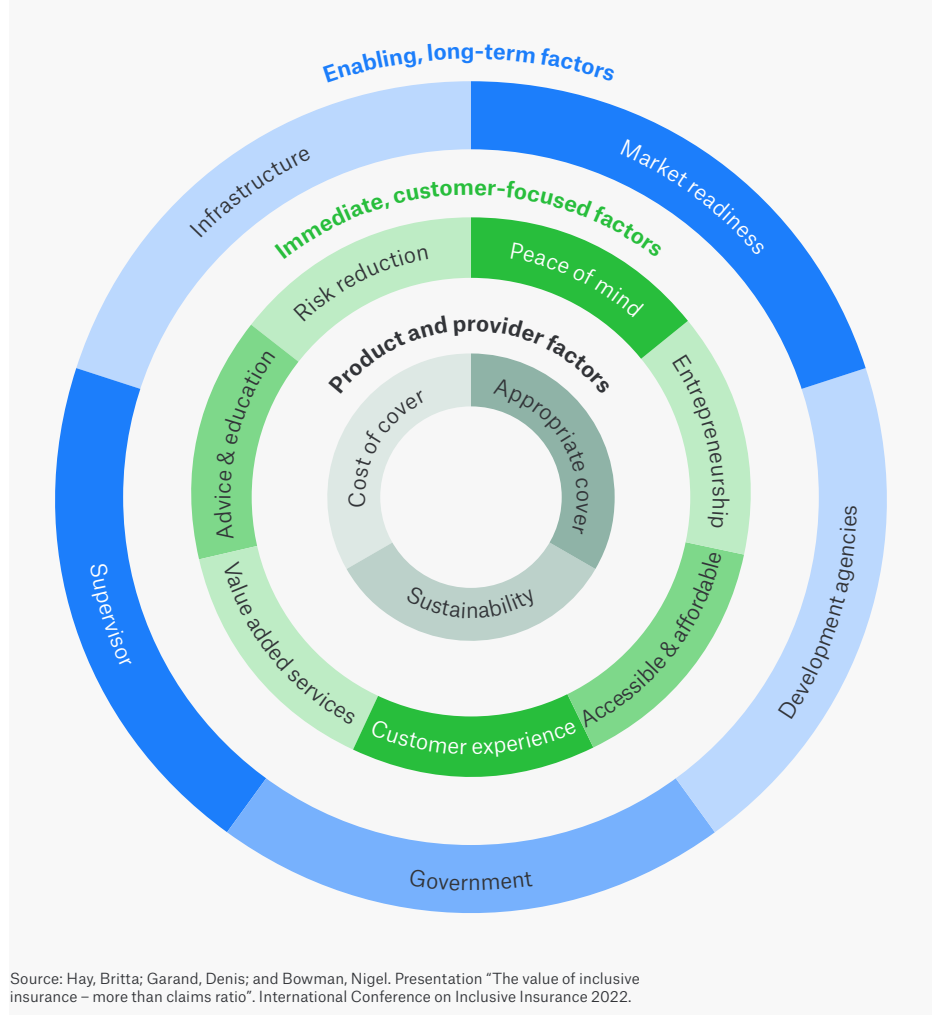


Source: Hay, Britta; Garand, Denis; and Bowman, Nigel. Presentation "The value of inclusive insurance – more than claims ratio". International Conference on Inclusive Insurance 2022.

Parallel session 6  
Evaluating customer value –  
more than claims ratio

The second layer consists of factors that provide indirect value rather than the direct financial value of receiving a claim payout. For example, having insurance in place encourages policyholders to seek out risk-reduction strategies. The last layer moves away from the customer and considers the enabling environment necessary for insurance to thrive and provide value to customers. This layer considers factors that impact value over the long term and tend to be difficult to change and slow moving (see Figure 22).

Figure 22  
Drivers of value



**Denis Garand**  
President, DGA, Canada



**Britta Hay**  
Lecturer, University of West Indies, Jamaica (online)



**Nigel Bowman**  
Chair of the Inclusive Insurance Virtual Forum, International Actuarial Association, South Africa



Parallel session 6  
Evaluating customer value –  
more than claims ratio

**Assessing the value of real-life scenarios**

**Case study 1: EcoLife**

EcoLife was a life insurance product offered free to mobile phone subscribers in Zimbabwe, based on how much they spent on their phone each month. The main stakeholders were Econet as the mobile phone provider, First Mutual as an underwriter, and Trustco as an administrator. Econet has 70% of the mobile phone market in Zimbabwe, so there was rapid adoption, and within 7 months, 20% of the adult population was covered.

The sign-up process was simple, by opting in via an SMS. People found this worthwhile because they could immediately have life insurance just by using their cell phone instead of the hassle of going to an insurer, figuring out the appropriate cover amount and having to sign policy documents.

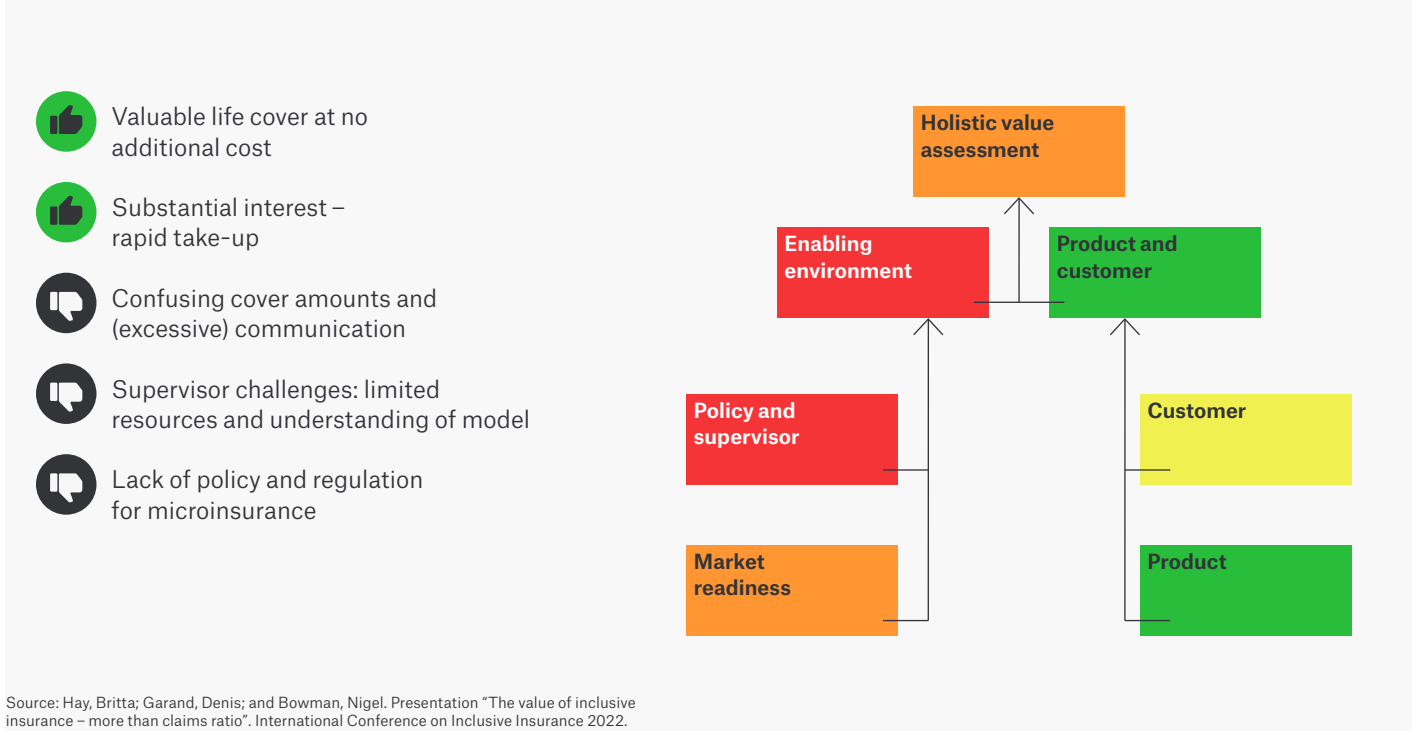
The amount of cover provided increased monthly, starting out small and becoming significant after 6 months. After 7 months of operation, there was a dispute between Econet and Trustco about the royalties due to Trustco for administration services. The two parties failed to reach an agreement and Trustco terminated the contract overnight, leaving over 1 million people uninsured.

In the aftermath, communication to the subscribers was very limited. 62% of the policyholders were not told about the termination of the cover. The worst outcome of this situation was the loss of trust in similar insurance products. Follow-up surveys revealed that 63% of subscribers ruled out the use of similar products in future and 42% were dissatisfied with insurance (see Figure 23).

**Case study 2: Typhoon Haiyan**

Typhoon Haiyan was a Category 5 hurricane that hit the Philippines in November 2013. It had the highest wind speed ever recorded, and over 16 million people were affected, with a large proportion displaced from their homes. Haiyan resulted in 6,300 deaths and estimated damage of US\$ 700 million. Prior to the hurricane, the Philippines had high insurance and microinsurance penetration, with some US\$ 19.9 million worth of property and life cover. This insurance played a significant role in the recovery process.

Figure 23  
**EcoLife – retrospective value assessment**



Source: Hay, Britta; Garand, Denis; and Bowman, Nigel. Presentation "The value of inclusive insurance – more than claims ratio". International Conference on Inclusive Insurance 2022.

Parallel session 6  
Evaluating customer value –  
more than claims ratio

In the aftermath, the Insurance Commission introduced several measures to help speed up the recovery process:

1. Set up an industry Claims Action Centre in the hardest-hit city to act as a one-stop shop to address inquiries from the victims.
2. Relaxed documentation requirements for initial payments of death claims.
3. Collected a master list of all policyholders in the affected areas to help with the review of claims payments and to check the victims' details.
4. Permitted the use of satellite images for assessing claims, and goods to be paid in lieu of cash.

By July 2014, 111,000 claims had been paid to the value of US\$ 12 million, with 27% paid within 4½ weeks and 60% by March 2014 (see Figure 24).






**Lessons learnt**

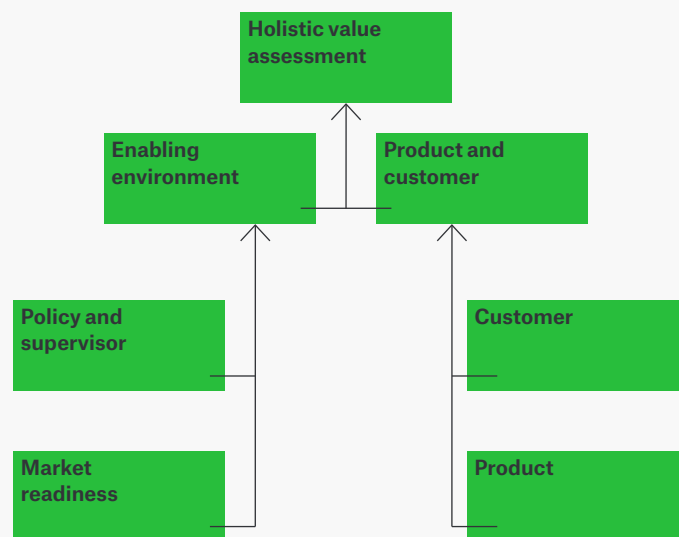
Claims ratios are generally a good measure of customer value, but other broader measures must be considered.

- Plan to fail well, besides planning for success. None of the three parties had a back-up plan in case either the platform or product failed.
- The main risks must always be identified and mitigated to an acceptable level of residual risk.
- Simple products with the right amount of clear communication always help.

- A flexible, principles-based approach beats sticking rigidly to rules: intermediaries, insurers and the supervisor adopted alternative, flexible approaches to settle claims.
- Intermediaries can add significant value beyond onboarding customers. They can help settle claims quickly, as they have close and regular contact with customers.
- The lack of catastrophe reinsurance is a huge risk for insurers and is potentially devastating for customer value.

Figure 24  
**Typhoon Haiyan – retrospective value assessment**

-  Appropriate products with wide reach
-  Rapid, proactive response by stakeholders
-  Distribution channels with close links in communities facilitated quick claim payments
-  Positive experience by customers led to increasing demand
-  Lack of reinsurance, unclear policy wording and concentration of risks





## Parallel session 7

Agriculture index insurance –  
Collaboration between public, parallel and private  
sector players to reach scale in Africa

Hosted by the IFC

By Rishi Raithatha

*Climate or agricultural insurance coverage in Africa is quite low and there is a need to increase penetration to improve resilience to the effects of climate change. This session highlighted aspects of market development and shared examples of best practices, lessons learnt and regulatory models for agricultural index insurance schemes in Africa.*

The Global Index Insurance Fund (GIIF), a dedicated programme that improves access to insurance, has been supporting the World Bank and the International Finance Corporation (IFC) with interventions in Africa, Asia and Latin America since 2010. The IFC supports solutions developed through private sector initiatives, through investments and technical advisory.

**The GIIF at a glance****Contracts issued:**

12 million

**Beneficiaries:**

approx. 60 million

**Financing provided:**

US\$ 2.5 billion

The key pillars of the IFC's insurance advisory include:

1. Analysing risks and value chains via feasibility studies;
2. Developing solutions by partnering with different market players to design products;
3. Focusing on insurance classes to improve farmers' resilience;
4. Building knowledge and capacity through training programmes and conferences;
5. Focusing on gender through solutions for women smallholder farmers and women-led small businesses;
6. Supporting the use of technology, e.g. through insurtechs; and
7. Collaborating with public and private players across the ecosystems.

To develop markets, the IFC works with several private- and public-sector partners, such as regulators, insurers and reinsurers.

**Experience from Zimbabwe**

Agriculture contributes 14% to Zimbabwe's GDP, but is not resilient to shocks. A drought in 2019 saw the sector contract by nearly 20%, while GDP declined by around 10%.

Insurance in Zimbabwe is regulated by the Insurance and Pensions Commission (IPEC). IPEC encourages and promotes inclusive growth and development in the industry and has been a driving force behind the use of microinsurance in the country. As a result, the number of microinsurance providers in the country rose from two in 2017 to eight in 2022.

For a regulator, IPEC has a broad mandate for this initiative. In partnership with the IFC, IPEC is scoping demand and identifying suppliers. To aid product development, IPEC has embarked on an end-to-end approach to understand consumer needs and create the right solutions.

Left to right: **Grace Muradzikwa**, Commissioner of the Insurance and Pensions Commission (IPEC), Zimbabwe; **Yizaso Musonda**, Manager – Market Development, Pensions and Insurance Authority, Zambia



Parallel session 7  
Agriculture index insurance –  
Collaboration between public, parallel  
and private sector players to reach scale  
in Africa

To improve agricultural cover, IPEC has licensed the Agriculture Finance Corporation (AFC) Insurance Company. The AFC is expected to launch at the end of 2022, and will bundle area yield index insurance, inputs and irrigation support for smallholder farmers.

In addition, IPEC's role will be to review and approve products for the market and ensure market readiness. This is being done through training sessions, which have been delivered by ACRE Africa and Lloyd's of London.

### Lessons learnt from Zambia

As in Zimbabwe, the regulator in Zambia – the Pensions and Insurance Authority (PIA) – is mandated to grow inclusive insurance and create an enabling environment. The PIA has been successful in growing agricultural insurance policies from 20,000 in 2013 to around one million in 2021.

Existing insurance products are not well understood. This has led to instances where payouts are confused with government assistance. Only when some beneficiaries were paid did they realise that they were insured.

The PIA is focused on overcoming several barriers to uptake, such as the gender gap and low awareness levels. Through a baseline study, the PIA found that insurers could capture more women customers if they themselves were gender-diverse. To raise awareness, the PIA has gauged people's experience of insurance and needs. Insurers are then encouraged to use this feedback to design customer-centric products.

GIZ is leading a capacity-building programme to improve suppliers' technical skills, while Musika, a local NGO, is training farmer trainers in local languages. Together with the IFC, the PIA is narrowing the actuarial skills gap – particularly for index insurance. This is part of a wider regulatory change. The existing insurance legislation does not allow for microinsurance. New microinsurance regulations in Zambia are expected in 2023.

Mayfair Insurance, a Zambian insurer, insures farmers enrolled in the country's Farmer Input Support Programme (FISP). Insurance is bundled as a value-added product alongside subsidised inputs. Using a public-private partnership (PPP) approach, Mayfair has been able to scale its area yield index insurance product through FISP. Currently, Mayfair is responsible for providing insurance to 60% of FISP's one million farmers.

Each step of the insurance value chain involves a public- or private-sector partnership:

- Distribution is carried out through agro-dealers, outgrowers, microfinance institutions, and fintechs.
- Through the GIIF, the IFC has provided capacity-building support and a stop loss facility.
- Both GIZ and FSD Zambia have provided farmer sensitisation measures.
- The Ministry of Agriculture has provided a client base of smallholder farmers.
- Crop aggregators include: Musika, Syngenta, and Agora Microfinance.
- Reinsurance is provided by a consortium led by Zep-Re, comprising Swiss Re, Munich Re and Allianz.
- Product development expertise was provided by ACRE Africa.

A shared vision and common goals are important for all partners, particularly as agricultural insurance doesn't work well as a stand-alone product. As this product is low-ticket and high-volume, digitalisation is important for end-to-end policy management.

### Humphrey Mulele

Manager – Agriculture Specialities, Mayfair Insurance, Zambia



### Isaac Magina

Agriculture Underwriting and Marketing Manager, Africa Re, Nigeria



### Sharon Adhiambo Onyango

Financial Sector Specialist, IFC/GIIF, South Africa



Parallel session 7  
 Agriculture index insurance –  
 Collaboration between public, parallel  
 and private sector players to reach scale  
 in Africa

**Africa Re**

Africa Re currently works with 50 insurance companies in Africa to provide support and build capacity. Its products currently cover two million smallholder farmers in agricultural and livestock insurance programmes across Ethiopia, Kenya, Nigeria and Zambia (see Figure 25).

The company works with several public and private partners in each market to provide technical assistance. This includes insurers, aggregators, multilateral organisations, NGOs and governments. Based on prior interactions with each, Africa Re’s efforts focus on

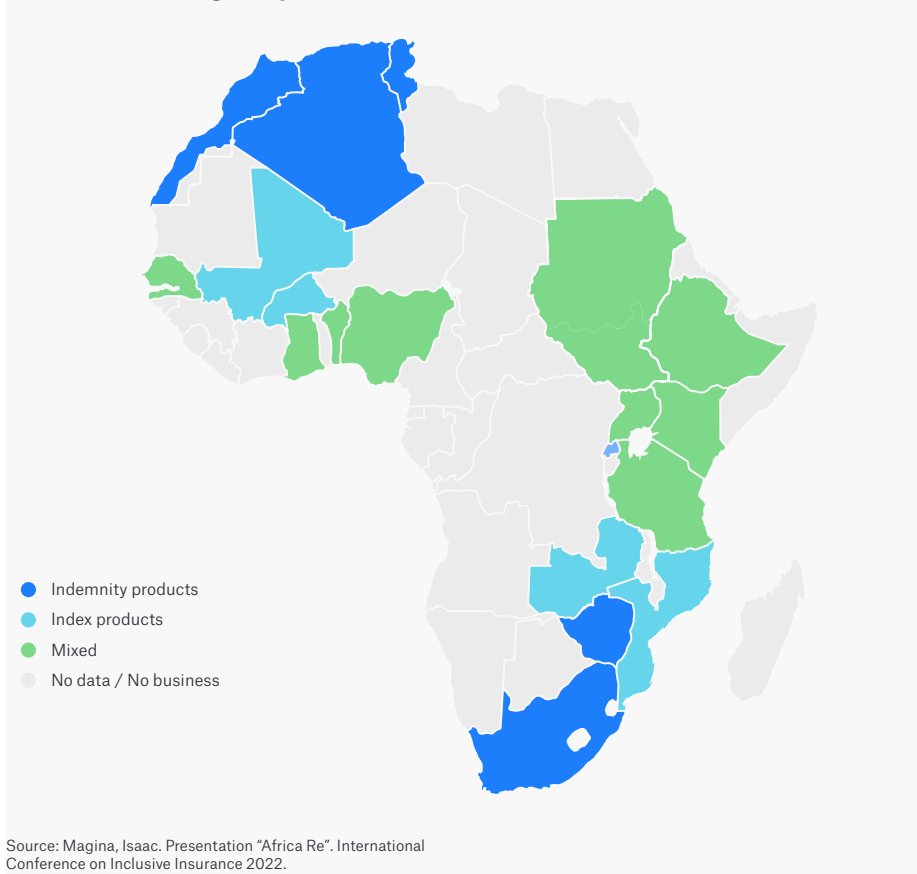
- improving and investing in data infrastructure to overcome data gaps and scarcity.
- encouraging the use of technology.
- ensuring enabling regulation is in place, as well as a key role for government.
- maintaining continuous engagement across all partners.
- improving technical skills through product design ownership and investment in capacity building.

Africa Re aims at advocating for an appropriate institutional set-up for governments to support agricultural insurance, for example through subsidies in East Africa or a national agricultural insurance company in Senegal.

**Lessons learnt**

- Partnerships with a shared vision are important to overcome challenges in the areas of data systems and technical knowledge and to help close the awareness gap.
- PPPs are instrumental in promoting the growth and development of the inclusive insurance space. This extends to partnerships with multilateral organisations too.
- Insurance schemes have grown through a PPP model by working with farmers, insurance providers, aggregators and service providers.

Figure 25  
**Africa Re’s coverage map**



Source: Magina, Isaac. Presentation "Africa Re". International Conference on Inclusive Insurance 2022.

## Parallel session 8

## Targeting women in inclusive insurance

Hosted by the ILO/IFC

By José Miguel Flores Contró

*Although women around the globe have rising incomes and increased purchasing power, they remain an underserved segment of financial services. In this session, panellists shared lessons learnt from the one-year Community of Practice (CoP), launched in 2021 by the ILO's Impact Insurance Facility and the IFC Women's Insurance Programme, which aimed primarily to raise awareness about the insurance needs of women and highlight the market opportunity for insurers if they target women as customers and employees.*

**Benefits**

Insurance can provide women with protection and improve their productivity, but fewer women than men use this financial service, resulting in a gender protection gap.

For insurers, there are multiple benefits from targeting women. Closing the gender protection gap by responding to women's needs and avoiding one-size-fits-all products drives the growth of businesses and economies, while improving the lives of families and communities. According to the IFC's 2015 SheforShield Report, the insurance industry could earn up to US\$ 1.7 trillion by 2030 from women alone – half of it in emerging economies – if they target women.

**Challenges**

There are several challenges in serving the women's insurance market. They are more vulnerable to risks, more likely to work in the informal and semi-formal sectors, and less financially literate. They are also less confident in managing finances and tend to be more responsible for unpaid work, such as childcare and other caregiving activities. From the supply side, there is a lack of awareness of the economic opportunity in serving the women's market, and insurance products are not always designed with women in mind. Women are represented in limited numbers in

the industry, and insurance regulation tends to be gender-neutral, overlooking gender needs or constraints.

More importantly, there is a lack of gender disaggregated data. No comprehensive sets of figures exist on women's access to insurance, either on the demand or supply side. The Microinsurance Network's landscape survey in 2021 found that more than half of insurers did not collect data on women.

**Community of Practice (CoP)**

The ILO/IFC Community of Practice (CoP) ran from April 2021 to April 2022, reaching 20 insurance organisations in 17 countries to promote financial inclusion, employment opportunities for women and the business case for targeting women. The session showcased three of the organisations involved – from Europe, North America and Africa.

**ParaLife, Switzerland**

ParaLife provides security and peace of mind to families and small businesses in the informal and low-income sectors by delivering customer-centric risk protection solutions, which now include parametric climate protection. Among its distribution partners are credit and microfinance institutions, government entities and large corporates.

**Lisa Morgan**

Technical Specialist, ILO's Impact Insurance Facility, Switzerland (online)

**Seugnette van Wyngaard**

Head of First for Women Insurance, South Africa (online)

**Margrit Schmid**

COO, ParaLife Group, Switzerland (online)



## Parallel session 8

## Targeting women in inclusive insurance

Some 60% of ParaLife's 0.5 million customers in eight countries in Latin America are women. The company's strong family protection focus extends the reach of its programmes to roughly 1.5 million beneficiaries, including women and their children.

Participating in the CoP, ParaLife collaborated with two retail chains in a way that has made them aware of the great business opportunity of closing the gender protection gap. The company helped them realise that they could generate more loyalty and better connect with women customers by providing them with inclusive insurance solutions that are affordable and accessible. Likewise, one of ParaLife's partner credit institutions started offering 12 months of free cancer protection to all new women customers.

ParaLife also learned that collecting and tracking gender-specific data are critical. With one of its partners, the company launched a voluntary protection scheme for female catalogue sellers and, by monitoring indicators such as the turnover rate, the partner

was able to realise the positive effects of the scheme on the lives of its employees. Transparency on women's enrolment in programmes and on gender-segregated utilisation makes the impact visible and helps mobilise and maintain financing. The company has learnt over the years that introducing gender-neutral inclusive insurance solutions can be a good start to reaching women. The products can then be adjusted in response to women's particular needs to become gender-aware.

### SOCODEVI, Canada

The Société de Coopération pour le Développement International (SOCODEVI) is a non-profit NGO, created in 1985 by a group of cooperatives and mutuels in Quebec, Canada, to share their expertise. The organisation's core business is to support cooperatives in consolidating their role as catalysts for inclusive and sustainable socio-economic development, and its main objective is to improve the living conditions of families in developing countries.

SOCODEVI is following up on the first and second pillars of the working approach proposed by the CoP, which highlights the importance of assessing and understanding the opportunity and creating targeted value propositions. It maps women customers' life journey and designs human-centred value propositions for women.

#### Jean-Yves Drolet

Head – Agri Risks Management, SOCODEVI, Canada (online)



#### Fatou Giwa

Global Lead, IFC Women's Insurance Programme, Nigeria



#### Box 12

#### IFC/ILO's CoP

##### Pillar 1:

#### Assess and understand the opportunity

Perform customer segmentation: understand and map your women customers' life journeys

Conduct market research using human-centred design to gain high-quality, relevant insights to use in the customer value proposition development process

##### Pillar 2:

#### Create targeted value propositions

Design customer value propositions/solutions (not products) for women, using human-centred design



## Parallel session 8

## Targeting women in inclusive insurance

For an agricultural insurance project in Senegal, SOCODEVI began with a gender-sensitive baseline survey and a gender-specific value chain analysis (see Figure 26). Key indicators included the number of women who use agricultural insurance, the proportion of women with the knowledge to use insurance, and the number of households in which women participate in the decision-making process. The value chain analysis showed that women's work is generally undervalued and unpaid, that production controlled by women is generally intended for self-consumption and the needs of their families, and that women are better represented at the production, processing and distribution levels.

Figure 26

**Leveraging the CoP knowledge to an actual project of SOCODEVI**

Strengthening the agricultural insurance (AI) offer for women in four (4) regions of Senegal

Duration: 5 years (sponsored by Global Affairs Canada)

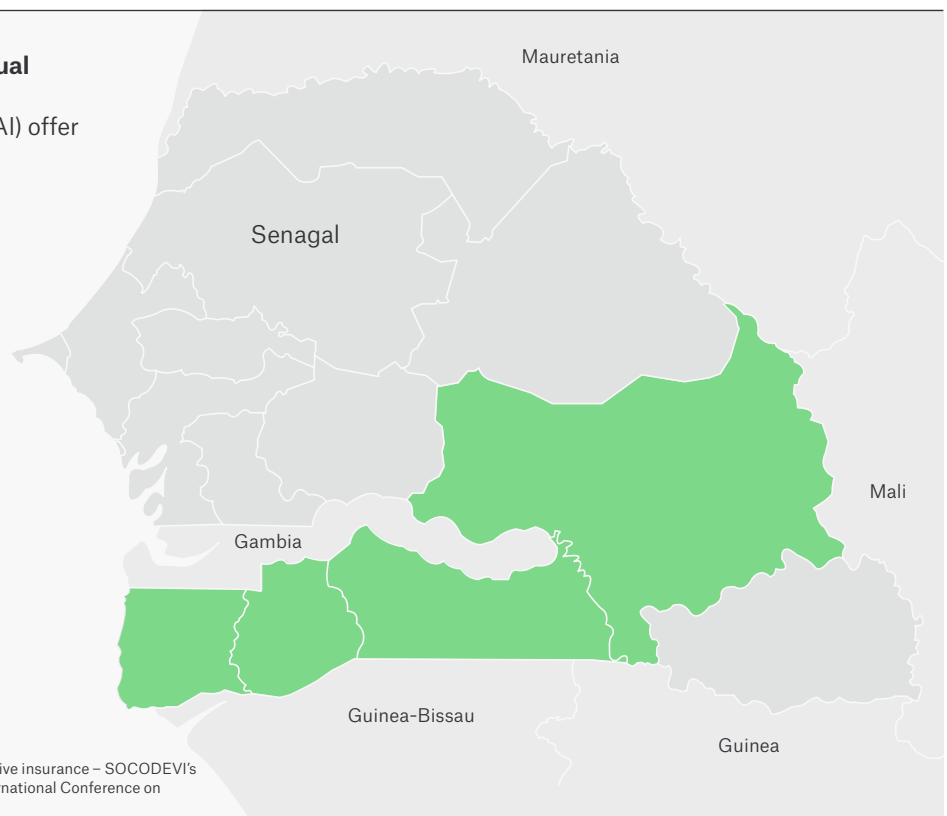
Current stage: Year 1

Four (4) regions of Senegal

Direct partners:

- 7 000 women in 150 women's agricultural groups (WAGs)
- 30 grassroots cooperatives and microfinance institutions (SFD)
- 1 national agricultural insurance company

Productions: rice, banana, peanut and maize



Source: Drolet, Jean-Yves. Presentation "Targeting women in inclusive insurance – SOCODEVI's challenges in making agricultural insurance gender-inclusive". International Conference on Inclusive Insurance 2022.

## Parallel session 8

## Targeting women in inclusive insurance

**1st for Women Insurance, South Africa**

Launched in 2004, First for Women Insurance is South Africa's first – and still only – insurance company for women, offering products tailored to their specific needs.

## Box 13

**Women...**

- are more inclined to long-term brand relationships and enhanced loyalty.
- are fans of word of mouth marketing.
- resonate with communication focused on similarities, affiliation and win-win mutuality.
- don't respond as well to messages based on gloating, boasting, bragging or getting ahead.
- process information differently, and use both qualitative and quantitative criteria to make decisions.
- ask lots of questions and tend to keep asking until they understand the information thoroughly.
- are holistic thinkers, and identify a good product with a comfortable, pleasant sales process.
- have too much to do and too little time to do it.

Source: van Wyngaard, Seugnette. Presentation "1st for Women South Africa". International Conference on Inclusive Insurance 2022.

The company's experience shows that, statistically, women are lower insurance risks, and damage to their vehicles costs less to repair than men's. Women customers have distinct characteristics (see Box 13), and the company has been characterised by its high-quality services when reaching them (see Box 14).

## Box 14

**1st for Women – 1st for Customers**

- Flexible communication channels catering for individual customer preferences.
- Digital claims process, with option to upload voice notes, videos and photos
- Fast-track claims processes, with instant outcome and notification
- Claims predictive model that steers claims seamlessly to the right SME's
- Guardian Angel on Call – keeping our customers safe if they are alone next to the road.
- Panic Button – reacting rapidly to distressed customers facing danger.
- Crash Detect – reaching out to us for help, when our customers are unable.
- Dedicated claims consultants working tirelessly to help our customers get on with their lives.
- Owning the process end to end, including ensuring excellent replacement and repair experience.

Source: van Wyngaard, Seugnette. Presentation "1st for Women South Africa". International Conference on Inclusive Insurance 2022.

**Lessons learnt**

- Women remain an underserved community across all financial services, including insurance.
- Targeting women in insurance is not only key for growth and development, but also a great business opportunity
- Women customers' characteristics are distinct and should be taken into account by product offerings and claims service.
- An important issue in serving the women's insurance market is the lack of gender disaggregated data.
- A good understanding of the context and challenges of the distribution partner's ecosystem and of the respective target population is key.
- There is no one-size-fits-all solution, but a good starting point is gender-neutral solutions that can later be adjusted to women's specific needs.

## Parallel session 9

# New partnerships to unlock the MSME insurance market

Hosted by Cenfri/Microinsurance Network's MSME Best Practice Group

By **Maria Victoria Sáenz**

*In this session, three large insurers – based in Europe, Asia and Latin America – shared the experiences, incentives and results of their partnerships to reach the MSME market.*

Micro, small, and medium enterprises (MSMEs) are important drivers of economic activity, in particular among the most vulnerable. They face a range of risks but have few tailored offerings of protection. For insurers, they are a solid potential growth market, providing diversification and a preferred risk for retaining low-ticket, short-term business.

Reaching this market presents many challenges. Insurers lack knowledge of the sector, and the sector lacks adequate risk management tools and experience. Three principles seem crucial in order to offer affordable products to the sector:

- Focus on value chains to tailor and distribute solutions. MSMEs are heterogeneous (trade, small retail shops, agriculture, small restaurants, beauty parlours, etc.), requiring a value chain with a particular understanding of the risks and potential solutions.

- Consider risks holistically, as ones with a blurred line between the business risk and the owner's risk.
- Make the solutions tangible through different added services, delivered by partners or distribution channels on their own.

### Designing the product

Three innovative players were featured in the session: AXA, one of the world's largest property and casualty insurers, with its Emerging Customers line of 9.5 million clients in over 15 countries and 108 schemes in place; SIB General, one of India's fastest-growing private general insurance companies; and Seguros Bolívar, Colombia's third-largest insurance company in terms of assets and premiums.

Left to right: **Laura Rosado**, Strategy and Finance Manager, AXA Emerging Customers, France; **Aléjandra Díaz Agueldo**, Director Sustainability, Seguros Bolívar, Colombia



Parallel session 9  
New partnerships to unlock the  
MSME insurance market

For the three, the basic challenge was: what, where and who are the MSMEs?

The first step was defining the customers, acknowledging what affects them, and designing the product. Table 3 shows each company's customer/sector and the characteristics of the insurance offering.

The panellists agreed on the importance of the distribution channels. When choosing a distribution channel, some key aspects to look at are: can the proposed channel offer substantial added value (data and information on the intended segment or value chain links); is the channel willing and able to co-create the product; and, last but not least, does the channel have reach, capacity and, in many cases, the digital competence to issue and deliver products online?

### Aligning the distribution channel

Sometimes the product is well designed but the distribution channel is not perfectly aligned – as shown by the case of AXA in the Philippines. Prototyping on the ground showed that people were worried about how climate change affected their family and future prospects. AXA's product covers damage to the business (structure and content) from natural disasters, theft, and personal accidents. It is not linked to any other product, and take-up is voluntary. The distribution agency is pawn shops. However, like other customers, when MSME owners go to a pawn shop, they want to trade an item or other collateral for cash, not spend money they have just obtained on something as intangible as insurance. The lesson learnt was to choose a distribution partner whose functions are aligned with an appropriate time to approach the potential client.

Table 3  
**Insurance product, distribution channels and type of insurance offered by AXA, SIB and Seguros Bolívar**

Company	Sector	Distribution channel	Type of insurance	Premium
AXA International	MSMEs in Philippines	Pawn shops—physical interaction	Interrelation of climate risk and financial vulnerability	Between US\$ 4 to US\$ 15 per year
AXA International	100,000 small shops in Mexico	Partnership with Fast Moving Consumer Goods (FMCG)	Premium paid by the FMCG. Insurance to top-performing shopkeepers and their families to protect livelihoods and reduce inventory risk.	Between US\$ 10 and US\$ 20 per year
SIB General	Shopkeepers, launched in 2022. So far, 5,000 policies issued. India	Common Service Centers (Online kiosk)		US\$ 10
Seguros Bolívar	4,194 small farmers	Fundación de la Mujer—MFI with national reach	Combination of indemnity and parametric	US\$ 2.20 monthly average

Parallel session 9  
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**Leveraging partnerships**

Small shopkeepers distribute 50–70% of the world’s fast-moving consumer goods (FMCG) from companies like Unilever, Coca-Cola and others. This makes the small shopkeeper an interesting MSME to target for insurance. Usually, FMCG makers spend a lot of money on loyalty programmes to ensure that their product is better displayed than others, securing a faster turnover. In Mexico, AXA leveraged FMCG partnerships to offer prepaid insurance as a reward (see Table 4).

This AXA partnership was successful but gave rise to intense competition from other insurers. Such an outcome can be averted by signing an exclusivity agreement or by helping the partner overcome managerial pitfalls.

**Co-creating the product and sharing costs and processes**

**Seguros Bolívar/  
Fundación de la Mujer**

**Number of clients:**  
4,194 farmers  
**Insurance cover:**  
direct damage, parametric  
**Premium range:**  
US\$ 2.20 (monthly)

Seguros Bolívar aimed at reaching small farmers with parametric insurance. It needed a partner offering scale and effective premium collections. It found Fundación de la Mujer, Colombia, an MFI created 30 years ago, which has 178,000 clients with an average microcredit of US\$ 775. Women represent 63.3% of the clients, and agricultural MSMEs represent 30%. Notably, 92.7% of the clients have

voluntarily bought insurance. Choosing an MFI was important for Seguros Bolívar, as it could learn from the default rates of the MFI’s portfolio. What was causing it, in most cases, was climate risk.

For the development of the product, Seguros Bolívar and Fundación de la Mujer teamed up with the Microinsurance Catastrophe Risk Organisation (MiCRO). MiCRO designs and implements index-based inclusive insurance jointly with its partners to meet the needs of their end clients. Seguros Bolívar’s product includes an early warning system. The company added the use of artificial intelligence to make the claims process faster and more effective. A voice validation tool allows the call centre to determine if the person making a claim is telling the truth. Only 10% of cases fail the test.

Table 4  
**Delivery model | leveraging FMCG partnerships to protect 100k MSMEs**  
Insurance as a reward to for top-performing mom and pop stores

<b>Value proposition</b>	Offer insurance coverage to top-performing shopkeepers and their families, to protect livelihoods and reduce inventory risk
<b>Covered risks and benefits</b>	Twice a year, sales were estimated per store. If mom and pop stores achieved targets, they received cover depending on their tier <b>Tier 1 sellers:</b> — Life cover and funeral expenses — P&C cover – theft, fire damage, liability cover <b>Tier 2 sellers:</b> — Life cover and funeral expenses
<b>Delivery model</b>	Via FMCG company’s delivery networks
<b>Premiums</b>	Paid by the FMCG company ca. US\$ 20 – US\$ 10/year

Source: Rosado, Laura. Presentation “Partnerships to unlock the MSME market”. International Conference on Inclusive Insurance 2022.



Parallel session 9  
New partnerships to unlock the  
MSME insurance market

### Building an ecosystem for rural distribution

To reach MSME shopkeepers across India, SIB General looked for partners that could offer reach in remote locations, had access to members of loan and other groups, and were trusted by customers. It also needed a partner to invest resources to develop the product. But most importantly, a partner with digital capacity, with end-to-end digital integration.

SBI chose the Common Service Centres (CSCs). There are 250,000 such centres across the country. These “online kiosks” are access points for the delivery of various electronic services to villages, such as public utility services, social welfare schemes, financial education, and agricultural services. Each CSC is operated by a local entrepreneur who knows the villagers and is trained to give after-sales services, manage claims and create trust. The CSC represents an opportunity for skills development, financial inclusion and last-mile distribution units for various low-income communities.

The partnership between SIB and the CSCs launched in 2022 and has issued over 5,000 policies, taking only two minutes on average for issuance. So far, only five claims have been reported, with four of them settled. Although highly digitised, there is still a need for human interaction – to meet the challenges of activating the centres, training and capacity development, and product awareness and acceptance.

### Lessons learnt

- Partnerships work better when interests are aligned, but there are ways to overcome misalignment.
- The simpler the product and processes, the faster the end customer gains trust and the distributor experience.
- Going digital alone is not possible; the nature of the product and clients could require a personal touch.
- To tap into the MSME market, insurers must achieve a winning combination of a good product design, value proposition and the right aggregator.
- For MSMEs, insurers need to strike a balance between business and personal risk exposure.
- Index insurance can expand penetration, and add-on services can increase tangibility.

**Jeremy Gray**  
Principal, Cenfri, South Africa



**M. K. Balachandran**  
Head – Rural Retail and  
Microinsurance, SBI Insurance,  
India (online)



Parallel session 10

Macro solutions for micro needs  
(linking disaster risk finance instruments  
to national social protection systems)

Hosted by the World Food Programme

By Rishi Raithatha

*The WFP’s Risk Financing Strategy for the Caribbean links disaster risk finance instruments to national social protection systems. Through this mechanism, governments in the Caribbean can purchase catastrophe coverage. This session explored how a sovereign parametric insurance risk pool was linked with national social protection systems, and the associated challenges and opportunities.*

National social protection systems can support people in normal times, but need to adapt during shocks. Shock-responsive social protection systems should be able to expand vertically, by providing additional resources for existing beneficiaries, or horizontally, where new beneficiaries receive help temporarily. Insurance can help governments support such systems.

In Latin America and the Caribbean (LAC), 93% of hydrometeorological events lead to disasters. Most of the region’s biggest disasters can be attributed to hydrometeorological events. Over the next 30 years, an estimated US\$ 100 billion dollars per year will be lost in LAC.

Many Caribbean countries that the World Food Programme (WFP) operates in have government-owned social protection systems. The WFP’s aim is to help governments strengthen these systems’ shock responsiveness and risk transfer capacity. To improve access to inclusive insurance, the WFP developed a risk finance strategy for the last mile together with governments and private sector players.

This includes risk layering to embed insurance into different settings. Implementing this strategy has required a coordinated change management effort across the 13 offices in the region. As of 2022, Belize, Dominica, El Salvador, Guatemala and Nicaragua all have microinsurance programmes.

The WFP’s risk financing strategy on preparedness and response is made up of two pillars (see Figure 27):

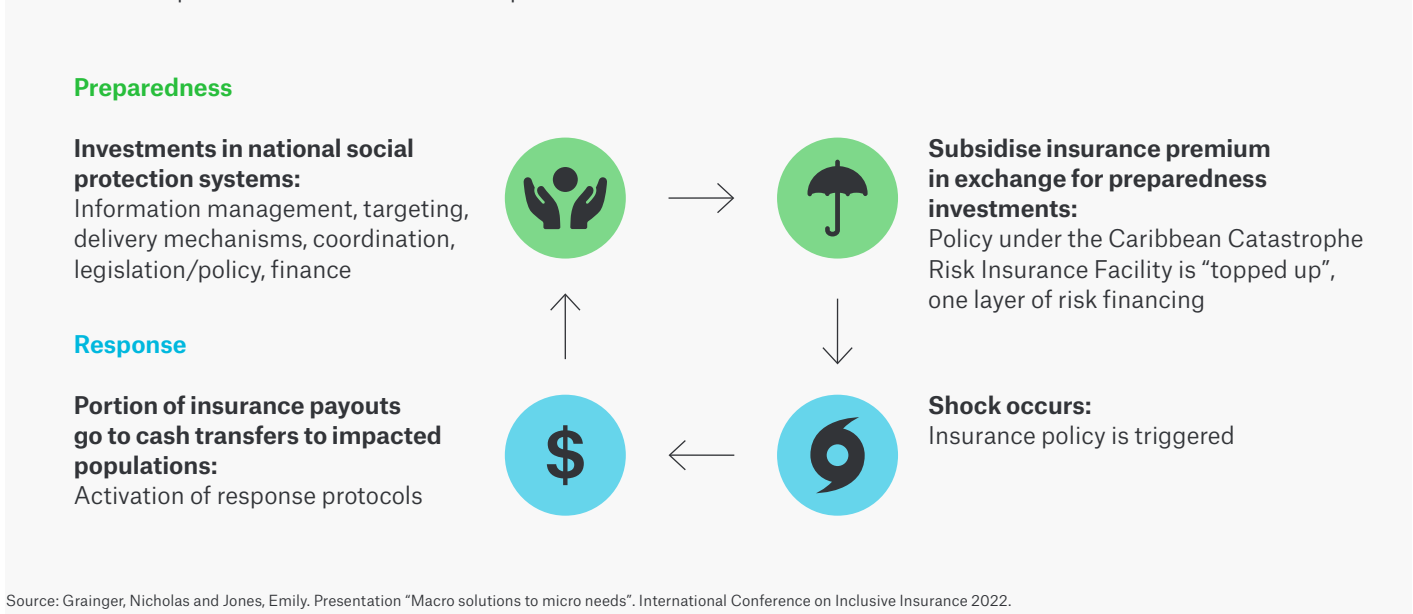
1. **Advocacy** for a risk-layered approach to disaster risk financing and social protection.
2. **Action** on piloting programmes and technical assistance.

Beyond this, additional premium support of 10–20% is provided to governments to increase coverage under existing policies. In exchange, governments are encouraged to improve their preparedness mechanisms, delivery mechanisms, information management systems, coordination systems and targeting mechanisms.

Figure 27

**WFP Disaster Risk Finance Strategy for the Caribbean**

Pilot with the Government of the Commonwealth of Dominica and Government of Belize to link parametric insurance to social protection



Source: Grainger, Nicholas and Jones, Emily. Presentation “Macro solutions to micro needs”. International Conference on Inclusive Insurance 2022.

Parallel session 10  
Macro solutions for micro needs  
(linking disaster risk finance  
instruments to national social protection  
systems)

**Case study:**  
**Catastrophe insurance in Belize**

Belize is less prone to earthquakes and hurricanes than other Central American countries, but still suffers indirectly from their impact. Damage to homes, roads, bridges, crops and livestock is common, while flooding can occur in affected areas. The government has promoted disaster risk management through training and outreach programmes, and has introduced disaster risk financing tools.

Since 2007, Belize has purchased tropical cyclone and earthquake coverage through the Caribbean Catastrophe Risk Insurance Facility (see Box 15). Belize's latest disaster risk tool is a catastrophe fund which pays out when triggered by wave action, wind intensity and rain intensity. The policy was only triggered once in 2007, leading to a small payout.

Box 15  
**CCRIF profile**

The Caribbean Catastrophe Risk Insurance Facility (CCRIF) in the Caribbean is the world's first multi-country risk pool. CCRIF has been a success for several reasons. There has been significant political will from its inception. The initiative and idea were championed by heads of government in the region – in response to Hurricane Ivan in 2004. CCRIF started off with 16 member countries and initially covered the impact of tropical cyclones and earthquakes. As of October 2020, CCRIF offers five products to 22 countries and two utility providers. In 2023, another two or three countries are expected to join. In 2007, the cover provided was for US\$ 0.5 billion; this has since grown to US\$ 1.2 billion.

Donor support has been important to CCRIF's growth and capitalisation. The European Union has provided US\$ 11 million to subsidise country premiums. With US\$ 67 million in capital, CCRIF has avoided the need to rely on reinsurance markets. This has enabled it to keep premiums affordable for governments. CCRIF has benefited from government engagement on coverage and payments. At least 24 governments have received payouts worth US\$ 260 million since CCRIF's inception. However, to maintain sustainability, the scheme needs more countries to join – particularly Central American countries.

Source: Anthony, Isaac. Panel presentation. International Conference on Inclusive Insurance 2022.

Left to right: **Emily Jones**, Climate Risk Financing Advisor, World Food Programme, Italy; **Kathryn Milliken**, Regional Climate Advisor, World Food Programme Panama, Barbados; **Nicholas Grainger**, Programme Policy Officer, World Food Programme, Barbados



Left to right: **Alma Gomez**, Supervisor of Insurance and Pensions at the OSIPP, Belize; **Isaac Anthony**, CEO CCRIF SPC, Saint Lucia; **David Maslo**, Head of Business Development, African Risk Capacity, South Africa



Parallel session 10  
 Macro solutions for micro needs  
 (linking disaster risk finance  
 instruments to national social protection  
 systems)

### Comparing the Caribbean to Africa

The Caribbean's experience with risk pools can be compared to Africa. Like CCRIF, African Risk Capacity (ARC) is a regional risk pool that serves African Union member states. ARC was considered a novelty when launched around ten years ago, and has many similarities to CCRIF. Both risk pools have experienced similar challenges and have benefited from donor support. Both have put considerable effort into building risk models, contingency planning models, engaging with governments, and designing and launching policies.

Since its inception, ARC has grown significantly. It started out with a crop insurance model for drought and had just a few countries as customers. As of 2021, ARC is operational in at least 16 countries, with at least two more countries expected to join in 2023. ARC's product range has grown to cover several perils, such as pastoralist drought, tropical cyclones, floods and agricultural epidemics.

Since ARC's launch, the insurance landscape in Africa has changed: several models and companies have emerged, creating a market that is capable of growing further. This has led to the private sector playing a role in social protection and safety net programmes, as ARC has done in both Kenya and Malawi. More countries are developing social protection programmes, with the aim of using micro-level insurance for these schemes.

### Lessons learnt

- National social protection systems can support people in normal times, but need to adapt to become shock-responsive.
- The WFP's aim is to help governments in the Caribbean and Central America to strengthen their shock-responsiveness and risk transfer capacity.
- The WFP's Caribbean risk financing strategy involves pillars on advocacy for a risk-layered approach and action on how to pilot programmes.
- The Government of Belize has promoted disaster risk management, including training and outreach to communities.
- CCRIF has kept premiums affordable for governments in the region. To maintain this affordability, CCRIF has remained well capitalised.
- Like CCRIF, ARC has built risk models, contingency planning models, and processes on how to engage with governments regarding social protection schemes.

## Parallel session 11

## Towards better support for future inclusive insurance activities – Looking at successes and failures

Hosted by the UNDP

By Nokuthula Moyo

*This session discussed lessons learnt from past inclusive insurance initiatives and how to apply that knowledge when designing new programmes and improving current practices. The session also included a walk-through of the inclusive insurance navigator, a technical guide on how to build inclusive insurance, developed by UNDP's Insurance and Risk Finance Facility (IRFF).*

**The inclusive insurance navigator**

There are many tools, case studies and experiences of inclusive insurance that have been gathered over the past 15 years as the industry has grown, but there isn't a single place where they can be accessed. The insurance navigator<sup>19</sup> was born out of a desire to consolidate the information, capture experiences and lessons learnt by various stakeholders and create something that's user-friendly and built around the needs of users.

Starting with a scan of existing tools and materials, there were interviews with nine key practitioners and associations in seven countries and eleven remote surveys. Users were asked what they wanted and needed in order to develop inclusive insurance products, programmes and, in some cases, markets. See the findings in Box 16.

## Box 16

**Main findings from user survey<sup>20</sup>**

- Existing publications and resources are not well utilised, as most are outdated.
- A diverse group of users requires a broad and heterogeneous set of tools reflecting their varied experience and interests.
- Gender differentiation is not top of mind.
- Gaps in knowledge are often filled by hiring consultants, which can be costly and discouraging when entering a new market with high risks and tight margins.
- The guide should be easy to understand and used to upskill people in lower ranks.
- Connectivity struggles are common, and video streaming is difficult to rely on. Hence there is preference for in-person and "human touch" channels rather than digital ones for the guide's distribution.

Left to right: **Mauricio Osorio**, CEO, Crezcamos, Colombia; **Salvador da Cunha**, CEO, Affinity International, Dominican Republic



19

Insurance Navigator is a technical guide on how to build inclusive insurance products, developed by the UNDP Insurance and Risk Finance Facility in 2022.

20

The UNDP interviewed various stakeholders ranging from insurers to microfinance institutions and UNDC offices about their use of existing inclusive insurance tools and literature.



Parallel session 11  
Towards better support for future  
inclusive insurance activities –  
Looking at successes and failures

The outcome was a guide with sections on research, product design, selling and servicing, with managers’ briefs, checklists to track progress, and embedded tools from various sources (see Figure 28). The insurance navigator has different levels of recommendations addressing the different steps to be followed when developing inclusive insurance products. The recommendations start with Route 1, which gives details on the full process to be followed when developing products, and end with Route 4, which focuses on client journey mappings.

The navigator also has case studies to serve as real-life examples of how to apply the knowledge – three of which were reviewed in the session.

Figure 28  
**Insurance navigator**

**Structure**

- Five sections
  1. Preparing for the work
  2. Market research
  3. Product and process design
  4. Selling the product
  5. Servicing the product
- Five manager’s briefs
- Five check lists for users to track progress
- 27 original and external tools in the main navigator document
- Toolkit with an additional 47 external tools
- 20 case studies applying tools and methods

**Four recommended “routes”, but many more ways to customise your start and finish**

**Route 1** – The full process

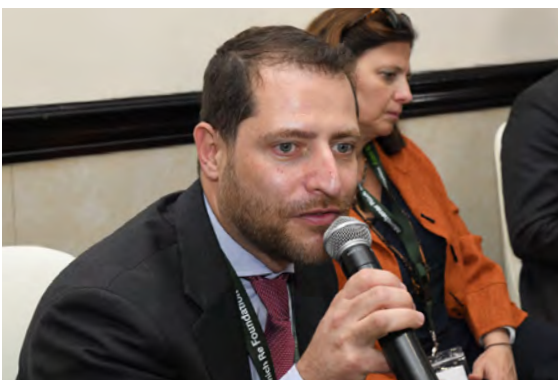
**Route 2** – New data collection with internal staff and distribution channels, robust prototype testing

**Route 3** – Agile product development and prototype testing for price sensitivity

**Route 4** – Client focus groups and customer journey mapping

Source: Magnoni, Barbara. Presentation “Building a guide to end-to-end inclusive insurance development”. International Conference on Inclusive Insurance 2022.

**Miguel Solana**  
Inclusive Insurance Specialist,  
UNDP, Turkey



**Barbara Magnoni**  
Director, EA Consultants,  
United States



Parallel session 11  
Towards better support for future  
inclusive insurance activities –  
Looking at successes and failures

Case study 1

**Compartamos Banco, Mexico**

**Number of people insured:**  
14 million

**Insured risks:**  
cancer diagnosis, life, surgical  
intervention, loan redemption,  
hospitalisation

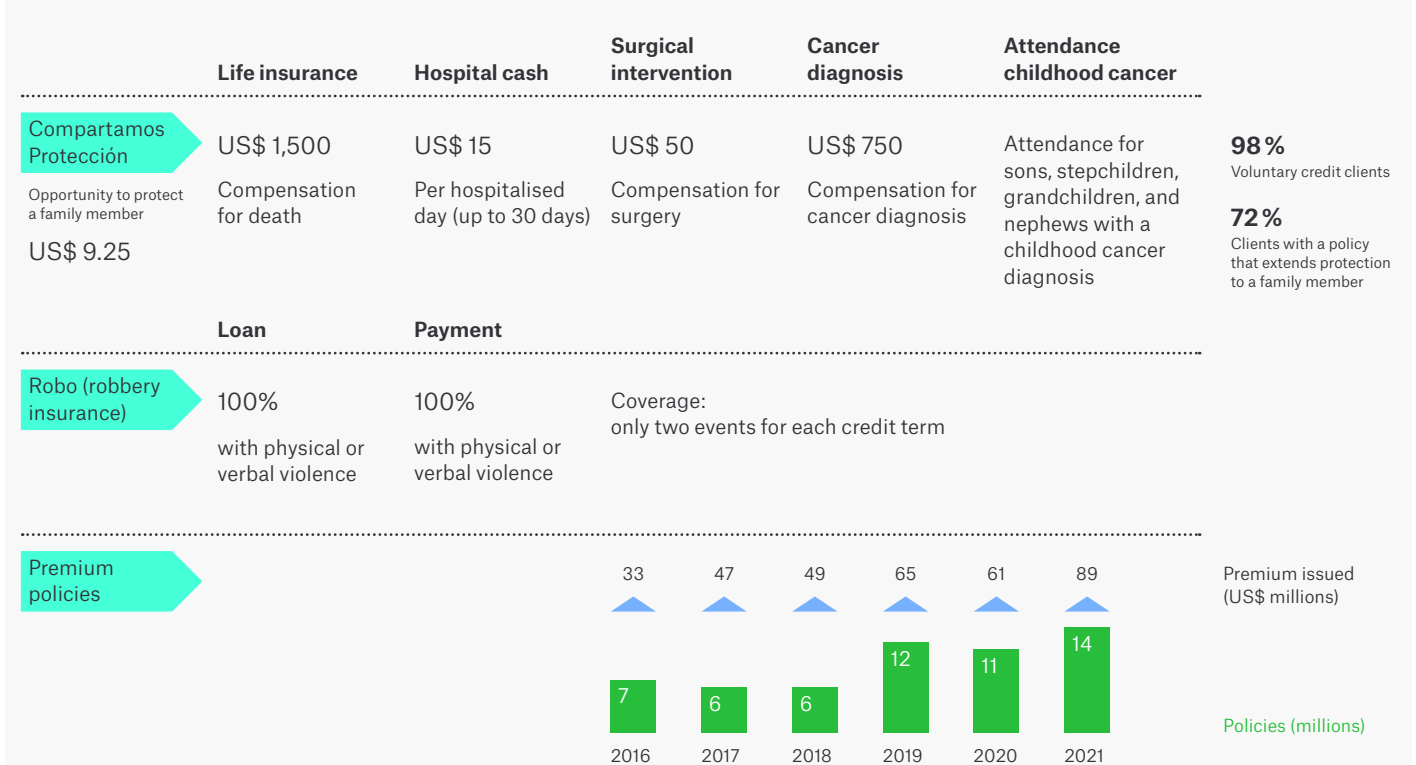
**Premium range:**  
US\$ 89 per year (average)

Compartamos Banco started more than three decades ago as an NGO, and this social origin has defined the design of its financial services. It began by offering credit to finance productive activities and now offers insurance, savings and payment channels. The vision is to change society through inclusion and bringing development opportunities closer to people. Through a series of initiatives over the years, Compartamos Banco's portfolio has grown significantly (see Figure 29).

Compartamos Banco's success factors include:

- Running promotions to increase the product's visibility and inform clients of the benefits of having insurance
- The application forms to fill out are simple and mostly utilise existing data from the credit products clients already have.
- Setting up post-sale follow-ups with the clients to maintain close relationships and increase the chances of the client renewing the insurance contract.
- Simplifying the claims process, removing fine print and ensuring that claims are paid within 48 hours.
- Transparency: the client is informed about all the features, premiums, claims process and cover amounts of the product.

Figure 29  
**Compartamos Banco's inclusive insurance**  
Product coverage



Source: Magnoni, Barbara. Presentation "Building a guide to end-to-end inclusive insurance development". International Conference on Inclusive Insurance 2022.

Parallel session 11  
Towards better support for future  
inclusive insurance activities –  
Looking at successes and failures

## Case study 2

**Affinity International,  
Dominican Republic**

Number of people insured:  
295,916

Insured risks:  
life, accident and health, medical, motor,  
homeowner's, SMEs, telemedicine cover

Average premium:  
US\$ 2.70 per month

Affinity is an insurtech founded in 2004 to help its partners distribute voluntary insurance products to the middle and lower market segments with limited disposable income. Its business partners include banks, MFIs, cooperatives, insurance companies and retail department stores.

The platform uses data analytics and business intelligence. Partners can view real-time statistics on their products, such as the number of policies in force and reasons for cancellations. Affinity has a clear view of where the sales forces are, the types and number of products they sell, as well as the premiums collected. This knowledge enables Affinity to concentrate on successful areas and to come up with strategies for areas that are not doing well.

## Case study 3

**Crezcamos, Colombia**

Number of people insured:  
24,000

Insured risks:  
rainfall

Premium range:  
N/A

Crezcamos is a microfinance institution in Colombia looking to advance the progress of lower-income communities with inclusive financial services. The goal is to provide protection for the whole family against risks that threaten their security and development.

Eight years ago, Crezcamos started work on developing an agricultural product that would provide cover against the risk of rainfall. One of the challenges it faced was convincing insurers that this was a viable product with enough demand from farmers. With the support of two insurers and two reinsurers, and subsidies provided by the government of Colombia, a parametric insurance product was launched.

At the time, not many companies were utilising the subsidies provided by the government. Crezcamos offered one of the first index insurance products offered in the country. Although the product still utilises subsidies to this day, the goal is to reduce reliance on the subsidy as the product reaches scale and operation costs are reduced.

**Lessons learnt**

- Inclusive insurance products need to be sustainable in the long run so that, when financing assistance stops, the products can still continue.
- Analysing product usage helps insurers understand clients better and enables them to increase the value of products.
- Business partnerships, with donors and distribution channels, need to be aligned at each stage of evolution and development.
- Simple, automated, end-to-end processes for omnichannel engagement attract customers.
- Constantly add value to retain their business.
- The key to developing a guide that will be put to good use is to first ask users what they want.

## Parallel session 12

## When academia meets practice

Hosted by the Consortium of Excellence for the 17 Goals (C-17):  
University of Lausanne (Switzerland), University of Liverpool (United Kingdom),  
and York University (Canada)

By José Miguel Flores Contró

*Collaboration among academics, practitioners, policymakers and other stakeholders can foster the development and implementation of individually and socially impactful inclusive insurance products and services. This session covered four presentations – three by scholars and one by an industry specialist – outlining science-driven findings that address issues of the inclusive insurance market and the benefits of collaboration between academics and practitioners.*

**José Miguel Flores Contró**  
PhD Candidate in Actuarial  
Science, University of Lausanne,  
Switzerland

### Inclusive insurance supplementing social protection strategy

In recent years, governments in developing countries have increasingly encouraged and supported inclusive insurance programmes. In countries like China and India, the agricultural insurance sector has grown significantly with the support of central and provincial governments.

The most common form of government support for insurance is premium subsidies.

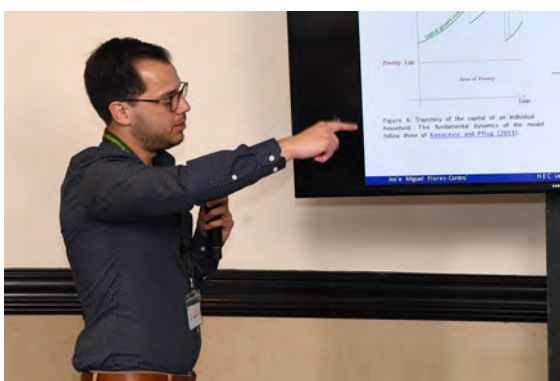
When designed properly, subsidised insurance schemes are a powerful and cost-effective way to achieve public policy objectives. Poorly designed subsidies can be inefficient and lead to significant economic costs. Subsidies need to have a clearly stated purpose, target those in need, and address market deficiencies or consumer equity concerns.

The role of inclusive insurance in poverty alleviation, not yet fully explored, has raised questions among academics, practitioners and policymakers. Specifically, government-supported inclusive insurance schemes and their efficiency in reducing social protection costs need further research. Researchers of the C-17 and Central Washington University in the USA launched a project entitled “Subsidising Inclusive Insurance to Reduce Poverty”. Based on a rigorous mathematical model, it compares the impact on poverty dynamics of three inclusive insurance frameworks, while assessing their cost-efficiency.

Box 17

### The schemes studied

1. Unsubsidised premiums: premium payments are totally covered by the policyholder
2. Subsidised constant premiums: a percentage of the premium is subsidised by the government
3. Subsidised flexible premiums: the premium is fully subsidised by the government if certain conditions are fulfilled



Parallel session 12  
When academia meets practice

Results of their work reveal that premium payments can actually increase the risk of falling into poverty for the vulnerable non-poor, i.e. those living just above the poverty line. However, they also uncover how government aid (in the form of premium subsidies) can help overcome this shortfall. Their study introduces a simple and transparent method to calculate subsidies that provide social benefits by ensuring, for example, that enrolling in an inclusive insurance scheme will not (adversely) increase the probability of impoverishment for vulnerable non-poor individuals. In relation to the government cost of social protection, researchers also show that the proposed insurance mechanisms (with or without subsidies) can reduce the cost of social protection borne by governments (see Figure 30).

**Risk pooling to manage flood risk**

Climate-related disasters made up 91% of all recorded disasters between 1998 and 2017, with 43% flood-related. Floods are the most frequent natural hazard affecting the most people.

Defined as combining hazard, exposure and vulnerability, flood risk has increased rapidly over time – because of population growth, wealth, urban development and climate change, the last being considered the main cause.

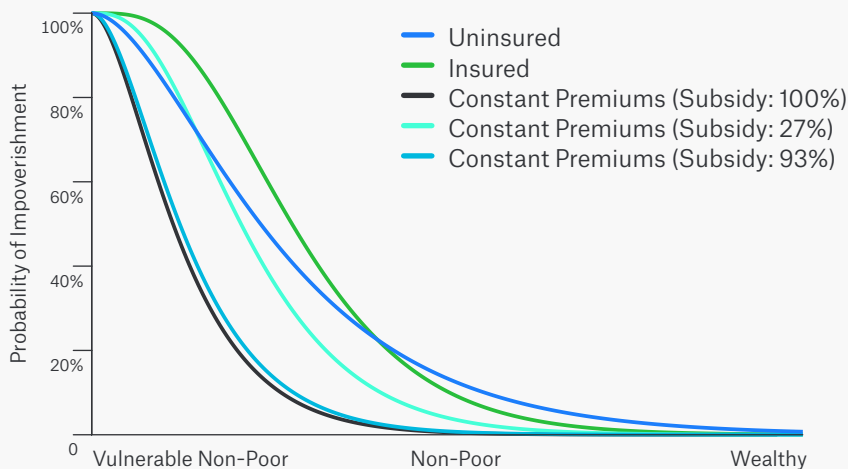
Flood insurance transfers the risk away from the exposed. But flood insurance penetration remains low in most countries around the world, with the poorest countries having the lowest rates. Strategies to increase insurance penetration include making insurance mandatory, bundling insurance with other value-added services, and adopting risk pooling mechanisms.

Box 18

**Risk pooling vs. traditional risk management**

- Risk pooling: individual entity contributes regular premiums to the pool → event occurs → risk pool covers the cost
- Traditional risk management: event occurs → individual entity covers the cost

Figure 30  
**The probability of impoverishment under an inclusive insurance scheme with subsidised constant premiums**



→ Inclusive insurance alone may not be enough to reduce the likelihood of impoverishment for those closest to the poverty line.

→ We study the cost-effectiveness of government subsidised premiums, considering the case in which the government subsidises a percentage of the premium.



## Parallel session 12

### When academia meets practice

A study (“On flood-risk management across socio-economic environments”) by researchers from the University of Liverpool considers risk pooling at both continental and global levels, as a country’s geographical location is a crucial determinant of the nature and timing of floods. Instinctively, flood risks are diversifiable when sufficiently large geographical areas are considered.

Risk pooling mechanisms have several benefits, mainly elimination of the unpredicted reallocation of wealth and increased efficiency of disaster response. The approach the study followed to form the risk pools is not based on countries’ geographical vicinity, as these pools are traditionally established, but on reducing their risk exposure by minimising the aggregated Value at Risk (VaR)<sup>21</sup> of the countries forming the pool. In particular, the study shows that, on a continental level, Jamaica should pool its flood risks with Paraguay, while Costa Rica, Honduras, Peru and Venezuela should form a separate cluster. And on a global level, Jamaica should be pooled together with Niger, Paraguay, Hungary, Ukraine, Mozambique, Yemen, Austria and Poland.

### Inclusive insurance and economic growth in Africa

Empirical research reveals that, when designed properly, inclusive insurance products have a positive impact on low-income individuals’ lives (at a micro level). However, its lasting impact on the aggregate economy (at a macro level) remains debatable.

Researchers at York University in Canada initiated a joint project with the Microinsurance Centre at Milliman, entitled “Microinsurance and economic growth in Africa”, to assess the intertemporal (long-term) and contemporaneous (immediate) effects of inclusive insurance on economic growth in Africa, using data for 2005, 2008 and 2011 on 50 countries and employing cross-sectional and pooled regression models.

The results of the study suggest that inclusive insurance has an immediate, robust positive effect on economic growth, with a larger marginal effect in poorer countries. However, this effect is small compared to the long-term impact, which at the same time tapers off more quickly with a country’s initial GDP, thereby suggesting that inclusive insurance may fail to leave a lasting trace on the aggregate economies of the “wealthiest” countries in Africa (see Box 19 for an illustrative example).

### Box 19

#### The case of Niger

In 2005, Niger did not have an inclusive insurance market, while 0.5% of the African population in the sample data was covered by inclusive insurance.

- Long-term effects: if 2% of Niger’s population had been covered by inclusive insurance in 2005, its GDP growth rate over the next 7 years would have averaged 0.9% per year rather than the actual 1.4%.
- Short-term effects: an exogenous change in inclusive insurance that pushed Niger to the sample mean value of 0.5% would have accelerated its annual growth rate in 2005 by about 0.25%.

### Michael McCord

Managing Director,  
Microinsurance Centre at  
Milliman, United States



21

Value at Risk (VaR) is the loss level that will not be exceeded with a specified probability within a specified time horizon.

Parallel session 12  
When academia meets practice

### Partnerships for impact

Practitioners are now in a position where they obtain large amounts of data that can be used to design more suitable inclusive insurance products for low-income individuals. Nevertheless, for several reasons, much of this data is currently untapped. Collaboration among practitioners and researchers, like the one for the Africa study, can show policymakers the positive effects that inclusive insurance products can have on a country's economic growth.

### Lessons learnt

- Government-supported inclusive insurance schemes play an important role in poverty alleviation.
- Subsidised inclusive insurance schemes can supplement a government's social protection strategy, while achieving government savings.
- Risk pooling is an alternative mechanism that can reduce risk premiums and increase response to catastrophic events.
- Inclusive insurance has a measurable, robust, statistically and economically significant effect on economic growth in both the long and short term.
- Working together, practitioners and academic researchers can design more suitable inclusive insurance products for low-income individuals.

Left to right: **Tsvetanka Karagyozyova**, Assistant Professor, York University, Canada; **Corina Constantinescu**, Professor, University of Liverpool, United Kingdom; **Kira Henshaw**, Research Assistant, University of Liverpool, UK; **Ida Ferrara**, Associate Professor, York University, Canada



## Plenary 4

Insurance and pensions for migrant workers:  
need and business case

Hosted by the UNCDF

By Maria Victoria Sáenz

*This session highlighted the need for inclusive insurance and pensions for migrants, the challenges and opportunities for private sector initiatives, and pathways for innovations.*

**The migrant landscape**

According to the UNCDF, migrants represent 4% of the world's population, a potential market of 281 million people. Two-thirds of the migrants are low- and middle-income people, and 48% are women. They are more likely than non-migrants to fall into poverty. Their workplace mortality rate is 2.5 times higher than other workers.

Migrants send more than US\$ 800 billion annually to around one billion persons in their home countries, helping them with their immediate needs. The UNCDF estimates that if 5% of the remittances to the home countries were invested in insurance, a flow of around US\$ 41 billion could go to the insurance sector. Other estimates by the same entity indicate that providing basic life insurance to 167 million migrants would yield a potential premium income of at least US\$ 7 billion. Only 2.8% of migrants have access to comprehensive social security.

Certain regions (European Union, the CARICOM and others) have social protection for migrants. But in the significant migrant corridors (UAE to India, Bangladesh and the Philippines; China and India to the USA, for example), there is no general social protection. Some home countries like India or the Philippines request mandatory insurance for immigrants before they obtain permission to work in another country. Others, like Abu Dhabi, have recently implemented compulsory insurance for incoming workers. Some countries like India and Dubai have pension schemes. However, the problem is compliance, and the coverage is questionable.

Remittances represent the private flow of money between senders and receivers, by which the senders facilitate resources for education, utilities, medical bills, and some asset buying. The receivers see part of these resources as a buffer for emergencies. If something happens to the migrant, the dependants back home lose that self-insurance.

**Rupal Kulkarni**  
CEO, ShramSarathi, India



Left to right: **Premasis Mukherjee**, Remittance and Digital Finance Specialist, UNCDF; **Hannah Grant**, Head of Secretariat, Access to Insurance Initiative (A2ii), Germany; **William Price**, Senior Advisor – Insurance and Pensions, UNCDF, UK



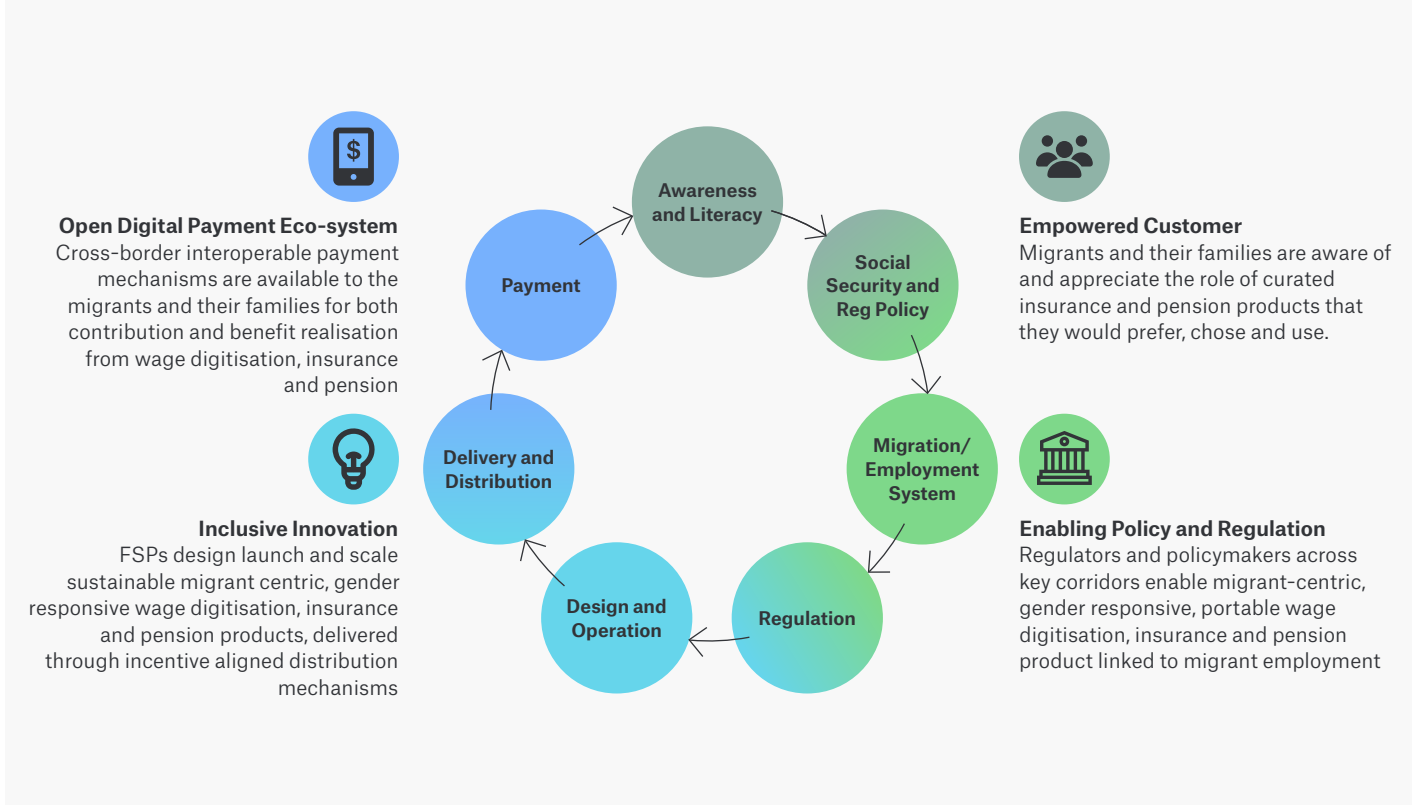
**Plenary 4**  
**Insurance and pensions for migrant workers: need and business case**

In consultation with over 50 stakeholders, the UNCDF studied the enabling tools of financial resilience for the migrant population. It concluded that the ideal ecosystem could be achieved by addressing the value chain gaps currently preventing migrants from accessing these services.

The ideal ecosystem can be reached by stakeholders working together, as illustrated in Figure 31.

The gaps are in both the public and private sectors. On the public side of the value chain are mainly policymakers, who often forget migrants and self-employed people: they are too small a segment to influence policy and, though quite significant, the segment is perceived as the “difficult box”. The private side is represented by wage and insurance/pension providers, suppliers of transaction digitalisation and cross-border interoperable payment platforms, and promoters of awareness among migrants and their families of risk management solutions.

**Figure 31**  
**Ideal ecosystem for migrant insurance and pensions**



Source: Price, William. Presentation “Improving migrant financial resilience with insurance and pensions”. International Conference on Inclusive Insurance 2022

## Plenary 4

## Insurance and pensions for migrant workers: need and business case

**Looking after unemployed migrants**

In India, around 139 million people migrate seasonally within the country every year. Of these, 92% are engaged in unskilled occupations in the informal sector, with no formal social security, contracts, or registration. Many became stranded because of the COVID-19 lockdown, while others tried to walk back home because of job losses. Their resources ran out, as did the informal coping mechanisms. The options came down to government relief and debt.

Shram Sarathi in India is addressing the ecosystem gaps by offering dedicated financial services and migration support to vulnerable seasonal workers and their households. To cope with COVID-19, it offered unconditional cash transfers and returnable grants to cover emergencies after the informal mechanisms of emergency support collapsed.

In 2022, Shram Sarathi interviewed 6,627 households to understand how migrants coped with the restrictions of COVID-19. Although many households (67.6%) received government cash relief, the amount received was minimal (US\$ 21) compared to the US\$ 89 debt that more than half the households required. Few received help from employers, and this came only in the form of high-interest debt.

A key lesson from the interviews was that lack of social protection is closely tied to indebtedness in low-income migrant households. There is an increasing need for industry and governments to work together to create unemployment insurance/emergency assistance for the unorganised sector.

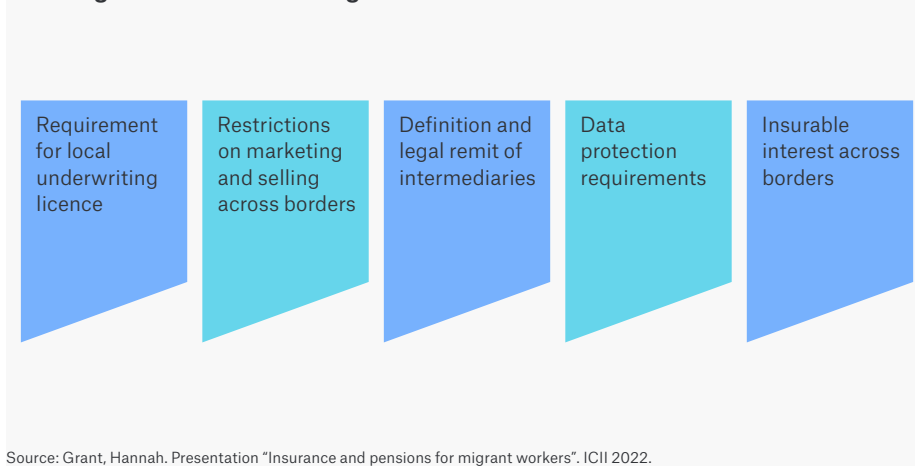
**Meeting regulatory challenges**

One important gap preventing migrants accessing insurance products is the regulatory framework, because it implies activities in two countries (host and home). The more activities are conducted in different countries, the more complex in terms of regulation. The primary challenges are the cross-border regulations and Know Your Client (KYC) policies.

**Cross-border regulations** face five main challenges (see Figure 32).

A local underwriting licence means that an *insurer from the migrant's home country cannot underwrite a product covering risks occurring in the host country*. Without a licence to operate in a particular country, the insurer can't market or sell products from another jurisdiction.

Figure 32

**Challenges of cross-border regulations**



**Plenary 4**  
**Insurance and pensions for migrant workers: need and business case**

The definition and legal remit of intermediaries is another challenge. Whether a remittance service provider (RSP) or money transfer operator (MTO) can collect premiums and bundle insurance with services is a grey area. In some jurisdictions, data protection requirements are stringent and forbid or at least hinder the cloud-based digital platforms. And the definition of “insurable interest” can be different in the host and home country.

**The Know Your Client (KYC) and Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)** regulations also represent a challenge to insurance for migrants. A local ID or proof of residence is required. The AML/CFT regulations are very strict across jurisdictions. However, given the small size of the average money transfer (US\$ 300), it is doubtful that it will be used for criminal ends.

**Emerging practices**

*Government mandatory insurance coverage*

The Philippines requires all Overseas Filipino Workers (OFWs) to have compulsory insurance regulated by the Philippines Insurance Commission (PIC). The PIC oversees the companies offering the insurance and ensures that the proper consumer protection provisions are in place.

*Remittance-linked insurance products*

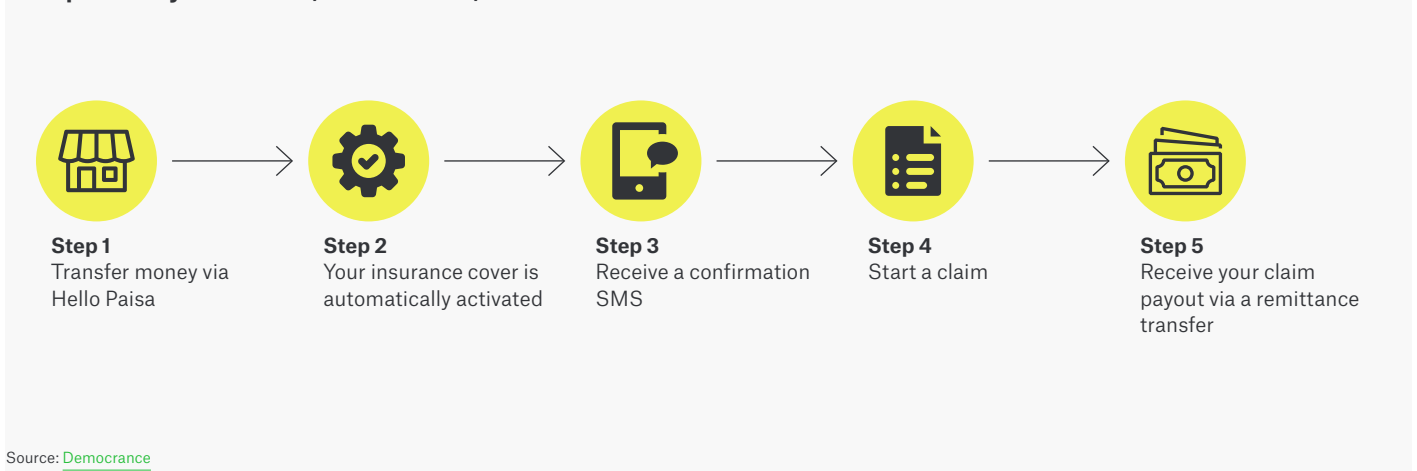
Banorte in Mexico offers life and repatriation products for migrants in the US through its local branches. The marketing channel is word of mouth from family members – which helps avoid the regulatory restriction on marketing in the US without an underwriting licence.

Another example is the partnership of Democrance, a digital platform based in the UAE, Hello Paisa, a South African money transfer service, and AXA. These entities developed a product called “Helloprotect”, a personal accident insurance policy for customers of the international money transfer service Hello Paisa. “Under the partnership, UAE residents remitting money to their home countries in the Middle East, Africa and Asia are now covered by AXA’s accident and disability policy – for free”<sup>22</sup>. The clients for this scheme are Hello Paisa’s customer base. Democrance’s platform allows clients to manage all their insurance needs via mobile phones. Payouts for all claims are made instantly via Hello Paisa’s remittance houses in beneficiary countries.

This is a noteworthy channel, since the UAE is one of the largest remittance-sending countries, and India and the Philippines are the receivers of US\$ 12.6 billion and US\$ 3.5 billion, respectively. Figure 33 illustrates the process this scheme follows:

22 [Democrance](#)

Figure 33  
**Helloprotect by Hello Paisa/Democrance/AXA**



Source: [Democrance](#)

## Plenary 4

## Insurance and pensions for migrant workers: need and business case

## Lessons learnt

**On regulation:**

- Regulators, supervisors, and policymakers can learn from their efforts over the past 15 years to regulate microinsurance.
- Regulators could examine some exemptions, like allowing marketing in the host country.
- They should also consider enabling RSPs and MTOs as distribution channels for inclusive insurance.
- Peer-to-peer conversations between the regulators of the more developed market (host) and the underdeveloped market (home) to exchange lessons.

**From practitioners and developing agencies:**

- The private and public sectors need to work together to create unemployment insurance and emergency assistance for the informal sector.
- The potential solutions to this squaring of the circle will depend on the type of remittance corridor, type and length of work, and formality vs informality. Notwithstanding, some possible solutions are, among others:
  - Mandatory co-contribution pension and insurance in host countries.
  - Non-contributory migrant social insurance schemes
  - Mandatory coverage for outgoing migrants
  - Bundled private-sector insurance
  - Voluntary insurance in home and host countries
  - Global or regional pension funds for migrants

## Agenda

## Day 4 – 27 October 2022

**Parallel session 13**  
**Moving forward stronger and equal: Mechanisms, tools, and strategies to help Small Island Developing States (SIDS) pivot from vulnerability to resilience**  
 Hosted by the CCRIF SPC

Speakers

**Isaac Anthony**  
 CEO, CCRIF SPC,  
 Saint Lucia

**Krishnan Narasimhan**  
 Global Lead Specialist and Programme Manager of the Pacific Climate Adaptation and Insurance Programme (PICAP), United Nations Capital Development Fund, Fiji

**Gloria Joseph**  
 Permanent Secretary,  
 Planning, Economic  
 Development, Climate  
 Resilience and Sustainable  
 Development in the  
 Government of Dominica

**Byron Leslie**  
 Vice President, Guardian  
 Group, Jamaica

Facilitator

**Elizabeth Emanuel**  
 Head of Corporate  
 Communications and Head  
 of Technical Assistance,  
 CCRIF SPC, Jamaica

**Parallel session 14**  
**Distribution**

Speakers

**Barbara Magnoni**  
 President, EA Consultants,  
 United States  
*Uni- to multi- to omnichannel  
 distribution – the case of  
 Colombia*

**Ann-Elise Francis**  
 Head of Growth, Turaco,  
 Kenya  
*Extending inclusivity across  
 the customer journey through  
 technology (online)*

**Saurabh Sharma**  
 Director - Emerging  
 Consumers, Britam, Kenya  
*Insuring gig workers: Britam's  
 partnership with Little Rides,  
 a Pan-African ride-hailing  
 app, to deliver a savings-  
 linked funeral insurance  
 product (online)*

**M. K. Balachandran**  
 Head – Rural Retail and  
 Microinsurance, SBI  
 Insurance, India  
*Innovative distribution  
 models to reach the last mile  
 (online)*

Facilitator

**Craig Churchill**  
 Head, Social Finance  
 Programme, ILO,  
 Switzerland

**Parallel session 15**  
**Targeting index-based insurance to protect women's assets**

Hosted by the Feed the  
 Future Innovation Lab for  
 Markets, Risk and  
 Resilience/UC Davis

Speakers

**Elizabeth Katz**  
 Gender specialist, Global  
 Center for Gender Equality,  
 Stanford University, USA  
 (online)

**Andrew Hobbs**  
 Assistant Professor,  
 University of San Francisco,  
 USA

**Emily Adams**  
 Eastern and Southern Africa  
 Science Coordination Lead,  
 SERVIR/NASA, USA

**Sumayya Hassan**  
 CEO Takaful Insurance  
 Africa, Kenya (online)

Facilitator

**Michael Carter**  
 Professor, University of  
 California, Davis, Director,  
 Feed the Future Innovation  
 Lab for Markets, Risk and  
 Resilience, USA

**Parallel session 16**  
**Unlocking demand. Innovative distribution and forward-looking strategies in Mexico, Kenya, Indonesia and the Philippines**  
 Hosted by the IDF's Inclusive Insurance Working Group

Speakers

**Anne Kamau**  
 Co-Founder and Director,  
 CoverApp, Kenya

**Arfang Sonko**  
 General Manager, Rewire  
 Fintech, Netherlands (online)

**Laura Rosado**  
 Strategy and Finance  
 Manager, AXA Emerging  
 Customers, France

**Samantha Lira**  
 Head of Business  
 Development, Kinsu, Mexico  
 (online)

Facilitator

**Pedro Pinheiro**  
 Project Manager,  
 Microinsurance Network/  
 IDF IIWG Coordinator,  
 Luxembourg

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# Agenda

## Day 4 – 27 October 2022

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### Plenary 5

#### Closing and outlook

Hosted by the CCRIF SPC

#### Keynote

##### **Everton McFarlane**

Executive Director, Financial  
Services Commission,  
Jamaica

#### Speakers

##### **Katharine Pulvermacher**

Executive Director,  
Microinsurance Network,  
Luxembourg

##### **Lorenzo Chan**

Chair of the Board of the  
Microinsurance Network,  
CEO, Pioneer Insurance,  
Philippines (online)

##### **Orville Johnson**

Executive Director, IAJ,  
Jamaica

##### **Michael Kofi Andoh**

Deputy Commissioner,  
National Insurance  
Commission, Ghana

#### Facilitator

##### **Dirk Reinhard**

Vice Chair, Munich Re  
Foundation  
Chair of the Conference  
Steering Committee

Parallel session 13

Moving forward stronger and equal – Mechanisms, tools, and strategies to help Small Island Developing States (SIDS) pivot from vulnerability to resilience

Hosted by the CCRIF

By Maria Victoria Sáenz

*This session, devoted to steps small island nations can take toward resilience, covered approaches, specialised products and mechanisms for scaling up access to inclusive insurance and social protection<sup>23</sup>.*

The creation, in 2007, of the Caribbean Catastrophe Risk Insurance Facility (CCRIF SPC)<sup>24</sup> as a multi-country risk pool was in effect a response to large natural disasters in the region. As of 2022, CCRIF has 22 country members (three from Central America) and has managed 58 payouts for US\$ 260 million, with more than 3.5 million people benefiting (see Figure 34).

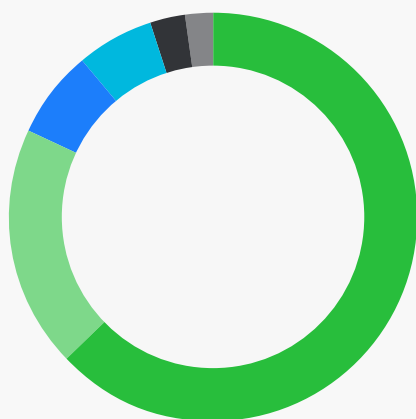
The CCRIF has stepped in for the private sector and ensures energy transmission and distribution (two countries participating). To deepen its outreach, the CCRIF has two projects linking macro-level insurance with microinsurance: the Caribbean Oceans and Aquaculture Sustainability Facility (COAST) and the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) project.

The Guardian Group acknowledged that “one size does not fit all”. Despite the similarities in size, small population and high risk of natural disasters, different island states have different solutions and different paces of recovery. In 2022, Guardian engaged with the CCRIF and, with the support of the Munich Climate Insurance Initiative (MCII), was able to distribute its Livelihood Protection Policy to protect tourism seasonal workers, fruit vendors, and fisherfolk, among other vulnerable groups.

In 2015, the island of Dominica was struck by Tropical Storm Erika, which caused extensive flooding and claimed the lives of thirty people. According to the World Bank, the total loss from the storm was US\$ 484.82 million or 93% of Dominica’s annual GDP, with 7,200 people (10% of the island’s population) affected.<sup>25</sup>

Figure 34  
**CCRIF at a glance**

58 pay-outs totalling US\$ 260 million made to 16 member governments within 14 days of the event. Approximately 3.5 million persons have benefited from CCRIF pay-outs since 2007.



● Immediate post-event activities	63%
● Long-term infrastructure work	19%
● Support to economic sectors, e.g. agriculture	7%
● Unallocated contribution to the national budget	6%
● Risk mitigation activities to reduce vulnerability to future natural hazard events	3%
● Capitalisation of a recovery fund	2%

Source: Emanuel, Elizabeth. Presentation “Coping with climate risk: Workshop on disaster risk financing, inclusive insurance and shock-responsive social protection”.

23

The session began with a stirring rendition of the poem BeSpoke by Cyindi Celeste on video, a call to action by the poet from Barbados to overcome impending hazards. Each panellist reacted to the poem by referring their work to some of its verses.

24

See workshop 4 for details of how Hurricane Ivan in 2004 led to the launch of the CCRIF.

25

[Dominica.gov.dm](https://www.dominica.gov.dm)



Parallel session 13  
 Moving forward stronger and equal –  
 Mechanisms, tools, and strategies to  
 help Small Island Developing States  
 (SIDS) pivot from vulnerability to  
 resilience

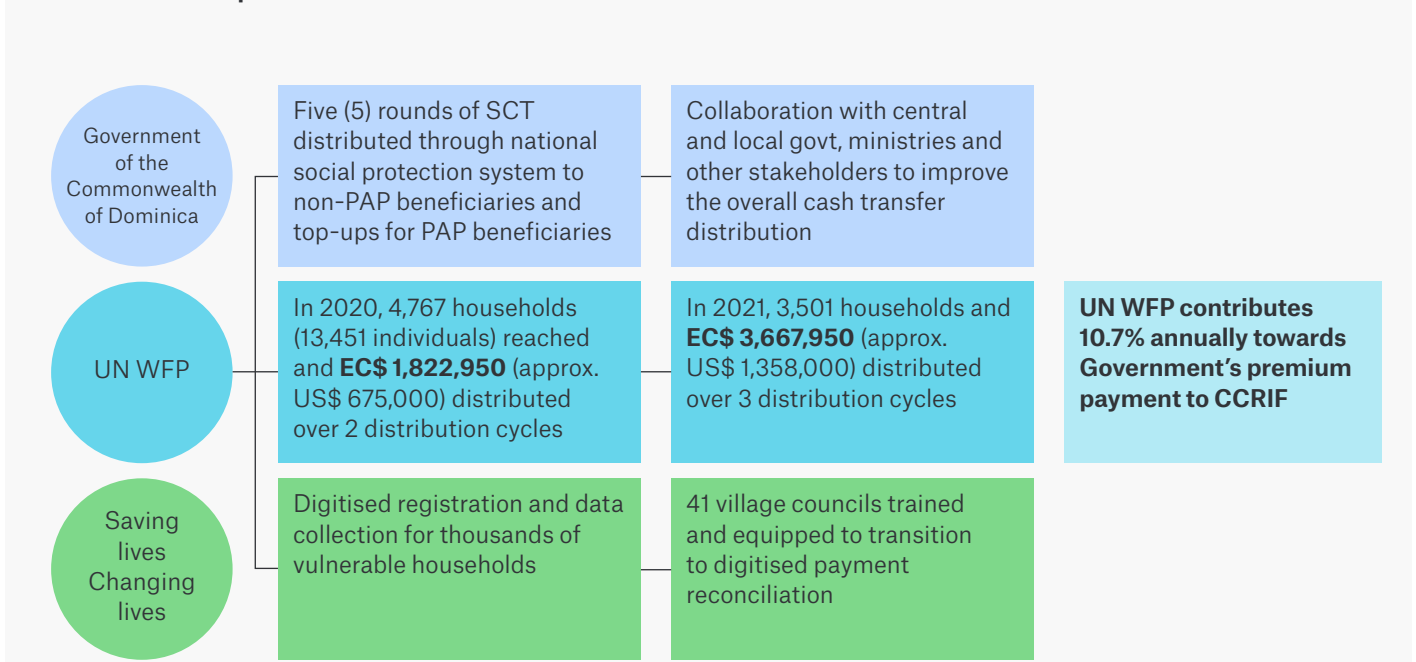
In 2017, Category 5 Hurricane Maria struck the island and caused losses of US\$ 930 million or 226% of GDP, taking with it almost all the gains from the recovery efforts after Erika. The country then moved to create its National Resilience Development Strategy 2018–2030, which has three building blocks: the Sustainable Development Goals, Building the First Climate Resilient Country in the World, and people being placed at the centre of development because the most affected are the most vulnerable.

The strategy is built around the Adaptive Social Protection (ASP) concept, which “is how social protection programmes, services and systems can contribute to addressing covariate shocks through preventive, preparedness, and response actions: that is, adapting and using the capacity of the SP sector, typically developed for addressing idiosyncratic shocks, to enhance the resilience of households and the poor in particular.”<sup>26</sup>

The CCRIF and the World Food Programme (WFP) have worked in Dominica in partnership with the government, implementing post-disaster social protection cash transfers linked with insurance (see Figure 35).

26  
 From “360° Resilience. Adaptive Social Protection in the Caribbean: Building Human Capital for Resilience”. World Bank 2021

Figure 35  
**Post-disaster social protection cash transfers**



Source: Joseph, Gloria. Presentation “Show and tell Dominica’s experience”. International Conference on Inclusive Insurance 2022.

**Parallel session 13**  
**Moving forward stronger and equal –**  
**Mechanisms, tools, and strategies to**  
**help Small Island Developing States**  
**(SIDS) pivot from vulnerability to**  
**resilience**

Over the last 30 years, a number of Dominica’s social protection programmes have helped reduce poverty and advance social development. Three housing programmes were highlighted (Table 5).

**UNCDF initiative in the Pacific**

The changing landscape of economic activities and lack of opportunities were the context for creating the Pacific Insurance and Climate Adaptation Programme (PICAP). In general, people were no longer subsistence-based and had acquired an economically active livelihood that could be wiped out because of a lack of risk management tools. To catalyse the private sector, the UNCDF helped with the initial research, studies on demand, and gathering evidence of the business viability of inclusive insurance. It generated an ecosystem in which governments, the private sector and institutions such as the ILO, UNDRR, UNDP and WFP, among others, work together.

Distribution partnerships with cooperatives and a digital platform with mobile wallets were also enabled. So far, after only 18 months of existence, PICAP has four insurance companies involved, one of them a regional insurer from New Zealand, and operates in three countries, with three more coming up next year.

One ongoing challenge is empowering potential customers and making them understand insurance. The testimony of a copra small farmer evidenced an increasing interest in PICAP because it has helped farmers “get back on their feet” after the plantations and dryers were affected by the cyclone. They are asking for fire and personal accident cover to be bundled with the PICAP policy.

Table 5  
**Examples of three housing programmes**

Funded by	Target
<b>World Bank</b>	620 two- and three-bedroom houses (200 delivered, 420 being built). Very detailed process to select beneficiaries
<b>European Union</b>	Resilient houses for the indigenous community
<b>Dominica’s programme</b> Citizenship by Investment Programme	Resilient houses for elderly people: shock-, cyclone- and earthquake-proof; utilities underground, windows and doors shatter-proof, and in compliance with new revised building code, able to withstand Category 5 hurricanes.

Source: Joseph, Gloria. Presentation “Show and tell Dominica’s experience”. International Conference on Inclusive Insurance 2022.

### Parallel session 13

Moving forward stronger and equal –  
Mechanisms, tools, and strategies to  
help Small Island Developing States  
(SIDS) pivot from vulnerability to  
resilience

#### Lessons learnt

- It is essential to have continuous engagement with governments through regular meetings and ongoing training.
- There is a strong link between parametric insurance and development.
- There is much greater ownership if the solutions are bottom-up.
- Partnerships are crucial, along with an enabling regulatory environment.
- Linking insurance with social protection schemes guarantees that the most vulnerable enjoy coverage.
- Donors are critical to funding the research and initial feasibility.

Left to right: **Elizabeth Emanuel**, Head of Corporate Communications and Head of Technical Assistance, CCRIF SPC, Jamaica; **Isaac Anthony**, CEO, CCRIF SPC, Saint Lucia; **Krishnan Narasimhan**, Global Lead Specialist and Programme Manager of the Pacific Climate Adaptation and Insurance Programme (PICAP), United Nations Capital Development Fund, Fiji; **Gloria Joseph**, Permanent Secretary, Planning, Economic Development, Climate Resilience and Sustainable Development in the Government of Dominica; **Byron Leslie**, Vice President, Guardian Group, Jamaica



## Parallel session 14

## Distribution

By José Miguel Flores Contró

*“Distribution is the magic key that unlocks everything.” If you get distribution right, you are going to be able to provide insurance to low-income people. In this session, panellists shared lessons from Colombia, India and Kenya on adopting various distribution channels to deliver their inclusive insurance products.*

Long-lasting and sustainable partnerships between providers and distribution channels are often those in which insurance solves problems that not only the end-customers but also the distribution channels might face. The best example are credit life products – probably the oldest form of inclusive insurance – which are delivered through credit unions or MFIs. They protect not only the end-customer’s outstanding loan but also the institution’s portfolio.

For **SBI General Insurance**, the insurance arm of SBI Bank, India’s largest, the three important attributes of a distribution channel are:

1. IT capabilities, with digital capacity to reach scale and reduce costs
2. Reach, with ability to seek customers down to the last mile
3. Resources, human and technical, to deliver products

The company has a retail distribution network for individual customers and direct sales, and a network of organisations for group policies.

SBI General partners with Common Service Centres (CSCs) and Business Correspondences (BCs), which are small shops with digital capability and outreach for banking and government services. Around 250,000 of these centres across the country provide a presence in almost every village. They cross-sell the company’s motor, health and personal accident insurance. Each centre’s staff can download and issue policies in about two minutes.

**Barbara Magnoni**

President, EA Consultants,  
United States



**Ann-Elise Francis**

Head of Growth, Turaco, Kenya  
(online)



**Saurabh Sharma**

Director – Emerging Consumers,  
Britam, Kenya (online)



Parallel session 14  
Distribution

For group sales, the company works with MFIs, non-banking financial companies (NBFCs) and Coop Banks to offer loan-bundled products like “hospicash”, personal accident, livestock, motor and home. It recently partnered with State Rural Livelihood Missions (SRLMs), which are part of the national poverty alleviation programme, and Farmer Producer Organisations (FPOs) to offer products including livestock, health and crop to 90 million customers. Agritechs providing platforms for farmers are other “new age” partners with a rapidly growing customer base of 30 million.

As the largest insurance group in East Africa, with a presence in seven countries, Britam (Kenya) combines traditional and digital distribution channels to try to increase the region’s low insurance penetration. The group is using embedded insurance models to reach emerging customers. It bundles life and personal accident insurance with data packages offered by telcos and tech value chains.

During the COVID-19 pandemic, **Britam** started working with *Little*, a Kenya-based ride-hailing app with about 100,000 registered drivers (including those making deliveries or running motorbike taxis, among others). Little was seeking to reward drivers’ loyalty. After analysing and understanding the needs of both the end-customers and the distribution channel, Britam came up with *Imarika Wallet*, a savings-linked funeral insurance product.

Box 20

**Imarika Wallet**

- Product: investment and insurance where customers can make periodic savings and earn a funeral insurance product.
- Duration: savings for a minimum of 9 months.
- Insurance: US\$ 500 funeral insurance applicable to all drivers who open the savings wallet.
- Tax savings: no withholding tax on savings
- Go-to-market: in-app touch notifications, social media ads (e.g. Instagram and Facebook), SMS marketing, in-person forums.

Table 6  
SBI’s experience with different distribution channels

		Advantages	Challenges
<b>Retail distribution</b>	Service and business centres	Teach at remotest locations, digital issuance – low cost, point for after-sales service	Activation of centres – large count, training and capacity building – turns out to be difficult
<b>Group distribution</b>	MFIs and Coop Banks	Reach at remotest locations through branch network, bundling for insurance with loans, less staff-intensive	Tie-up closures take time, primary focus on financing, a few partners are very demanding
	Rural missions and farmer groups	Reach at remotest locations – household level, proper defined structure of operations, quick access to customers	New to concept of insurance, not digitally capable, training and activation takes time
	Agritechs	Captive user base, real-time digital policy issuance, low cost, digital marketing	Challenges: cannot bundle product for every use; need-based product push might not happen



Parallel session 14  
Distribution

With the idea that the low penetration of insurance in Africa is due more to a distribution problem than to low demand, Turaco helps companies distribute simple and affordable insurance to “free them from the fear of financial loss”. Starting in 2019, the insurtech has offered insurance such as hospital cash and funeral benefit, among others, to people in Kenya, Uganda and Nigeria. With a paperless process from onboarding to algorithmic claims processing, Turaco offers self-insurance, at an average cost of US\$ 2 a month, through distribution partnerships with fintechs which people use every day. It believes that every fintech in Africa would want to add insurance to its offering and aims to become their partner of choice.

Box 21  
**Turaco’s experience since 2019**

- 46% conversion rate average within B2B2C partnerships
- >500,000 lives covered
- >46% female policyholders
- US\$ 767,174 in claims paid cumulatively
- < 3-day average TAT (turnaround time)

A good example of the tech-enabled journey Turaco offers is the partnership it launched in early 2022 with a company that provides loans to SMSEs in Nigeria. The insurtech’s embedded insurance covers loss of life, hospitalisation and all risks for business assets of the loan holders.

For **Crezcamos S.A.** in Colombia, an omnichannel strategy including several remote channels helped reduce the costs of distributing parametric insurance products to farmers. Crezcamos sees challenges at each of the five stages of the customer journey: awareness, enrolment, payment, claims and renewals. These challenges can be addressed through different tools, such as an IT platform comprising the following components: loan application, insurance enrolment and servicing, and customer relationship management (CRM).

Figure 36  
**Case Study**  
B2B Lending platform in Nigeria



Source: Francis, Ann-Elise. Presentation “Embedded financial services: Using technology to enhance distribution”. International Conference on Inclusive Insurance 2022.

Parallel session 14  
Distribution

The IT platform not only allows information to be collected from the loan application of existing clients of the MFI, but also allows customers to be tracked if required. The omnichannel approach also includes the MFI's loan officers, branch staff, messages (SMS and audio), call centres (inbound and outbound), radio and social media.

The call centre made it possible to pre-sell the parametric insurance product, besides identifying those clients who were more likely to enrol. Some key figures about this are that the call centre's acceptance rate (78%) was higher than that of the loan officers who conducted "cold" visits (50%). Moreover, loan officers were also able to enrol 100% of the customers that initially agreed to enrol on the phone, highlighting the importance of the soft-sell performed by the call centre (see Figure 37).

Box 22

**Crezcamos experience**

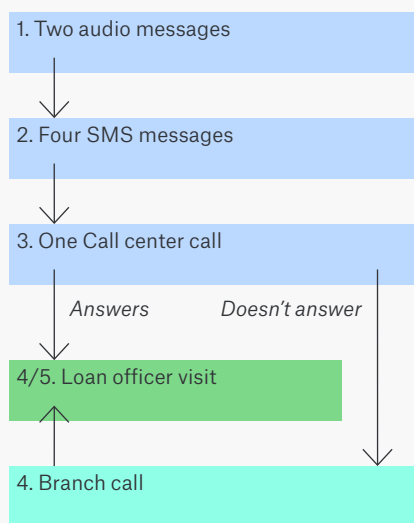
- Cost savings: added cost of low-touch channels (SMS, audio, call centre) was US\$ 0.86 per enrolled client but saved visits to 22% of uninterested clients
- Time savings: 120 loan officers made 946 sales in 6 days, and 5 call centre staff made 1,174 calls per day in 9 days

**Lessons learnt**

- Low insurance penetration is due more to people's lack of access to insurance than their unwillingness to buy it. Successful and sustainable embedded insurance models add value to the partner's core business.
- Embedded insurance models have lower acquisition costs.
- Finding the balance between digital and in-person distribution channels is the main challenge.

In a pilot project, Crezcamos was able to sell 2,278 policies: 853 by loan officers, 525 by branches, and 900 by the call centre. In addition, a total of 17,544 fully subsidised policies were also distributed. Premium collection was mainly done at branches (1,639 policies); the rest were paid with loans.

Figure 37  
**Testing a model**



Source: Magnoni, Barbara. Presentation "Omnichannel strategy for the last mile – Findings from field work with Crezcamos S.A. Colombia". International Conference on Inclusive Insurance 2022.

**M. K. Balachandran**  
Head – Rural Retail and Microinsurance, SBI Insurance, India (online)



**Craig Churchill**  
Head, Social Finance Programme, ILO, Switzerland



## Parallel session 15

## Targeting index-based insurance to protect women's assets

Hosted by the Feed the Future Innovation Lab for Markets, Risk and Resilience/UC Davis

By Rishi Raithatha

*This session explored how inclusive insurance could be adapted to protect more women from shocks. This included a snapshot of how women have traditionally protected their assets in the developing world, and of several initiatives in Africa that showcased innovative ways to make insurance an effective tool for women to protect their families from shocks.*

Across sub-Saharan Africa, agriculture is divided on gender lines. For instance, in several countries, women are likely to focus more on household food crops, while men may work on cash crops. If a food crop suddenly becomes a cash crop, men are likely to take over. Women can have lower yields, mainly because they are less likely to use fertiliser or have limited awareness of best practices in farming. Women are less likely to benefit from insurance products too. Gender-sensitive inclusive insurance is necessary to enable women to protect their assets, their livelihoods, their families and themselves.

Many index-based agricultural and livestock insurance products are designed and marketed around activities that are traditionally thought to be carried out by men. However, when shocks occur, it is women who tend to bear the burden the most.

#### Designing products for women needs special consideration

When designing an insurance product, the most important risks that women need protection from should be considered, as well as the assets and strategies women might be using in the absence of an insurance product. Product design processes may need to assess and deconstruct the gendered nature of structures in certain societies.

Three key factors should be considered as part of any process:

1. Women have economic responsibilities that expose them to specific risks.
2. Economic opportunity and asset distribution often has a gendered structure.
3. The networks that women learn through – compared to men – are often different.

#### Women face different risks than men – both ex post and ex ante

Women pastoralists are exposed to two main sources of risks: covariate shocks, such as weather shocks that can be exacerbated by climate change; and idiosyncratic shocks, such as illnesses or the death of a spouse. The gender division of labour means that the crops farmed and animals kept will be different for women compared to men. Without access to their own land or resources, relying on men to access productive resources makes women vulnerable to the risk of destitution.

#### Michael Carter

Professor, University of California, Davis, Director, The Feed the Future Innovation Lab for Markets, Risk and Resilience, USA



#### Sumayya Hassan

CEO, Takaful Insurance Africa, Kenya (online)



#### Elizabeth Katz

Gender specialist, Global Center for Gender Equality, Stanford University, USA (online)



Parallel session 15  
Targeting index-based insurance  
to protect women’s assets

The risks faced by women and men are likely to be different, which can lead to different responses to shocks too (see Figure 38). For instance, in Bangladesh, daughters may be married off earlier under less favourable circumstances to lessen households’ responsibility to provide for them. In Tanzania, food insecurity-related shocks have led to a 36 percent increase in risky sexual behaviour and sexually transmitted infections for women.

**Kenya case study 1 – Family insurance and SimPastoralist**

In arid and semi-arid lands (ASALs), droughts frequently lead to losses in livestock and milk production. However, gender rules in most ASALs mean that livestock – the main source of income and assets – are owned by men. Livestock typically go with the men, leaving women behind with the household and some goats. When droughts occur, women are still affected. But because they don’t own livestock, they are unlikely to receive any compensation or assistance. When men die, women may be required to increase contributions to household expenses.

To overcome this, the University of San Francisco developed a family insurance programme – in partnership with the Boma Entrepreneur Rural Access project. Women’s assets are likely to be the first to be liquidated in the event of a drought. The family insurance provides access to grants to start a micro, small or medium enterprise. The same index used for livestock is used to reframe insurance for household expenses.

To improve uptake, SimPastoralist, a video game, was developed and used to simulate seasons and real-life eventualities quickly. Practice rounds were followed by incentivised rounds, which led to a doubling of the probability of women buying family insurance.

**Kenya case study 2 – Takaful insurance for women pastoralists**

Takaful is Sharia-compliant insurance. It differs from conventional insurance in a number of ways: model adopted, operational aspect, who owns the fund and the role of operator. The arrangement is mutual in nature: there is no insurer as such and no insured party. Rather, participants insure themselves. Transparency is paramount in any takaful arrangement, with no interest earning permitted.

Many women in informal and unsalaried work in Kenya are likely to be Muslim and would welcome takaful products. While index-based livestock takaful insurance is available in Kenya, family takaful insurance is offered by Takaful Insurance Africa.

Women do not own livestock but are affected by the impact of drought on livestock. Incidences of drought have led to children breaking their legs – as they climb trees to gather fruits, they are exposed to the risk of falling and sustaining injuries.

Takaful products are not limited to pastoralists. Female motorists in Kenya are now able to buy Sharia-compliant motor insurance too.

Figure 38  
**Ex-post responses to risk vary by gender**

-  Marriage-related migration
-  Intrahousehold redistribution of food
-  Transactional sex
-  Asset disposal
-  Withdrawal of children from school (especially girls)

Source: Katz, Elizabeth. Presentation “How do rural women cope with risk?” International Conference on Inclusive Insurance 2022.

Parallel session 15  
Targeting index-based insurance  
to protect women's assets

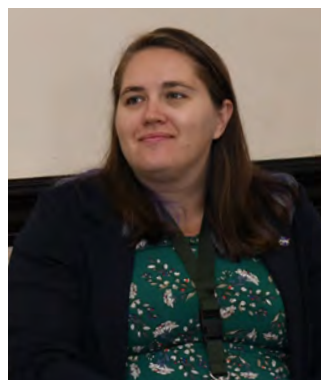
### Lessons learnt

- Designing products for women requires considering three key factors: women are exposed to specific risks; economic opportunity and asset distribution often have a gendered structure; and the networks that women learn through are often different from men's experiences.
- The nature of risks faced by women and men are likely to be different – both ex post and ex ante. The responses to shocks may differ too.
- Gender rules in most ASALs mean that livestock are owned by men. When droughts occur, women are unlikely to receive any compensation or assistance, as they typically do not own the livestock.
- Women pastoralists in some Muslim communities in Kenya have taken out *takaful*-based products for livestock insurance, as well as for other perils.
- Women are likely to focus more on household food crops, while men work on cash crops. If a food crop suddenly becomes a cash crop, men are likely to take over.

**Andrew Hobbs**, Assistant Professor, University of San Francisco, USA



**Emily Adams**, Eastern and Southern Africa Science Coordination Lead, SERVIR/NASA, USA





Parallel session 16

# Unlocking demand, innovative distribution and forward-looking strategies

Hosted by the IDF's Inclusive Insurance Working Group

By Nokuthula Moyo

*This session gave an overview of the IDF's Inclusive Insurance Working Group and its mandate, followed by case studies to highlight innovative and replicable distribution strategies.*

## The IDF Inclusive Insurance Working Group

The Inclusive Insurance Working Group of the Insurance Development Forum (IDF) is on a mission to broaden the perspective around climate risk. It aims to highlight the fact that climate risk impacts vulnerability and increases the exposure and severity of different types of events that affect vulnerable populations – particularly their health, life and longevity. The Group's 24 members and three co-chairs represent different stakeholders, including the private sector, regulators and public development organisations. Its central function is housed within the Microinsurance Network (MiN) in Luxembourg. It aims at delivering solutions on the ground.

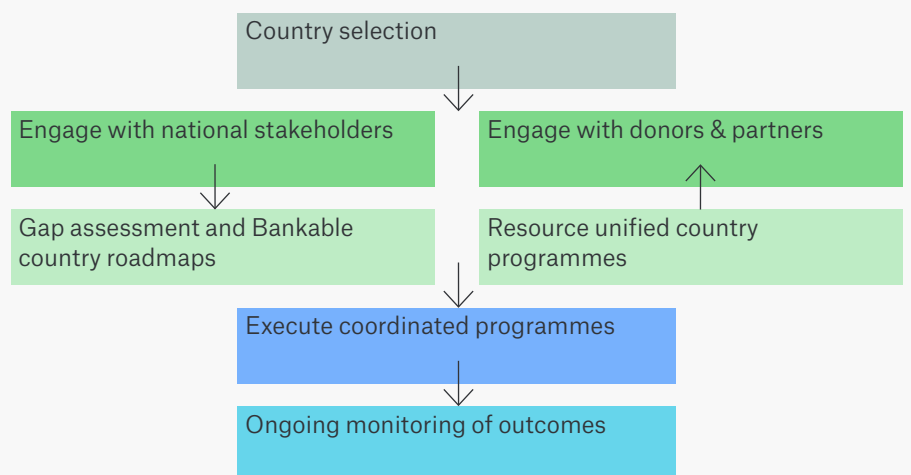
The Group's mandate has three focus areas: research, monitoring and evidence; enabling environment advanced by policy and regulation; and implementation of solutions and marketplace. It chose 21 focus countries as part of a pilot programme (see Figure 39).

Four initial priority countries (Kenya, the Philippines, Indonesia and Mexico) were selected, based on political will and stability, legal and regulatory environment, and development of the insurance market, among other criteria, ensuring diversity. The goal is to select an additional six countries, reaching ten over the first four years.

Figure 39  
Rigorous selection process to identify focus countries



**Pedro Pinheiro**  
Project Manager, Microinsurance Network/IDF IIWG Coordinator, Luxembourg



Source: Pinheiro, Pedro. Presentation "The IDF Inclusive Insurance Working Group". International Conference on Inclusive Insurance 2022.

Parallel session 16  
Unlocking demand, innovative  
distribution and forward-looking  
strategies

### CoverApp, Kenya

Around 29% of the population in Kenya has some form of insurance. Of that 29%, only about 6% are covered by private insurance and the remainder by the National Health Insurance Fund, which is a social fund with compulsory contributions from both employees and employers. The few people that have private insurance either have the one that comes as part of their employee benefits, or compulsory cover like motor insurance or mortgage insurance.

### CoverApp, Kenya

**Number of people insured:**

5,000+ downloads converted into  
1,000+ policyholders

**Risks insured:**

health, workplace injuries, accidents,  
theft, fire, burglary, drought, travel

**Premium range:**

US\$ 5.78 to US\$ 9,098 per year

CoverApp is an insurtech in Kenya founded in November 2019 to provide access to insurance services from mobile phones through a mobile app. It also has a web app so people can access the platform on the web without having to download the app. Market research by the co-founders had shown that most people did not buy insurance because it was complex and the existing products were misaligned to their needs. The customers did not understand what was being sold to them, and the insurers did not know what risks people wanted covered. CoverApp was developed to bridge the knowledge gap and increase the accessibility of the products.

How the CoverApp process works:

1. Selection of an aggregating partner, e.g. an NGO.
2. CoverApp and the partner educate the target market about insurance through games.
3. CoverApp team performs a risk assessment with individuals.
4. The required solutions are taken back to underwriters to create products.
5. Ambassadors are chosen within the target market to continue engaging the community.

The range of products offered includes a roadside motoring cover and a last-minute international travel cover, where the policy is issued and emailed in less than five minutes.

**Anne Kamau**

Co-Founder and Director,  
CoverApp, Kenya



Parallel session 16  
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**Rewire fintech, the Netherlands**

Rewire is a digital platform for working migrants in Europe. The company was founded in Israel in 2015 and moved to the Netherlands in 2018. It operates in 20 countries. The platform is mainly for money transfers, but users can make local payments and access credit and insurance. Users can access the app worldwide and use its product offerings even when they are visiting their home countries.

Additionally, users can purchase insurance for themselves and their families in their home countries on the app. The family protection coverage is provided through partnerships Rewire has with local insurers. People from the Philippines who work in Europe can contribute to the social security system (SSS) programmes in their home country that cover sickness, disability, unemployment or maternity leave via the app while still residing in Europe. The third solution, offered in partnership with AIG, is embedded insurance that offers users personal protection depending on how much money they send each month (see Figure 40).



**Arfang Sonko**  
General Manager, Rewire Fintech,  
Netherlands (online)

Figure 40  
**Personal accidents: embedded insurance (AIG/Rewire)**

**Insurance plans**

The more money you send,  
the better your plan gets

<b>B</b> Basic Plan	<b>S</b> Silver Plan	<b>G</b> Gold Plan																								
Send €200 (or more) per month and get coverage for:	Send €650 (or more) per month and get coverage for:	Send €1,500 (or more) per month and get coverage for:																								
<table border="1"> <tr> <td>Accidental death, dismemberment, or paralysis</td> <td>Up to €5,000</td> </tr> <tr> <td>Temporary total disability (caused by an accident)</td> <td>N/A</td> </tr> <tr> <td colspan="2">In case of death due to an accident:</td> </tr> <tr> <td>Funeral costs or Repatriation</td> <td>N/A</td> </tr> </table>	Accidental death, dismemberment, or paralysis	Up to €5,000	Temporary total disability (caused by an accident)	N/A	In case of death due to an accident:		Funeral costs or Repatriation	N/A	<table border="1"> <tr> <td>Accidental death, dismemberment, or paralysis</td> <td>Up to €10,000</td> </tr> <tr> <td>Temporary total disability (caused by an accident)</td> <td>One-time payment of €400</td> </tr> <tr> <td colspan="2">In case of death due to an accident:</td> </tr> <tr> <td>Funeral costs or Repatriation</td> <td>Up to €10,000 or Service provided by AIG</td> </tr> </table>	Accidental death, dismemberment, or paralysis	Up to €10,000	Temporary total disability (caused by an accident)	One-time payment of €400	In case of death due to an accident:		Funeral costs or Repatriation	Up to €10,000 or Service provided by AIG	<table border="1"> <tr> <td>Accidental death, dismemberment, or paralysis</td> <td>Up to €20,000</td> </tr> <tr> <td>Temporary total disability (caused by an accident)</td> <td>One-time payment of €750</td> </tr> <tr> <td colspan="2">In case of death due to an accident:</td> </tr> <tr> <td>Funeral costs or Repatriation</td> <td>Up to €10,000 or Service provided by AIG</td> </tr> </table>	Accidental death, dismemberment, or paralysis	Up to €20,000	Temporary total disability (caused by an accident)	One-time payment of €750	In case of death due to an accident:		Funeral costs or Repatriation	Up to €10,000 or Service provided by AIG
Accidental death, dismemberment, or paralysis	Up to €5,000																									
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Funeral costs or Repatriation	N/A																									
Accidental death, dismemberment, or paralysis	Up to €10,000																									
Temporary total disability (caused by an accident)	One-time payment of €400																									
In case of death due to an accident:																										
Funeral costs or Repatriation	Up to €10,000 or Service provided by AIG																									
Accidental death, dismemberment, or paralysis	Up to €20,000																									
Temporary total disability (caused by an accident)	One-time payment of €750																									
In case of death due to an accident:																										
Funeral costs or Repatriation	Up to €10,000 or Service provided by AIG																									

Source: Sonko, Arfang. Presentation "Rewire. Your financial partner, wherever your home is". International Conference on Inclusive Insurance 2022.

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distribution and forward-looking  
strategies

### Kinsu, Mexico

Some 80% of Mexico's population have never had any form of insurance. Agents make 70% of insurance sales, but few salespeople are available and most are over 55 years old. There is a generational divide with most younger potential customers<sup>27</sup>.

Kinsu addresses this distribution challenge through a digital platform. Anyone between the ages of 25 and 45 can register as an agent, get access to the insurance products available and then refer people in their communities to buy cover. Agents do not need to have licences; rather they just take the products closer to communities and Kinsu manages the sale. The process is quite simple. If the product is more complex, clients can get a quote or advisory from Kinsu with just a click. Kinsu shares part of its earnings or commissions with the contributors for bringing up leads.

#### Samantha Lira

Head of Business Development,  
Kinsu, Mexico (online)



### AXA Emerging Customers, France

AXA Emerging Customers is the inclusive insurance arm of AXA, providing cover to 9.5 million customers in over 14 countries in Asia, Africa and Latin America. Of the 9.5 million customers, only 2% are served by digital solutions. Although there are many conversations about digital being the future of insurance distribution, its use is currently limited.

The majority of the protected customers come from MFIs. Although this is a traditional distribution channel, a lot of the innovation has been through this channel – from building an insurance culture to equipping customers with valuable solutions.

The remaining customers are serviced through other distribution channels, e.g. retailers, especially in Brazil, and public-private partnerships. For some crop insurance and health insurance products in Mexico, China and India, AXA joins forces with public actors to reach the very bottom of the pyramid.

In the future, AXA is keen on exploring how to work with remittance players to address the huge regulatory complexities of cross-border insurance for migrants. There is also discussion around how to generate more value through credit-linked insurance and through embedded insurance overall.

#### Laura Rosado

Strategy and Finance Manager,  
AXA Emerging Customers,  
France



### Lessons learnt

- The distribution channel adopted has to be tailored to the target market. This has implications for the value proposition and the way that marketing and communication materials are designed.
- People need to be taught about insurance in ways they are familiar with.
- Partnerships with remittance players need to be explored more.
- Digital distribution is currently limited. Most of the innovation is through traditional channels.
- Insurance solutions need to come in many languages to reach more people.

<sup>27</sup>  
Samantha Lira, Presentation on Kinsu Mexico,  
International Conference on Inclusive Insurance  
2022.

## Plenary 5

## Closing and outlook

By Maria Victoria Sáenz

*The conference ended with a keynote address by the executive director of Jamaica's Financial Services Commission, followed by thoughts and takeaways from the organisers of the conference.*

Dirk Reinhard, Vice Chair of the Munich Re Foundation, and Chair of the Conference Steering Committee, delivered a summary of points discussed during the week<sup>28</sup> (see Box 23). All the organisers made a call to action for the insurance sector. They expressed deep gratitude to the many people who worked hard at the forefront and backstage to make the conference a reality after two years of virtual meetings due to COVID-19.

Box 23

### Summary, conclusions, and way forward

As a result of the ICII 2022, the conversations among the ECCU countries to harmonise insurance regulations will restart. This effort can help narrow the insurance gap by focusing on cost.

- In 2023, Jamaica will be the first CARICOM country to have inclusive insurance regulations, facilitating its leadership in the region.
- According to the Landscape of Microinsurance report, in 2021 between 71 million and 223 million were reported as covered by a microinsurance product, with life insurance the most popular product and microfinance institutions as the largest distributors.
- The different panels reiterated the importance of partnerships. One example is Global Shield, formed as a collaborative effort to build resilience against extreme weather events.
- Local experts, insurance companies, governments and civil groups need to be at the centre of the development of all solutions to ensure that they are tailor-made and address the risks specific to the country.
- The 281 million economically active migrants represent a potential market. COVID-19 highlighted their vulnerability. Despite a digital payments ecosystem, many challenges remain in providing insurance and pensions to migrants, especially regulatory constraints.
- More specific products, gender inclusivity, looking at the customer's needs, digitalisation and training remain key to building a solid ecosystem.

#### Dirk Reinhard

Chair of the Conference Steering Committee and Vice Chair of the Munich Re Foundation



<sup>28</sup>

[See the summary](#)



## Plenary 5 Closing and outlook

Katherine Pulvermacher, Executive Director of the Microinsurance Network (MiN), and Lorenzo Chan, Chair of the Board of the Microinsurance Network and CEO of Pioneer in the Philippines, encouraged the participants to understand the urgency of acting.

Despite the momentum gathered, the triumphs, and the engagement of many private insurance companies, multilateral institutions, academia and committed practitioners, there are still many challenges. Climate change and its hazards still find many people without access to insurance or risk management tools. The insurance industry still has doubts regarding the business case for inclusive insurance. What is clear is that there is a market segment representing around 3 billion potential customers. With insurance, the most vulnerable could improve their financial resilience. And with financial stability comes growth and a potential for more business in the insurance sector. In other words, “we cannot expect to harvest if we don’t plant. This is the opportunity to pursue profits and purpose”.

The MiN’s pursuit of inclusion goes hand in hand with the UN Sustainable Development Goals. Through the Landscape Programme, the MiN is benchmarking the development of inclusive insurance and its links with the SDGs. The entire Landscape of Microinsurance 2022 report will be launched alongside the World Bank Spring Meetings in April 2023.

### Learnings for inclusive insurance in Jamaica

Everton McFarlane, the Executive Director of Jamaica’s Financial Services Commission, said that insurance penetration in the country is very low. Only 35% of the workforce has individual life insurance, and 38% health insurance, but when dependants are added to the mix, the coverage is just 28%. Homeowners’ insurance is just 30%, despite being linked with mortgages, and mandatory motor insurance has compliance of only 80%.

Jamaica’s regulator understands the essence of financial inclusion and the role insurance must play in protecting vulnerable people. In a world where climate change effects have intensified in frequency and strength, where geopolitical tensions affect economies, and where the most vulnerable face unequal exposure to uncertainty and unequal resilience to enable them to adapt and respond, this is the framework in which a regulator has to strike a balance between innovation and prudence. These uncertainties lie at the core of the regulators’ work and the private sector equation when designing, delivering, and marketing inclusive insurance.

The regulator’s role is to support and facilitate private sector innovations, while ensuring that integrity, consumer protection and prudential financial requirements are met. In an under-developed country like Jamaica, with a high informality rate, the regulator has a clear role in ensuring prudent financial regulations. Others like KYC and AML/CFT are met by managing businesses sustainably.

**Katharine Pulvermacher**,  
Executive Director,  
Microinsurance Network,  
Luxembourg



### Lorenzo Chan

Chair of the Board of the  
Microinsurance Network and  
CEO, Pioneer Insurance,  
Philippines, speaking online  
in the closing and outlook session  
of the ICII 2022



### Everton Mc Farlane

Executive Director, Financial  
Services Commission, Jamaica



## Plenary 5 Closing and outlook

The draft insurance regulation includes this flexibility and will promote the effective dissemination of user-friendly and easily understandable marketing materials. The FSC will continue with its financial literacy bottom-up programme to reach very young adults in schools.

Orville Johnson, the Executive Director of the IAJ, also thanked his team, as well as the participants, for making the trip to Jamaica. He said that he appreciated that the content, speakers, multilateral organisations and private insurance companies, among others, had put the spotlight on Jamaica. The country has a clear vision of the way forward and has worked hard with different stakeholders. The IAJ is committed to working to prepare the market through financial literacy, in cooperation with the FSC.

### What's next?

Wrapping up the proceedings, Dirk Reinhard expressed his heartfelt thanks to the many people and organisations that had made the conference possible. The conference ended with an invitation from Ghana's National Insurance Commission, represented by the Deputy Commissioner Kofi Andoh, the Ghana Insurance Association and the Ghana Insurance Brokers Association, to attend next year's conference in Accra, Ghana, from 23 to 27 October 2023.

#### Michael Kofi Andoh

Deputy Commissioner, National Insurance Commission, Ghana invites everyone to come to Accra to attend the ICII 2023.



Left to right: **Katharine Pulvermacher**, Executive Director, Microinsurance Network, Luxembourg; **Orville Johnson**, Executive Director, IAJ, Jamaica



## Field trip

## Learn about an inclusive insurance programme in Jamaica's agriculture sectors

Organised by GK Insurance

By José Miguel Flores Contró and Renate Bleich

*Participants visited a working farm and agricultural processing facility in St. Elizabeth, a Jamaican parish located around 100 km west of the capital, Kingston. The facility is operated by Grace Agro-Processors, a division of GK Foods and Services Limited. Here, GK Insurance provides protection to farmers through GK Insurance Weather Protect.*

The field trip was organised by GK General Insurance, the insurance arm of GraceKennedy Limited and one of the top three insurers in Jamaica based on its profitability and balance sheet strength. The company provides insurance to farmers and fisherfolk through GK Insurance Weather Protect, a parametric rain, drought and wind insurance policy developed for the Jamaican agricultural sector. With this policy, farmers can choose coverage and premium options that are in sync with their budget and needs. The average sum insured is about US\$ 3,000 per season. The policy offers pre-specified payouts to the insured, triggered by a weather index correlated to agricultural production losses. Jamaica is one of the countries that are most vulnerable to multiple perils, with 96% of the island's GDP and population at risk from two or more hazards (such as droughts, earthquakes, floods and hurricanes)<sup>29</sup>. It is in the Atlantic Hurricane Belt and on five major fault lines, with low-lying coastal zones and mountainous topography. For resilience against natural disasters, Jamaica has a National Disaster Fund for rehabilitation and is in the multi-country risk pool Caribbean Catastrophe Risk Insurance Facility (CCRIF) SPC.

The agriculture sector accounts for 7.1% of Jamaica's GDP and contributes to 15.2% of its employment, with 218,000 registered farmers. Estimated losses on the island caused by weather-based hazards between 2004 and 2017 were US\$ 196 billion, in 2020 US\$ 2.5 billion, and in 2021 US\$ 2 billion. In July 2021, the Ministry of Agriculture and Fisheries partnered with GK Insurance to provide a parametric rain, drought and hurricane wind insurance policy to farmers and fisherfolk. As an incentive, the Ministry offered to subsidise the initial premium for the first 1,000 farmers who enrolled in the scheme.

### GK Weather Protect

**Number of clients:**  
1,000

**Insured risks:**  
extreme rainfall and wind speeds. It is offered in the two seasons when the country is more prone to severe weather, namely April to June, and August to November.

**Premium range:**  
US\$ 0–12 for hurricane winds and US\$ 30 for extreme rainfall or drought, for a sum insured of US\$ 3,000

### Other GK insurance products

- BillProtect
- SMARTprotect
- GKAméd
- Personal accident insurance policy for students that provides reimbursement of medical expenses
- Car loan insurance sold through financial institutions
- Travel insurance



## Field trip

Learn about an inclusive insurance programme in Jamaica's agriculture sectors

### In the facility

The food processing facility visited is located in Hounslow, in the southwest region of the agricultural belt of St. Elizabeth. The parish is known as the "breadbasket" or "food basket" of Jamaica, producing much of the food for local consumption and export. Crops include beans, peas, corn, sweet potatoes, tomatoes, pimientos, watermelons, pineapples and peppers, among others. The region is known not only for its fertile soil, but also for the quality of its fish. Tourism is also one of the area's main industries, as many of the island's beauty spots are located in this parish.

The facility in Hounslow has processing and packaging machinery, as well as storage sections and coolers. Visitors witnessed how some of the crops are processed and prepared for consumption. Callaloo, ackee and other vegetables are washed, sliced, packaged and weighed to be later taken to Hi-Lo Food Stores, GraceKennedy Limited's supermarket chain.

### The agro park

The next stop on the field trip was the 110-acre Ridge Pen Agro Park, close to the processing facility in Hounslow. This is one of seven agro parks in operation in Jamaica under a public-private partnership, producing crops at competitive prices to facilitate import substitution, enhance the agricultural supply chain and increase food security.

GraceKennedy Limited subleases plots of the Ridge Pen Agro Park to different farmers, who are given technical support, market linkages and are guaranteed the sale of their output. The company is incorporating more technology in the agricultural cycle to support the farmers. Visitors saw how farmers use drones to spray fertilisers over their crops, substantially increasing their efficiency and productivity while minimising waste.

### Parametric product in practice

Participants in the field trip were invited to discuss with GK representatives and a farmer how the Weather Protect insurance works in practice. The hosts explained that triggers are based on an analysis that looks at different regions and historical weather events there. Experience has shown that the eastern part of the island tends to be very wet, while the southern part does not experience that much rain. The trigger level for excess rainfall assigned to the eastern region would thus be different from that of the southern area. The island is currently divided into six different territories, each with its own trigger.

The farmer described how the product has improved over the years. It is now better suited to customers' needs, thanks to GK Insurance listening to policyholder feedback. "Some time ago, I suffered devastating crop losses due to strong winds. When I asked for the payout due to a high-speed wind loss, I was told the insurance product did not have a trigger for wind speed. The company then realised that this was a big disadvantage of its product, so it decided to add a trigger for wind speed level as well."

Delivery of callaloo to GAP's plant



Automated drone used by GAP to spray pesticides or water



## Field trip

Learn about an inclusive insurance programme in Jamaica's agriculture sectors

However, microinsurance for smallholder farmers in Jamaica is still in its nascent phase. Although premiums were paid in full by the government to support uptake in the beginning, only about 1,000 farmers island-wide have purchased GK Weather Protect cover so far. With a total of 200,000 farmers on record, there is still huge potential to increase the level of protection. Major problems that need to be overcome include a lack of financial literacy and a lack of trust on the part of the farmers.

GK Insurance proved to be ahead of the game with this product, as they developed it even though comprehensive microinsurance regulation is not yet in place in Jamaica. "Only GK pursued microinsurance when the regulator called on insurers," said Orville Johnson, Executive Director at the Insurance Association of Jamaica. He is confident that when microinsurance regulation is passed, hopefully in 2023, the sector will develop quickly to protect a growing number of smallholder farmers against adverse weather events.

## Lessons learnt

- Diversifying the business has a lot of benefits
- Technology can play an important role in the agricultural cycle by increasing efficiency and productivity
- Regulation and government support can drive market development
- Never stop talking to clients



## Registered organisations

<p><b>Albania</b> Ansig sh.a Tirana Business University College</p>	<p><b>Dominica</b> Corp-EFF Insurance Company Ltd. Government of Dominica</p>	<p><b>Honduras</b> Ministerio de Finanzas</p>	<p><b>Jordan</b> UNDP</p>	<p><b>Nigeria</b> African Reinsurance Corporation Dekaizen Worldwide Limited International Finance Corporation Leadway Assurance National Insurance Commission</p>	<p><b>United Kingdom</b> D3P Global Pension Consulting Deloitte Guy Carpenter and Company Limited Howden Insurance Development Forum (IDF) University of Liverpool Vark Consulting World Food Programme</p>
<p><b>Argentina</b> Estacubierto.com National Superinten- dency of Insurance (SSN), Argentina</p>	<p><b>Dominican Republic</b> Affinity International Seguros Ademi</p>	<p><b>India</b> DHAN Foundation GIZIndia LifeGuru Solutions Mahila Housing Sewa Trust (MHT) MicroNsure Consul- tancy SBI General Insurance Co Ltd UNCDF Weather Risk Manage- ment Services Work Fair &amp; Free Foundation</p>	<p><b>Kenya</b> AB Consultants Limited Agency for Inclusive Insurance Development (AIID) APA Insurance Apollo Group Foundation Britam Holdings Plc Co-operative Bank FSD Africa Inclusivity Solutions PULA Advisors Syngenta Foundation for Sustainable Agriculture (SFSA) Takaful Insurance of Africa Turaco</p>	<p><b>Pakistan</b> Salaam Takaful Limited</p>	<p><b>United States</b> AM Best Atlantic Council/ Adrienne Arsh- t-Rockefeller Foundation Resilience Center Barents Re CCRIF SPC EA Consultants Georgia State University Global Center for Gender Equality Global Insurance Consulting Illinois State University MiCRO MicroInsurance Centre at Milliman Milliman NASA SERVIR Science Coordination Office Pact Regenerative Design Consulting LLC Salix Insurance Solutions Smart Solutions101 – Legislative Drafting Consultants LLC Tetra Tech University of Alabama University of California, Davis University of San Francisco Wingsure Inc. Women's World Banking World Bank Group</p>
<p><b>Bangladesh</b> BRAC Integrated Development Foundation</p>	<p><b>Ecuador</b> Banco del Pichincha FEDESEG Inmedical</p>	<p><b>Indonesia</b> KKA Indra Catarya Situmeang dan Rekan World Bank Group</p>	<p><b>Luxembourg</b> ADA Inclusive Finance Network Microinsurance Network</p>	<p><b>Panama</b> Aie</p>	<p><b>Peru</b> Gallagher Re Superintendencia de Banca, Seguros y AFP del Perú</p>
<p><b>Barbados</b> Caribbean Policy Development Centre World Food Programme</p>	<p><b>Ethiopia</b> Nib Insurance Company Oromia Insurance Company S.C</p>	<p><b>Italy</b> FAO International Fund for Agricultural Development (IFAD)</p>	<p><b>Macedonia</b> KB First Pension Company University St Kliment Ohridski</p>	<p><b>Philippines</b> CARD Pioneer Cebuana Lhuillier Insurance Brokers Department of Finance Pioneer Life Inc.</p>	<p><b>Rwanda</b> Radiant Yacu Microinsurance Company</p>
<p><b>Belize</b> Belmopan Office of the Supervisor of Insurance &amp; Private Pensions (OSIPP)</p>	<p><b>Fiji</b> Reserve Bank of Fiji UNCDF</p>	<p><b>Jamaica</b> Cable and Wireless Jamaica Limited Canopy Insurance Limited Caribbean HR Solutions Ltd CG United Insurance Ltd CUNA Caribbean Insurance Downsound Entertainment Financial Services Commission General Accident Insurance Company Jamaica Limited Guardian General Insurance Jamaica Limited ICWI Insurance Association of Jamaica (IAJ) IronRock Insurance Company Ltd. Jamaica Co-operatives Insurance Agency Limited Jamaica Co-operative Credit Union League Ltd JN General Insurance Company Limited National People's Cooperative Bank Phase Three Production Sagcor Life Jamaica Ltd Scotia Insurance University of the West Indies World Food Programme</p>	<p><b>Malaysia</b> Universiti Sultan Zainal Abidin</p>	<p><b>South Africa</b> 1st for Women ARC Ltd Cenfri IFC Inclusivity Solutions Insight Life Solutions International Actuarial Association (IAA) Rihanyo Initiative University of Cape Town</p>	<p><b>Sweden</b> Network Agency</p>
<p><b>Benin</b> L'Africaine Vie Bénin</p>	<p><b>France</b> Agence Française de Développement (AFD) ClimDevAfrica Vision Fund – World Vision International</p>	<p><b>Mexico</b> BHS Invest INTERprotección Kinsu Munich Re Sekura</p>	<p><b>Morocco</b> ACAPS</p>	<p><b>Sri Lanka</b> Commercial Bank of Ceylon PLC</p>	<p><b>Switzerland</b> CelsiusPro ILO ParaLife Holding UNEP FI</p>
<p><b>Brazil</b> CNseg World Food Programme</p>	<p><b>Germany</b> Access to Insurance Initiative BaFin BMZ – German Ministry for Economic Cooperation and Development GIZ InsuResilience Global Partnership Munich Climate Insurance Initiative (MCII) Munich Re Foundation UNU-EHS</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Mozambique</b> Hollard Moçambique Companhia de Seguros</p>	<p><b>Thailand</b> Risk Shield Consultants Ltd.</p>	<p><b>Turkey</b> UNDP</p>
<p><b>Cambodia</b> ILO</p>	<p><b>Ghana</b> Alpha Insurance Brokers ARB Insurance Brokers Limited Enterprise Life Ghana Agricultural Insurance Pool Ghana Insurers Association GN Life Assurance Co. Ltd Irisk Management Limited National Disaster Management Organisation National Insurance Commission (NIC) Pegmet Global Consult</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Netherlands</b> AXA Emerging Customers InsuResilience Global Partnership</p>	<p><b>Turkey</b> UNDP</p>	<p><b>Uganda</b> Cavva Africa Insurance</p>
<p><b>Canada</b> Denis Garand and Associates ID&amp;CS Munich Re Opma Technologies SOCODEVI York University</p>	<p><b>Colombia</b> Crezcamos Compañía de Financiamiento S.A. Fasecolda Microinsurance Network Seguros Bolívar</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Thailand</b> Risk Shield Consultants Ltd.</p>	<p><b>Turkey</b> UNDP</p>
<p><b>Cayman Islands</b> CCRIF SPC CG BritCay</p>	<p><b>Costa Rica</b> Insurance Superinten- dency of Costa Rica Seguros Lafise</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Thailand</b> Risk Shield Consultants Ltd.</p>	<p><b>Turkey</b> UNDP</p>
<p><b>Côte d'Ivoire</b> Fellow NSIA Vie Assurances</p>	<p><b>Grenada</b> Grenada Authority for the Regulation of Financial Institutions – GARFIN</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Thailand</b> Risk Shield Consultants Ltd.</p>	<p><b>Turkey</b> UNDP</p>
<p><b>Denmark</b> Jamii.one</p>	<p><b>Grenada</b> Grenada Authority for the Regulation of Financial Institutions – GARFIN</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Nicaragua</b> Ministry of Finance and Public Credit World Food Programme</p>	<p><b>Thailand</b> Risk Shield Consultants Ltd.</p>	<p><b>Turkey</b> UNDP</p>

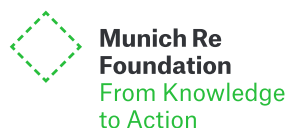
# Acronyms

<b>ACRE</b> Agriculture and Climate Risk Enterprise Ltd, Africa	<b>CRAIC</b> Climate Risk Adaptation and Insurance in the Caribbean	<b>ILO</b> International Labour Organisation	<b>OECD</b> Organisation for Economic Cooperation and Development	© 2023 Munich Re Foundation Königinstrasse 107 80802 München, Germany Letters: 80791 München, Germany Telephone: +49 (0)89 38 91-88 88 Fax: +49 (0)89 38 91-7 88 88 <a href="mailto:info@munichre-foundation.org">info@munichre-foundation.org</a> <a href="http://www.munichre-foundation.org">www.munichre-foundation.org</a>
<b>AFC</b> Agriculture Finance Corporation	<b>CRM</b> Customer relationship management	<b>IPC</b> Insurance and Pensions Commission	<b>OFW</b> Overseas Filipino Workers	<b>Contact</b> Dirk Reinhard <a href="mailto:dreinhard@munichre-foundation.org">dreinhard@munichre-foundation.org</a>
<b>AFD</b> Agence Française de Développement	<b>CSC</b> Customer service centre	<b>IRFF</b> Insurance & Risk Finance Facility	<b>PIA</b> Pensions and Insurance Authority	<b>Design</b> Keller Maurer Design, Munich
<b>AI</b> Artificial intelligence	<b>CU</b> Credit union	<b>ISF</b> Initiative for Smallholder Finance Also, InsuResilience Solutions Fund	<b>PIC</b> The Philippines Insurance Commission	<b>Picture credits</b> IAJ: Pages 2, 3, 4, 5, 8, 10, 11, 12, 15 (left), 19 (right), 22, 25, 27, 28, 29, 30 (right), 34, 35 (left and centre), 38, 39 (left and right), 40, 42, 43, 44, 45, 46, 52, 53, 57, 60, 63, 64, 66, 67, 70, 73, 75, 77, 78, 81, 83, 84, 85, 95, 96 (left), 99, 100 (left and right), 102, 103, 104, 106, 107, 108 (left and right), 109 Astrid Zwick: Page 15 (right) Kathy Baughman McLeod: Page 19 (left) Ruth Lux: Page 9 (centre) Hugo Lecué: Page 30 (left) Reinhard Palm: Page 35 (right) Charlotte Rønje: Page 39 (second from the left) Zufan Abebe: Page 39 (second from the right) Ann-Elise Francis: Page 96 (centre) Saurabh Sharma: Page 96 (right) Sumayya Hassan: Page 100 (centre) Arfang Sonko: Page 105 Lorenzo Chan: Page 108 (centre) Dirk Reinhard: Page 111
<b>A2ii</b> Access to Insurance Initiative	<b>CUNA</b> Credit Union National Association	<b>IVR</b> Interactive voice response	<b>PICAP</b> Pacific Insurance and Climate Adaptation Programme	
<b>ARC</b> African Risk Capacity	<b>ECCB</b> Eastern Caribbean Central Bank	<b>JCCUL</b> Jamaica Cooperative Credit Union League	<b>PPP</b> Public-private partnership	
<b>ASALs</b> Arid and semi-arid lands	<b>ECCU</b> Eastern Caribbean Currency Union	<b>KfW</b> (Kreditanstalt für Wiederaufbau) State-owned investment and development bank, Germany	<b>RSP</b> Remittance service provider	
<b>ASP</b> Adaptive social protection	<b>FISP</b> Farmer Input Support Programme	<b>KPIs</b> Key performance indicators	<b>SDGs</b> Sustainable development goals	
<b>B2B2C</b> Business-to-business-to-customer	<b>FMCGs</b> Fast-moving consumer goods	<b>KYC/AML/CFT</b> Know Your Customer/ Anti-Money Laundering/ Countering of Financial Terrorism	<b>SIDS</b> Small Island Developing States	
<b>BC</b> Business Correspondence	<b>FPO</b> Farmer producer organisation	<b>LAC</b> Latin America and the Caribbean	<b>SMS</b> Short message service	
<b>BMZ</b> (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung) The German Federal Ministry for Economic Cooperation and Development	<b>FSC</b> Financial Services Commission FSD Financial sector development	<b>LMICs</b> Low- and Middle-Income Countries	<b>SMSE</b> Small and mid-size enterprises	
<b>C-17</b> Consortium of Excellence for the 17 Goals	<b>GDP</b> Gross domestic product	<b>LPP</b> Livelihood protection policy	<b>SOCODEVI</b> Société de coopération pour le développement international	
<b>CARICOM</b> The Caribbean Community	<b>GIIF</b> Global Index Insurance Fund	<b>MCII</b> Munich Climate Insurance Initiative	<b>SRLM</b> State Rural Livelihood Mission	
<b>CCRIF SPC</b> The Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company	<b>GIZ</b> Deutsche Gesellschaft für Internationale Zusammenarbeit German Society for International Cooperation	<b>MFI</b> Microfinance institution	<b>SSN</b> Superintendencia de Seguros de la Nación	
<b>CDRFI</b> Climate and Disaster Risk Finance and Insurance	<b>GK</b> Grace Kennedy Group	<b>MiN</b> The Microinsurance Network	<b>SSS</b> Social security system	
<b>CEAR</b> Center for the Economic Analysis of Risk at Georgia State University, USA	<b>IAA</b> International Actuarial Association	<b>MINAGRI</b> Ministry of Agriculture and Animal Resources, Rwanda	<b>TAT</b> Turn-around time	
<b>Cenfri</b> Centre for Financial Regulation and Inclusion	<b>IAIS</b> International Association of Insurance Supervisors	<b>MoFED</b> Ministry of Finance and Economic Development, Uganda	<b>UAE</b> United Arab Emirates	
<b>CIMA</b> Conférence Inter-africaine des Marchés d'Assurance	<b>IAJ</b> Insurance Association of Jamaica	<b>MSMEs</b> Micro, Small and Medium Enterprises	<b>UAIS</b> Uganda Agriculture Insurance Scheme	
<b>COAST</b> The Caribbean Oceans and Agriculture Sustainability Facility	<b>IDB</b> Inter-American Development Bank	<b>MTO</b> Money transfer operator	<b>UHC</b> Universal health coverage	
<b>CoP</b> Community of Practice	<b>IDF</b> Insurance Development Forum	<b>NAIS</b> National Agricultural Insurance Scheme	<b>UNCDF</b> The UN Capital Development Fund	
<b>COVID-19</b> Coronavirus disease-2019	<b>IFAD</b> International Fund for Agricultural Development	<b>NBFC</b> Non-banking financial company	<b>UNDESA</b> The UN Department of Economic and Social Affairs	
	<b>IFC</b> International Finance Corporation	<b>NHIS</b> National Health Insurance Scheme	<b>UNDP</b> The United Nations Development Programme	
	<b>IIF</b> InsuResilience Investment Fund		<b>UNDRR</b> The UN Office for Disaster Risk Reduction	
			<b>VaR</b> Value at risk	
			<b>WFP</b> World Food Programme	

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