



The Landscape of Microinsurance in Latin America and the Caribbean 2017

Final report

The World Map of Microinsurance



Legend of Icons



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The quantitative information presented in this paper does not represent an absolute number of products, clients or other data. Rather, this paper reports what the team was able to identify as microinsurance. Although the data for this study is not an absolute measure of microinsurance in Latin America and the Caribbean, the data set is large enough to represent the “landscape” of microinsurance and provide an accurate picture of the market and its components.

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Abbreviations

CAGR – Compound Annual Growth Rate
CNSF – National Insurance and Surety Commission
FASECOLDA – Colombia's Insurance Association
FI – Financial institution
FIDES – Inter-American Federation of Insurance Companies
GWP – Gross Written Premium
IDB – Interamerican Development Bank
IT – Information Technology
KPIs – Key performance indicators
LAC – Latin America and the Caribbean
LCU – Local Currency Unit

MFI – Microfinance Institution
MI – Microinsurance
MNO – Mobile network operator
OECD – Organisation for Economic Cooperation and Development
PA – Personal Accident
POS – Point of sale
SBS – Superintendence of Banking, Insurance and Private Pension Funds
SIBOIF – Superintendence of Banking and Other Financial Institutions
SUSEP – Superintendence of Private Insurance
USD – United States Dollar¹
WMM – World Map of Microinsurance

¹USD exchange rates are calculated by using annual period averages, sourced from Oanda.com as the average of the interbank bid/ask rate for the year 2013 and year 2016 (Jan 1st –Dec 31st). Unless otherwise stated, monetary values for the years 2013 and 2016 are given in annual average USD 2013 and annual average USD 2016 respectively.

Executive summary

With the present study, the Microinsurance Network's World Map of Microinsurance (WMM) has identified the details of microinsurance activities in Latin America and the Caribbean (LAC) as of 2016. The data collected through this study indicate that 8.1% of the Latin American population were covered by at least one microinsurance policy. An estimated total of 52 million people are now insured.² Based on data from the regulators, reporting companies and other secondary sources, the total value of gross written premiums (GWP) is USD 480 million.³

Microinsurance service providers who responded to the survey reported that microinsurance gross written premiums account for an average of 2.45% of their total written premiums. The total annual premium compound growth rate (CAGR)⁴ indicates that the value of premiums fell slightly — by 3.6% — between 2013 and 2016.⁵ This result was influenced by local currency depreciation in the LAC region. When taking this depreciation into account, the premium growth rate in constant 2016 US dollars shows a 10% increase. Additionally, there was an actual increase of 19% in terms of the number of lives covered.⁶

The data provided by regulators shows a brighter picture, with increases in GWP between 2013 and 2016 of 284%, 566% and 1,799% in Nicaragua, Peru and Brazil respectively.⁷ The number of lives covered in Peru in the same period increased by 516%.⁸

The premium weighted average⁹ ratio of total claims paid to total premiums for the region as a whole was 48%. This is a substantial increase compared to the 2013 claims ratio (26%). The median claims ratio for products in 2016 was closer to the 2013 ratio, at 15%. The claims ratio from this year's study is only reported for a limited subset of products, and thus it may not be representative of the market.

Market characteristics have changed little since 2013. This year's study identified a total of 113 microinsurance products, of which 77 existed in 2013, and 36 were new. Seven of the companies that offered microinsurance in 2013 have since withdrawn from microinsurance, representing 65% of the discontinued products (17 in total).

Table 1: Key microinsurance numbers

- **USD 480 million** in microinsurance premiums
- **8.1%** of the LAC population have microinsurance
- **52 million** people insured
- **Regulators reported significant increases in premiums between 2013 and 2016:**
 - **Up 1,799%** in **Brazil**
 - **Up 284%** in **Nicaragua**
 - **Up 566%** in **Peru**
- **In Mexico, premiums increased by 36%** per year on average **between 2007 and 2017**

IMPORTANT NOTE: this report includes data and other information published after the preliminary briefing note was finalised.

²Number of lives covered are based upon a combination of data collected from reporting companies, regulators and BSLatAm statistics. The number of comparable lives in 2016 is 24,182,401, accounting for 47% of the identified lives in the region.

³It is worth noting that data reported to the regulators is systematically lower than data that is self-reported by companies.

⁴Based on the compound annual growth rate (CAGR), it shows the mean annual growth rate over a period of time, expressed in annual percentage terms.

The calculation is the following: $CAGR = \left(\frac{\text{Total premium 2016}}{\text{Total premium 2013}} \right)^{\frac{1}{\text{of years}}} - 1$

⁵Comparable premiums account for USD 235 million in 2016 premiums, or approximately half of the identified market.

⁶For this study, lives covered is the number of policies.

⁷The premium increase calculations were performed following the conversion of local currency into USD 2013 and USD 2016 respectively, and thus do not include adjustments for exchange rate fluctuations or inflation.

⁸The 2014 and 2017 studies differ substantially in the data sources used. The 2017 study draws more heavily upon secondary sources, including regulator data, while the 2014 study was based largely on self-reported data from microinsurance providers. Additionally, the definition of microinsurance used by different regulators and providers is likely to be different.

⁹The premium weighted average refers to a ratio calculated by summing all reported data for a given indicator and dividing by the total premiums. Calculations are performed in US dollars.

Figure 1: Microinsurance coverage in Latin America and the Caribbean 2017



1. Introduction

Understanding the environment in which stakeholders operate and do business is crucial to the sustainability and profitability of the microinsurance sector. This study analyses the data provided by 58 insurance companies, country insurance associations and regulators¹⁰ in Latin America and the Caribbean (LAC) in an effort to provide core insights into the microinsurance markets of LAC and offer a perspective on products and profitability, premiums and policyholders.

The report consists of five sections. Following the introduction, Section Two deals with the business case and describes premiums and premium allocation, claims ratios across the region, administrative expenses and technology as well as commissions across distribution channels. The section concludes with an analysis of profitability based on a subset of products, indicating that life covers promise higher profitability than other microinsurance product lines.

In the third section we compare microinsurance and mass insurance in the LAC region. Our findings show that non-microinsurance providers do not specifically target the lower-income segments of the population and that potential future providers prefer to reach larger markets through mass insurance rather than microinsurance.

The fourth section examines the evolution of the Latin American and Caribbean market, which has experienced growth in terms of lives covered, particularly within the life, property and agricultural insurance product categories. Based on regulators' data, a significant increase in premiums has occurred since 2013. Many of the LAC regulators recognise the importance and potential of microinsurance, while some governments have also started improving their regulatory frameworks for microinsurance.

The fifth section reflects on how the new insights gleaned from this study can be leveraged in the future.

As in 2013, this year's study provides the underlying data for the World Map of Microinsurance project. For the purposes of the study, microinsurance products are defined as those that are developed specifically for low-income populations, are managed based on risk principles, and are affordable (see Figure 1).¹¹ Findings from primary research were complemented by additional data from regulators in countries where this was available, as participation from self-reporting companies was low. It should be noted that the definition of microinsurance used in the jurisdictions of different countries potentially deviates from that used in this report and in the World Map of Microinsurance.

Figure 2: Microinsurance definition



¹⁰Data was provided voluntarily by insurers in response to a formal survey. Not all insurers participated. All insurers were assured their data would remain anonymous. Approximately 30 participants responded that they provide microinsurance; 2 participants reported that they provide mass insurance, whereas 14 participants responded that they were currently not serving the low-income segments of the population. Several institutions declined to participate. The low response rate has been supplemented by additional information from regulators and secondary sources such as BSLatAm and the Colombian insurance association Fasecolda.

¹¹The definition of microinsurance is further elaborated in Appendix B.

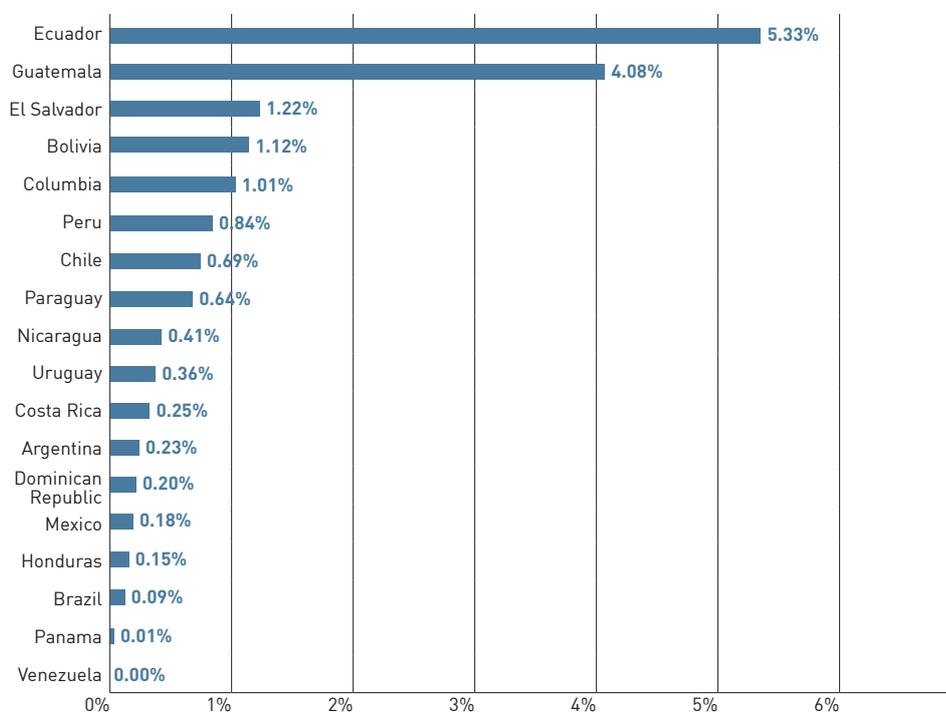
2. Business case

2.1 Premium growth decrease

Total premiums in the entire Latin American insurance industry in 2016 were worth USD 148.5 billion.¹² Based on our estimate of USD 480 million, Microinsurance premiums made up just 0.3% of this figure. For companies that reported both total insurance premiums and microinsurance premiums, the latter accounted for 2.45% of the total. At the company level, the relative

importance of microinsurance ranges from 0.2%, to 100% for a few providers that specialise in microinsurance. At the country level, the importance of microinsurance premiums remains low, ranging from 0% to 5.33%, with the highest percentage seen in Ecuador and Guatemala, followed by El Salvador, Bolivia and Colombia.

Figure 3: Microinsurance gross written premiums as proportion of traditional industry premiums



Source: Swiss Re Institute –Sigma Explorer & Data Identified

Within the traditional insurance industry in Latin America, total annual premiums shrank by 5.13%¹³ per year between 2013 and 2016.¹⁴ Based on similar data, microinsurance showed a similar trend, with total premiums declining at an annual rate of 3.64%. Comparable data includes information from companies that responded to both the 2014 and 2017 surveys, as well as new market entrants.¹⁵ Some of this change is attributable to an exchange rate

effect, since the US dollar strengthened against nearly all regional currencies between 2013 and 2016.¹⁶ Taking the variation in exchange rate into account, total premiums grew at an annual rate of 10% (CAGR).¹⁷ This effect can also be observed when analysing the change in premiums in USD compared to the change in premiums in each country's local currency unit (LCU) using comparable data from selected countries as seen in Figure 4.

¹²Swiss Re Institute –Sigma Explorer: <http://www.sigma-explorer.com/>

¹³Based on the compound annual growth rate (CAGR)

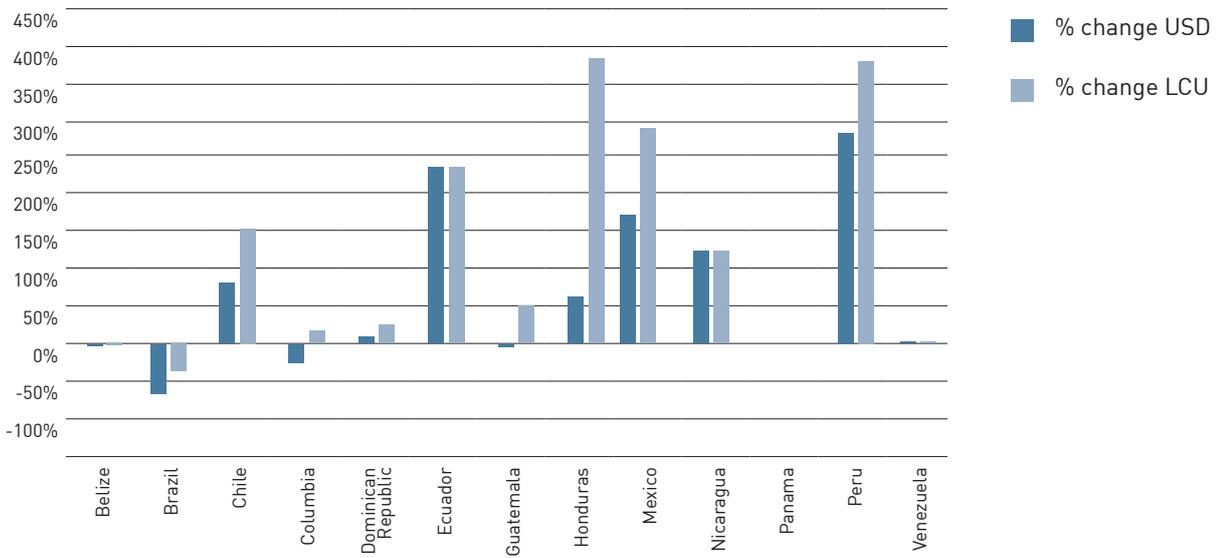
¹⁴Swiss Re Institute –Sigma Explorer

¹⁵Comparable premiums accounted for USD 235 million in 2016, or approximately half of the identified market.

¹⁶Local currencies are converted into USD annual average of the respective years, i.e. 2013 and 2016.

¹⁷The total comparable gross written premiums in 2016 was USD 235 million, compared to USD 263 million in 2013. However, to see the positive evolution, it is necessary to account for the exchange rate fluctuation. The gross written premiums reported in the 2014 study have thus been adjusted to the annual average USD 2016 dollars, amounting to USD 176 million. The impact of the foreign currency fluctuation is quantified to be USD 86.8 million.

Figure 4: Change in premiums by country in USD and LCU, 2013-2016 (%)



Note: The figure includes data from companies that reported in both 2014 and 2017. It does not represent the whole market.

In 2016, life and personal accident (PA) products attracted the highest share of premiums, at 64% and 13% of the market respectively, followed by 9% for property insurance products. Although microinsurance life covers still represent the highest share of premiums, their share decreased by 12 percentage points between 2013 and 2016, with a corresponding increase in premiums from credit life, property and agricultural microinsurance products.

Figure 5: Share of premiums by primary product cover (all products) in 2016

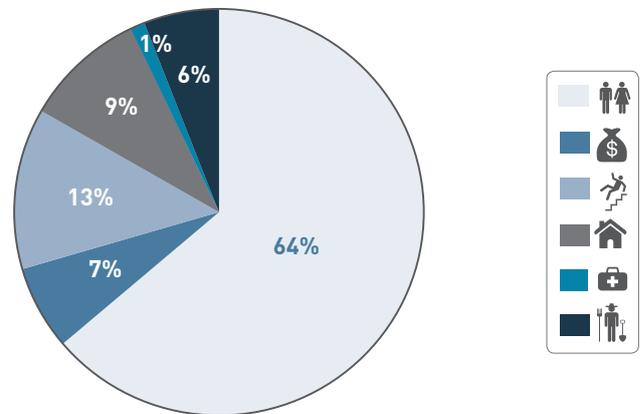
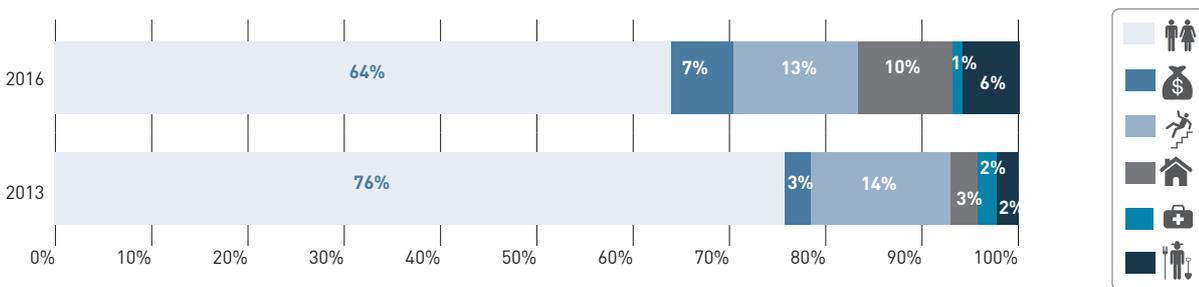


Figure 6: Comparison of allocation of premiums by primary product cover (comparable products only)



2.2 Regional claims

The average claims ratio across product lines is 29%, compared to the premium-weighted average of 48% (see Figure 7). This represents a substantial increase over the 26% premium-weighted average claims ratio found in 2013; however, in 2016, data for claims ratios was reported only for a limited subset of products, accounting for 26% of total premiums identified in the region. Property insurance (including agricultural insurance) yielded higher claims ratios — some well over 100% — whereas life insurance products yielded much lower ratios, at 27%. The claims ratio by primary product type is shown in Figure 7.

Although claims ratios have increased overall, many products still have relatively low claims ratios, indicated by the median claims ratio for products (15%) which is much lower than the premium-weighted average (48%). This is consistent with the 2013 findings. The low median claims ratio seems to be partly a reflection of the introduction of new products with a relatively low number of claims. Therefore, some premiums still have claims ratios at or near zero. Excluding the products with zero claims paid in 2016 results in a median claims ratio of 21%. This year’s study identified claims ratios ranging from 0% to 400%. More than three-quarters of products reported claims ratios of below 40% and less than 10% had claims ratios above 80%. Figure 8 provides the breakdown of claims ratios. [Note that this distribution does not take into account the number of policies sold for each product.]

Figure 7: Median, average and premium-weighted average claims ratios by product type

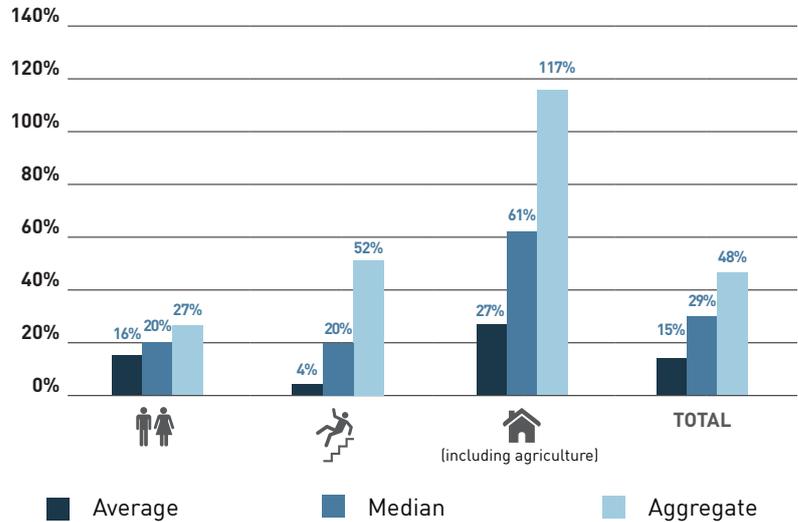
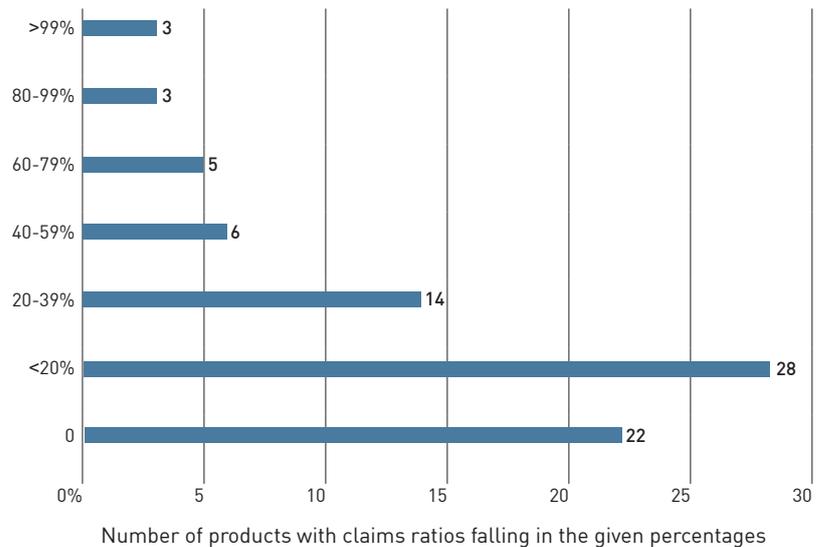


Figure 8: Distribution of claims ratio by product



2.3 Administrative costs and the importance of technology

One of the most important components of financial success in microinsurance is the ability to minimise administrative costs. Despite its importance to the business case, most companies in Latin America and the Caribbean still do not track expenses or disaggregate microinsurance data. As in 2013, although more than half of microinsurance providers say they track financial key performance indicators (KPIs), in 2016 fewer than 10% actually account separately for microinsurance expenses. For the subset of products reporting administrative costs,¹⁸ these expenses (excluding commissions) accounted for about 20% of premiums (18% median). This represents a decrease from 2013, when administrative costs accounted for 25% of premiums. Business profitability and value for clients is predicated on low administrative costs.

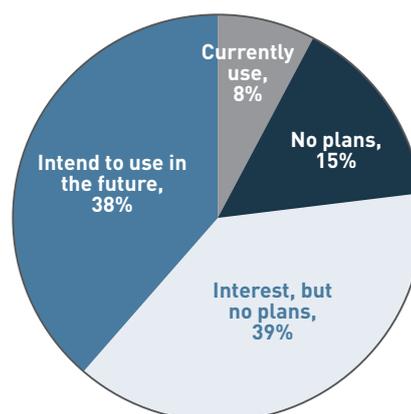
One way to reduce administrative costs is to use technology implemented in partnership with mobile network operators (MNOs). In other regions, insurers are increasingly using mobile phones to collect application data, provide the policy “document”, collect the premiums out of mobile money accounts, act as the conduit to customer service, and facilitate claims processing and payment. In terms of technological advancement and the use of mobile technology for insurance purposes, the LAC region has lagged behind other regions. Based on responses from our survey, only 8% of microinsurance providers are currently working in partnership with MNOs.

The few cases where technology has been used in microinsurance have yet to produce substantial positive results. The Peruvian government has established a mobile payment platform, *Modelo Peru*, allowing customers to make and receive payments via their mobile phones, with interoperability between mobile network operators. The platform, which aims to serve two million active users by 2020, includes all significant players in the financial system and falls under the supervision of the Superintendence of Banking, Insurance and Private Pension Funds (SBS).¹⁹ Additionally, BIMA, a leading provider of mobile-delivered insurance and health services in emerging markets, typically in partnership with MNOs, has set up operations in Haiti, Honduras and Paraguay.²⁰ Other than BIMA only a small portion of insurers use mobile channels to distribute microinsurance products, but this is likely to increase in the coming years,

as many have expressed interest in moving into mobile distribution.

Despite the current limited uptake, technology has the potential to be an important engine for growth in the microinsurance sector. Mobile banking and mobile money have grown in popularity in the Latin American region in recent years. For instance, Honduras is now one of the top 15 countries in terms of the number of adults who actively use mobile banking.²¹ With the expansion of a new personal insurance coverage by mobile provider Tigo, the demand for mobile-based microinsurance has also risen sharply in Honduras. In 2015, 8% of Tigo’s customer base in Honduras purchased insurance products, compared to 0.15% in 2014.²² More than a third of microinsurance providers surveyed stated that they planned to use mobile distribution in the future.

Figure 9: Use of mobile network partnerships



For companies using technology, the preferred technological channels used for applications and enrolment are web/social media and specialised software. Premiums are mostly collected through specialised software and point of sale (POS) devices, while customer service is provided mainly through call centres, web/social media and cell phones. This suggests that the microinsurance industry relies heavily upon technology in its daily operations. Yet, the LAC region continues to lag behind its counterparts in Africa, where by 2014, more than a third of providers were already using mobile technology for claims payments, premium collection, enrolment, marketing and education.²³

¹⁸Administrative costs were reported for 17 products accounting for USD 96 million, or 20%, of total identified premiums.

¹⁹ibid

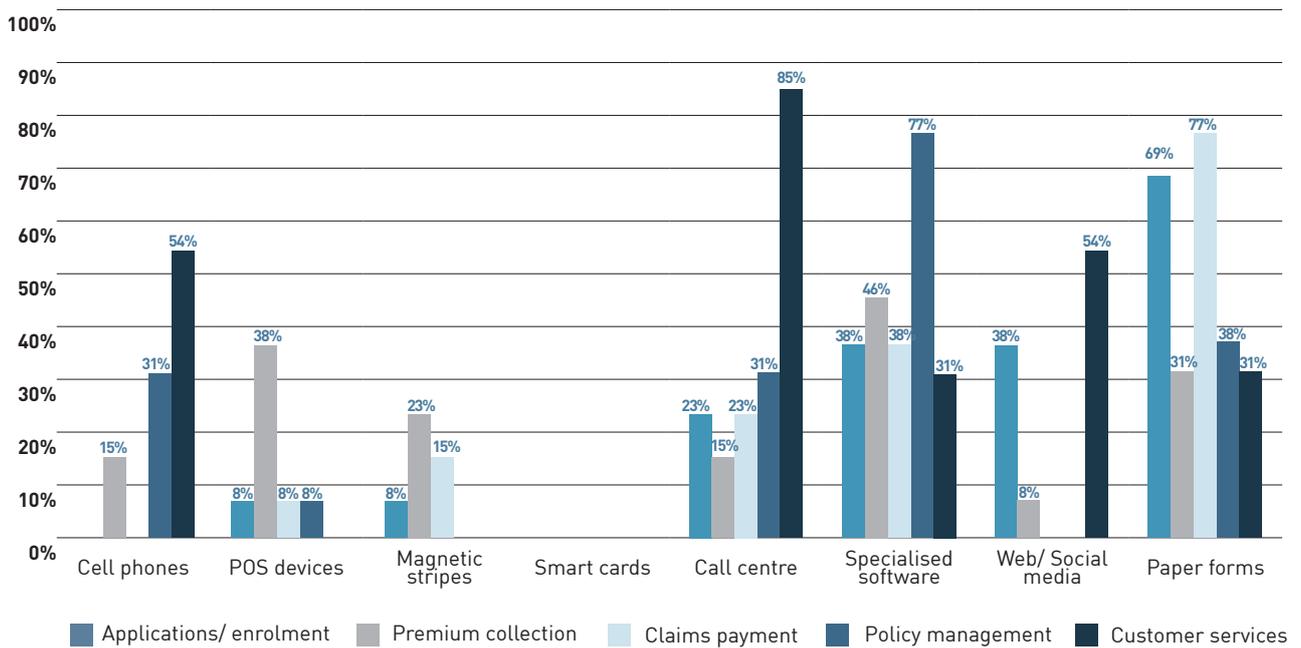
²⁰<http://www.bimamobile.com/> (Last accessed, Oct 20)

²¹EIU (Economist Intelligence Unit), 2016; Global Microscope 2016: The enabling environment for financial inclusion; Sponsored by MIF/IDB, Accion and the MetLife Foundation. EIU, New York, NY.

²²EIU (Economist Intelligence Unit), 2016; Global Microscope 2016: The enabling environment for financial inclusion; Sponsored by MIF/IDB, Accion and the MetLife Foundation. EIU, New York, NY.

²³Landscape of Microinsurance in Africa 2015. Microinsurance Network.

Figure 10: Use of selected technology among microinsurance providers

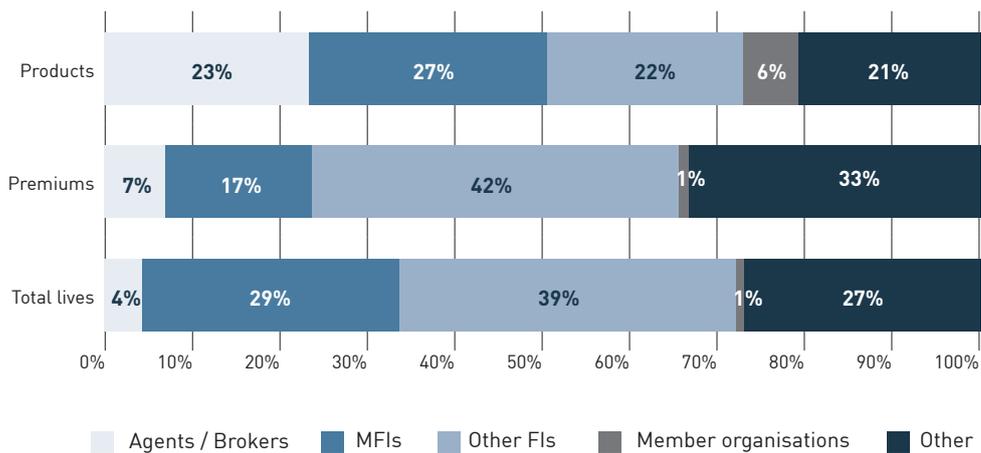


2.4 Distribution channels

Financial institutions (FIs) remain the most important distribution channel for microinsurance. Most people covered are reached through financial institutions such as banks, credit unions and microfinance institutions (MFIs), followed by other distribution channels, such as retailers,

utilities and call centres. FIs also have the greatest outreach per product, followed by other distribution channels as well as MFIs. Member organisations and agents/brokers have lower outreach both in terms of premiums and lives covered.

Figure 11: Outreach by distribution channel²⁴

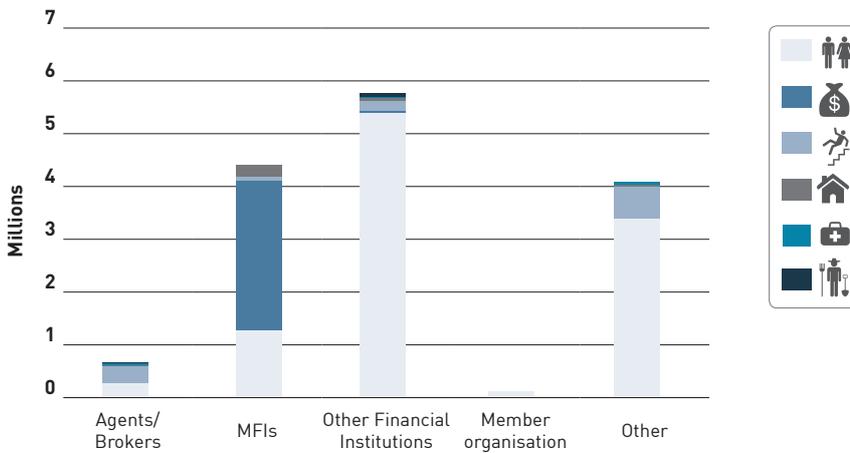


94% of coverage within FIs are life covers, whereas 93% of coverage within MFIs are life and credit life covers. Agent/brokers are mainly providing personal accident (PA) (48%) and life covers (42%). 52% of people covered by life insurance are served by banks and credit unions

(classified as other FIs), followed by other distribution channels (32%). 99% of credit life products are distributed through MFIs. PA is distributed mainly through other distribution channels (53%).

²⁴Distribution channel is provided for 29% of lives covered and for 34% of premiums identified in this year's study.

Figure 12: Lives covered by distribution channel and product type



The total premium paid per person is greater among agent brokers and other financial institutions.²⁵ The average premium per person is also higher within these two distribution channels.

Figure 13: Premiums per life by distribution channel type

Figure 13A: Revenue per person (total)

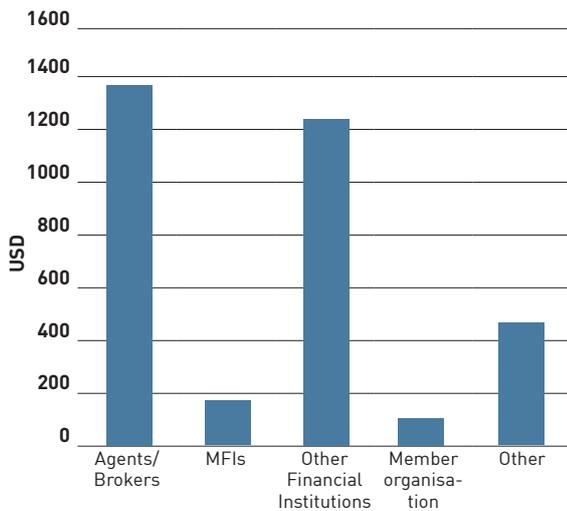
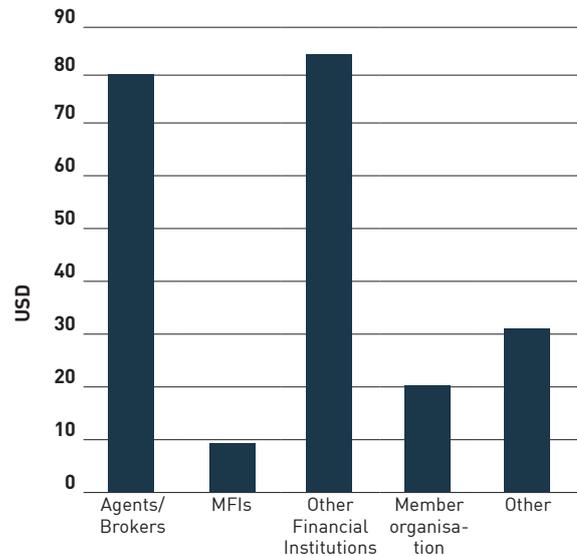


Figure 13B: Revenue per person (average)



2.5 Commissions as a key component of distribution

Based on our survey, the commissions paid to intermediaries range from 2% to 35%.²⁶ The overall median commission rate is 11%, whereas the premium weighted average of commissions paid to written premiums is 25%. Median commission rates across distribution channels range from 8% to 35%, with member organisations having the lowest and agents and brokers

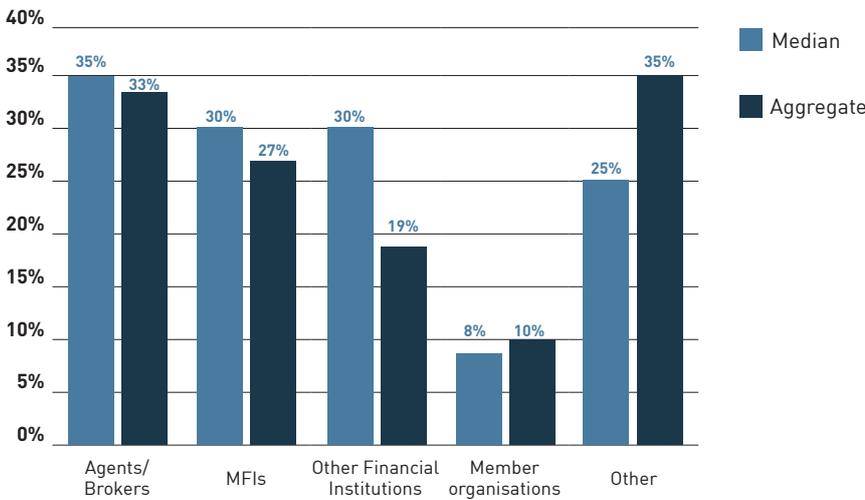
having the highest commission rates.²⁷ Higher volume distributors often charge the highest commission rates and are able to do so because few distributors are able to handle high volumes properly, i.e. they enjoy market power. This tendency, however, is difficult to observe in the reported data, most likely due to the limited sample.

²⁵Revenue per person is calculated as total premiums / number of people paying premiums. These are calculated by each distribution channel for 2016.

²⁶Commission data was reported for 20 products accounting for USD 96 million, or 20%, of total identified microinsurance premiums.

²⁷Member organisations include community-based organisations, other membership organisations, civil society organisations, mutual and cooperatives.

Figure 14: Median and premium weighted average commission rates across distribution channels





56%
The majority of providers measure success of microinsurance with financial KPIs...

≠



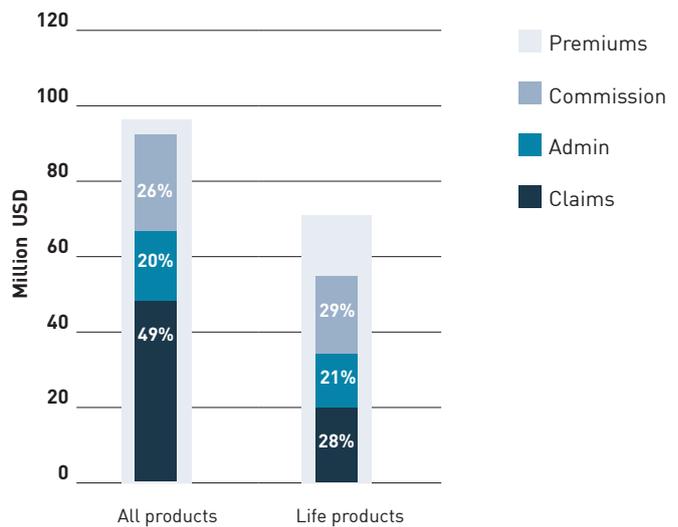
6%
...yet few actually track microinsurance expenses.

2.6 Is microinsurance profitable in the region?

Nearly 60% of respondents believe that there is a high potential for life and accident microinsurance products to be profitable. In contrast, perceptions of agricultural microinsurance products are much less optimistic. Only 6% of the respondents believe that agricultural products offer high potential for achieving a profit. 26% and 41% of respondents believe that health and property products can be profitable respectively.

While full business case data was only reported for a small subset of products,²⁸ it would appear to support insurers' views. The median of the reported combined ratio was 70%, with 75% of products having a combined ratio²⁹ of less than 90%. The premium weighted average indicates that life products had claims, administrative costs and commissions accounting for 77% of premiums; while across all product lines, the premium weighted average combined ratio was 95% (see Figure 1514).

Figure 15: Combined ratios



²⁸Data sufficient to produce a combined ratio was provided for 17 products, accounting for USD 96 million, or 20%, of all identified microinsurance premiums.

²⁹Combined ratios were calculated by summing the claims, expenses and commissions and then dividing by the total premiums for each product.

3. Mass vs. micro

The reasons given by insurers for not serving the low-income segments of the population have changed slightly since the last LAC study. In this year's study, the main reason given is that this segment is not the providers' target market. Providers also reported a low demand for microinsurance. In 2014, the lack of distribution channels was the most important reason for not serving the lower

income segment, but among this year's respondents, was only the third most important reason. As in 2014, a lack of market information that could help to design the insurance product ranks as the fourth most common reason, followed by insurers reporting they just have not gotten to it yet.

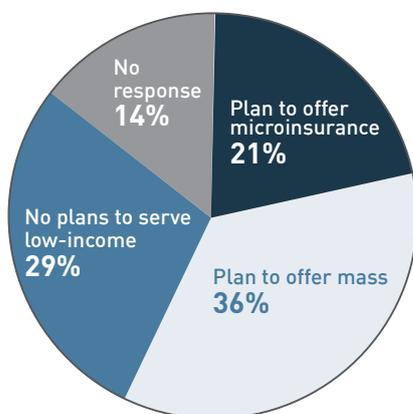
Table 2: Top reasons for insurers not serving the low-income segments of the population³⁰

Rank	Top Reasons
1	This is not our target market.
2	We don't see demand for insurance in the low-income population.
3	There is a lack of distribution channels to reach this market.
4	There is insufficient market information to help design insurance products for this market.
5	We just have not gotten to it yet or have not had time.

Of the providers not serving the lower income segments, the majority note an intention to enter the mass market rather than the microinsurance market, which they perceive as having a smaller pool of potential clients. With insufficient market information, it is clearly a challenge to

design new products for the microinsurance industry. Despite a greater focus on offering mass market products, almost one-third of providers have no plans to offer either type of insurance to reach the lower income segments.

Figure 16: Intentions of providers who are not currently serving the low-income market³¹



³⁰Including responses from 14 identified non-mass/non-MI insurance providers in the LAC region.

³¹Includes responses from 14 identified non-mass/MI insurance providers in the LAC region.

Market education and efforts to improve financial literacy among consumers are consistently cited as the most important inputs needed for microinsurance development. This was reported as the number one necessary input in the current study in LAC, in 2013 in LAC and in 2014 in Africa. In this year's study, more favourable regulations and better

distribution channels and IT systems were considered the second-most important inputs. These top reasons have remained unchanged since 2013. Additionally, the lack of understanding about the needs of low-income clients is a factor emphasised by the providers as something that needs to be dealt with to foster development in the sector.

Table 3: Provider perspectives on the top inputs needed for microinsurance development³²

Top Reasons	Ranking		
	LAC (2016)	LAC (2013)	Africa (2014)
Market education and financial literacy efforts for consumers	1	1	1
More favourable regulations	2	2	4
More / better distribution channels	3	3	3
Market demand studies to help insurers better understand clients' needs	4	5	2

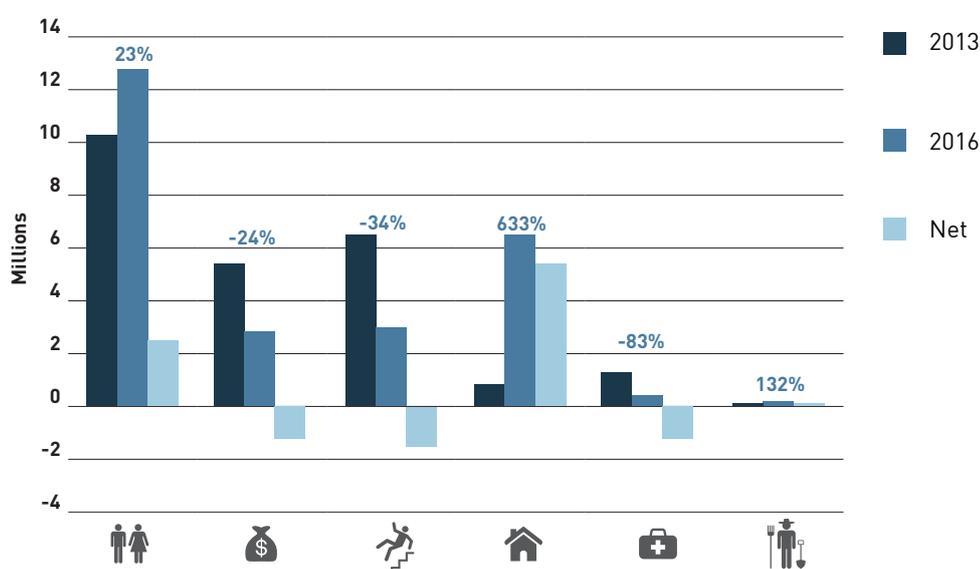
³²Includes responses from 28 respondents in the LAC region.

4. Market evolution

LAC remains an interesting market for microinsurance. Although mass insurance seems to be the more popular prospective alternative for providers not currently serving lower income segments, over the last two years the microinsurance market has seen growth in terms of lives covered. Lives covered by microinsurance providers increased from 20,298,300 in 2013 to 24,182,400 in 2016.³³

Most newly developed products cover property, but there has also been a shift in the composition of new products, with higher growth seen in life and agricultural insurance products. Index-based microinsurance in particular has become more popular in recent years. Since the 2014 study, lives covered by property and agricultural products have increased by 633% and 132% respectively.

Figure 17: Lives covered by primary product type



Despite an increase in the number of lives and products, the premiums have decreased by 11% since 2013, reflecting a compound annual growth rate of negative 3.64%. It is important to note, however, that the 2014 and 2017 studies differ substantially in the data sources used. The 2017 study draws more heavily upon secondary sources,

including regulator data, while the 2014 study was based largely on self-reported data from microinsurance providers. A more holistic comparative analysis is thus obtained on the basis of the data reported by the regulators as shown in Table 4 below.

Table 4: Indicators of growth for Nicaragua, Mexico, Peru and Brazil, based on data reported by regulators

Country	Premium Increase
Nicaragua	284% increase in microinsurance premiums between 2013 and 2016 (from USD 218,093 in December 2013 to USD 837,238 in December 2016). ³⁴ The regulators reported 36%, 78% and 84% annual growth in premiums in 2014, 2015 and 2016 respectively, ³⁵ indicating that growth has been accelerating.
Mexico	36% average annual increase in microinsurance premiums between 2007 and 2017. The regulatory framework for microinsurance was established in 2007. ³⁶
Peru	566% increase in microinsurance premiums between 2013 and 2016 (from USD 2.9 million in December 2013 to USD 19.6 million in December 2016). ³⁷
Brazil	1799% increase in premiums registered in the 2013-2016 period (from USD 3.5 million in December 2013 to USD 65.7 million in December 2016). ³⁸

³³This accounts for 47% of the identified lives in the region.

³⁴Reported by the Superintendency of Banking and Other Financial Institutions (SIBOIF), Nicaragua.

³⁵A2F Interview with Superintendence of Banking and other Financial Institutions, Nicaragua 25, 2017).

³⁶A2ii interview with the National Insurance and Surety Commission (CNSF) Mexico.

³⁷Reported by the Superintendency of Banks and other Financial Institutions (SBS), Peru.

³⁸Reported by the Superintendence of Private Insurance (SUSEP), Brazil.

This year's study also analysed three trends in the market:

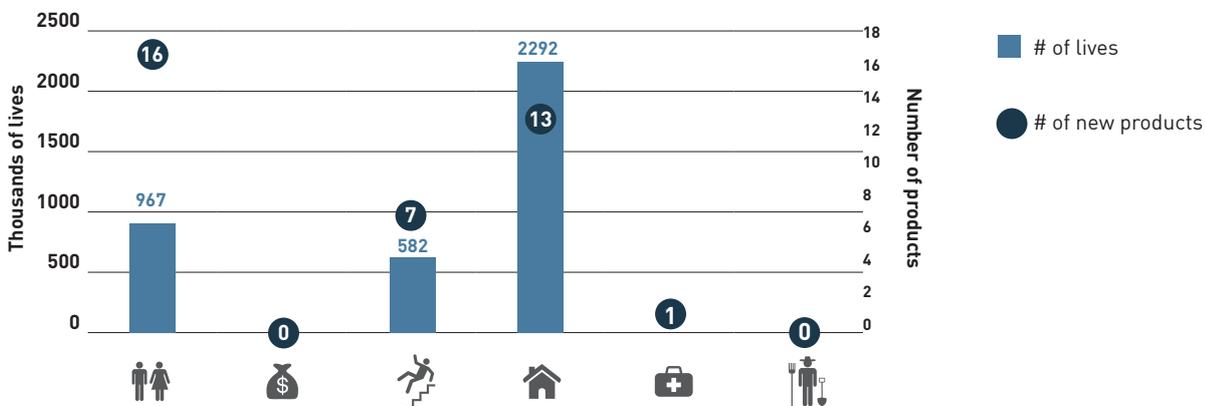
1. Continuing microinsurance business: those insurers that offered microinsurance products in both 2013 and 2016.
2. Discontinued microinsurance business: those microinsurance products that have been discontinued since 2013.
3. New microinsurance business: those insurers that have launched new products since 2013.

This year's study identified a total of 113 microinsurance products that were offered in 2016. Of these products, 77 were also offered in 2013, 36 were new, 17 were discon-

tinued between 2013 and 2016, and another three products that were previously offered separately were combined into one product. The status of 26 of the products offered in 2013 is unknown.

The products that were continued from 2013 to 2016 were offered by a total of 34 companies. Seven of the companies that offered microinsurance in 2013 have discontinued their operations in the microinsurance industry, accounting for 65% of the discontinued products. There were two companies that entered the market. The largest portion of new products were life insurance products (43%), followed by property products (19%).

Figure 18: New products launched since 2014



The average number of lives covered by continued products in 2016 was 206,094, compared with 201,139 in 2013. Based on data from the 2014 study, the average number of lives covered under products that were subsequently discontinued was 145,920. This average (38% lower than the 2013 average for products that were subsequently continued) shows that discontinued products had, on average, a smaller volume of clients. This indicates that these products may not have been the most suitable for the microinsurance sector, as large volumes are needed to compensate for lower premiums.

Several new initiatives in the region have fostered the introduction of new microinsurance products and are attracting new market entrants. These initiatives have been driven primarily by international entities, associations and companies, such as the Inter-American Development Bank (IDB) in Belize, the Swiss Cooperation Office in Bolivia, and BBVA, AIG and Fondo Esperanza in Chile.

Additionally, individual country governments have begun to recognise the importance and potential of microinsurance and have started improving their regulatory frameworks. Peru, Mexico, Brazil and Nicaragua are among the

leading countries that have significantly developed microinsurance regulation, and lessons learned from these countries can be used to help countries that have not begun to develop similar regulations. For instance, in 2015, Nicaragua implemented a microinsurance norm that allows microfinance institutions to broker microinsurance policies, which has led to an increase in microinsurance in the country.³⁹ Peru's Superintendence of Banking, Insurance and Private Pension Funds updated its regulations to incentivise insurance companies to design microinsurance products.

Although no microinsurance regulatory framework is currently in place, Argentina and El Salvador have both established microinsurance as a priority in their financial inclusion strategies and have commenced studies on the needs and potential demand for microinsurance among low-income segments. In Paraguay, the Central Bank and the Superintendence of Insurance held a series of meetings in March 2016 with insurance and reinsurance companies, banks, telecoms and other financial institutions important for financial inclusion in order to better understand the demand and supply barriers to the provision of and access to microinsurance products.⁴⁰

^{39/40}EIU (Economist Intelligence Unit), 2016; Global Microscope 2016: The enabling environment for financial inclusion; Sponsored by MIF/IDB, Accion and the MetLife Foundation. EIU, New York, NY.

Figure 19: Overview of MI regulatory framework in Latin America and the Caribbean



Source: Access to Insurance Initiative (A2ii) interview; A2F interviews; EIU (Economist Intelligence Unit), 2016; Global Microscope 2016: The enabling environment for financial inclusion; Sponsored by MIF/IDB, Accion and the Metlife Foundation. EIU, New York, NY.

5. Moving forward

The 2017 landscape study shows a continuation of the trend illustrated by earlier landscape studies, namely that microinsurance in the LAC region is expanding. An estimated total of 52 million people were covered by microinsurance in 2016, corresponding to 8.1% of the LAC population. Gross written premiums reached USD 480 million. Lives covered increased by 19%, whereas the premium compound growth rate was negative 3.6%. Local currency depreciation across the entire LAC region has influenced this result. When measuring the premium growth rate in constant 2016 US dollars, the results show a 10% increase.

This report has brought to light some key opportunities for providers to improve their business:

- Distribution is key to the effective expansion of microinsurance. The different distribution channels each have their own motivations for offering microinsurance. Insurers have to respond to the needs and motivations of distribution channels to form effective partnerships.
- Technology has the potential to increase efficiency and reduce administrative costs. Back-end technology and use of mobile phone networks provides a significant opportunity for expansion of microinsurance in the LAC region.
- Governments are recognising the importance and potential of microinsurance and have started improving their regulatory frameworks accordingly. As a first step, this has included studies on the needs and potential demand for microinsurance. From a provider perspective, improved regulatory frameworks are expected to incentivise further expansion and development of microinsurance.

Appendices

Appendix A: The World Map of Microinsurance

An initiative of the Microinsurance Network and the Munich Re Foundation, the World Map of Microinsurance (WMM) is a platform for knowledge generation and sharing around microinsurance. It hosts data and analysis from significant landscape studies, which are displayed visually on an interactive world map, at <http://worldmapofmicroinsurance.org/>.

The history of landscape studies

Attempts to understand the microinsurance sector through the lens of data started with the MicroInsurance Centre's landmark study, **The Landscape of Microinsurance in the World's 100 Poorest Countries** published in 2007. This was followed by the studies listed below:

The Landscape of Microinsurance in Africa 2009, based on 2008 data, was published by the ILO- Microinsurance Innovation Facility (now called the Impact Insurance Facility).

The Landscape of Microinsurance in Africa 2012, based on 2011 data and conducted by the MicroInsurance Centre, was jointly published by the GIZ-Program Promoting Financial Sector Dialogue in Africa "Making Finance Work for Africa" (MFW4A) and the Munich Re Foundation in partnership with the African Development Bank Group, the Microinsurance Network and the ILO- Impact Insurance Facility.

The Landscape of Microinsurance in Latin America and the Caribbean 2012, based on 2011 data, was conducted by the MicroInsurance Centre and commissioned and published by the Inter-American Development Bank Group (IDB) and its Multilateral Investment Fund. It received funding from the Citi Foundation and the Munich Re Foundation.

The Landscape of Microinsurance in Asia and Oceania 2013, based on 2012 data, was conducted by MicroSave and jointly published by the Munich Re Foundation and GIZ in partnership with the Microinsurance Network.

The Landscape of Microinsurance in Latin America and the Caribbean: A changing market 2014, based on 2013 data, was conducted by the MicroInsurance Centre and jointly published by the Microinsurance Network and Munich Re Foundation under the World Map of Microinsurance (WMM) programme. It was co-funded

by Bradesco Seguros, CNseg, IDB and its Multilateral Investment Fund, the Government of the Grand Duchy of Luxembourg and the World Bank Group.

The Landscape of Microinsurance in Africa 2015, based on 2014 data, was conducted by the MicroInsurance Centre and jointly published by the MicroInsurance Network and Munich Re Foundation under the World Map of Microinsurance (WMM) programme. It was published in cooperation with the GIZ-Program Promoting Financial Sector Dialogue in Africa "Making Finance Work for Africa" (MFW4A) and with support from the Government of Luxembourg.

Why do we need it?

Insurance is a data-driven industry, and the WMM enables the sector to develop effectively, produce more valuable products for clients and improve profitability for insurers. As microinsurance is an emerging industry, there is not yet sufficient data to create field-wide benchmarks on which to assess performance. Data is critical to the advancement of microinsurance as it generates market knowledge, facilitates market development, furthers best practices and can lead to better products and services. Country-level data is essential to effective pricing, to the insurers' ability to understand the low-income market, and the development of quantitative goals and benchmarks. On a company-level basis, improving insurers' knowledge of low-income markets is beneficial for both insurers and clients: clients gain access to better products and insurers can expand their client base.

What will it achieve?

Ultimately, the WMM will advance microinsurance as a tool that can effectively protect low-income populations in developing countries against the crises that push them into and trap them in poverty. This can be achieved by providing insurers with the knowledge they need to create more valuable and effective products. By gaining a better understanding of the low-income market and the specific needs of the clients they serve, firms can design products which meet the needs of their client-base at a price that is efficient. The tractability of the data will allow firms to gain important information about the market they work in, and subsequently will empower them to grow their business, reaching even more low-income clients

The platform is the destination for data and research on microinsurance. Having data on microinsurance converge in one location creates a space for further knowledge generation, collaboration and learning. Creating a

collective authority on microinsurance will help to gain respect and recognition for the industry, and advance its status as an important tool for development worldwide.

Appendix B: Definition and methodology of the study

Definition

The microinsurance products/programmes qualifying for inclusion in the Latin American and Caribbean landscape study were selected based on the following definition:

For the purposes of this study, products should meet each of the following criteria to be considered as microinsurance. Mass market products should be included if they meet this definition; limited data will also be collected on mass market products that do not conform to each of these criteria.

- i. Developed for low-income people: The product must have been intentionally developed to serve low-income people (insurance that is not just purchased by low-income people too, but products that are designed for low-income people).*
- ii. Risk carrier: Government must not be the sole risk carrier (not social security programmes); the programme has to be managed on the basis of insurance principles.*
- iii. Modest premium levels/affordability: The base/minimum annual premium amount is commensurate with the income level of the low-income sector in each country, according to the risks insured (see Table below).*

Table 5: Maximum annual premiums⁴¹

Country	Local currency	Life / Accident - 1% of GDP per capita		Health - 4% of GDP per capita		Prop / Ag - 1.5% of GDP per capita	
		Local	USD	Local	USD	Local	USD
Argentina	ARS	1,744	135	6,976	539	2,616	202
Antigua and Barbuda	XCD	370	137	1,481	549	555	206
Bahamas, The	BSD	228	228	919	919	342	342
Belize	BZD	98	49	390	195	146	73
Bolivia	BOB	211	31	844	123	317	46
Brazil	BRL	344	87	1,375	347	515	130
Barbados	BBD	312	154	1,247	617	468	231
Chile	CLP	95,137	134	381,010	537	142,879	201
Colombia	COP	191,936	61	767,745	242	287,904	91
Costa Rica	CRC	68,115	113	239,373	450	89,898	169
Cuba	CUP	77	77	306	306	115	115
Dominica	XCD	3,319	71	13,321	285	5,002	107
Dominican Republic	DOP	2,951	65	11,759	259	4,404	97
Ecuador	USD	62	62	248	248	93	93
Grenada	XCD	249	92	995	368	373	138
Guatemala	GTQ	298	39	1,191	156	447	59
Guyana	GYD	8,337	41	33,349	165	12,506	62

⁴¹The table provides a list of the premium caps by product type, calculated based on the GDP per capita of the low-income sector in each country and the estimated percentages of GDP per capita constituted by Life/Accident, Health and Property/Agriculture, respectively. For consistency, the percentages were those used in the 2014 landscape study, determined based on a review of products in several countries around the region and around the globe. The percentages used were determined as effective approximations of the upper range of microinsurance products. It is intended that these amounts will serve as a gauge, not hard and fast criteria. The majority of reported products fall well under these caps.

Honduras	HNL	564	25	2,256	101	846	38
Haiti	HTG	463	8	730	33	274	12
Jamaica	JMD	6,061	51	24,242	204	9,091	77
St. Kitts and Nevis	XCD	426	158	1,703	631	639	237
St. Lucia	XCD	209	77	835	309	313	116
Mexico	MXN	1,563	90	6,253	360	2,345	135
Nicaragua	NIO	581	21	2,326	83	872	31
Panama	PAB	133	133	531	531	199	199
Peru	PEN	204	60	817	241	306	90
Paraguay	PYG	234,655	41	938,619	163	351,982	61
El Salvador	USD	42	42	169	169	63	63
Suriname	SRD	379	95	1,518	379	569	142
Trinidad and Tobago	TTD	1,109	173	4,434	693	1,663	260
Uruguay	UYU	4,672	156	18,689	623	7,008	234
St. Vincent and the Grenadines	XCD	182	67	728	270	273	101
Venezuela, RB	VEF	866	138	3,465	550	1,299	206

Methodology

Data collection

The researchers for this study aimed to include all organisations offering products fitting the specified microinsurance definition. To target these organisations, desk-research was conducted to identify all insurance providers in each country. This was combined with discussions with regulators, associations such as Fasesolda, and other insurers or key stakeholders in the market.

The primary mode of data collection was an online survey. All regulated insurers and other potential microinsurance providers were contacted via email and provided with information about the study and a link to the survey instrument. A team of six researchers followed up via phone and email to encourage participation, provide support for filling out the survey, make clarifications or ask questions regarding the submitted data, and ensure the final submissions were as complete and accurate as possible.

The secondary mode of data collection on microinsurance products and providers was accomplished through secondary source research, including published and unpublished resources in English, Spanish and Portuguese, as well as academic, journalistic, corporate and consultant outlets. These resources, if within the time bounds of the study, were used to address any gaps that could not be clarified by the insurer, distribution channel or regulator.

All responses were voluntary and respondents could discontinue their participation at any time. There were a few incidents of organisations declining to participate in the

study. In these cases, researchers first worked to answer questions and address the organisation's concerns about the study, or searched for alternate methods for obtaining the data. If an organisation continued to withhold its participation, every effort was made to contact a distribution channel, regulator or aggregator that might possess the information on the microinsurance products offered by that organisation.

For situations in which surveys were received from an insurer and distribution channel partnering to offer a microinsurance product, product information was only retained from the insurer to avoid double counting of products. However, the organisational information and the market perceptions reported by both organisations were kept.

In addition to the data collected from microinsurance providers, information was also gathered on two important market context factors:

- Information on the status and content of microinsurance-specific regulations in each market was gathered via desk research and a structured phone interview with one in-country supervisor.
- Data on social protection programmes (social support funded entirely by the government with no risk transferred) in health, agriculture and old-age income were collected via desk research.

The survey

The survey instrument was based primarily on the survey used for the prior landscape studies. This was done intentionally to ensure that data collected in this study would be comparable to the data collected previously.

Similar to the 2014 study, in an effort to capture more information and generate additional value from the studies, the following sections were added to the survey:

- A separate, short survey for insurers that are not currently serving the low-income market. The intention is to gain an understanding of why insurance providers are currently not in this market, whether they have an interest in or plans to serve low-income segments in the future, and what their perspectives are on several microinsurance market factors.
- A short survey for those providers who offer mass market products that reach low-income people but were not necessarily designed for that market, and thus they were not meeting the definition of microinsurance for this study.
- For microinsurance providers, a number of additional questions were included:
 - ▶ Additional key performance indicators (KPIs): data points were collected regarding commissions, administrative costs, duration of claims settlement, claim rejection rates and renewal rates. By gathering more data on KPIs, we aim to establish and provide industry benchmarks to assist management in decision-making, and for the second time, the industry is able to have an indication of profitability.
 - ▶ Questions regarding subsidies and other external support.
 - ▶ Additional market perspectives. By gathering feedback on insurers' views of the market and supporting environment, including specific aspects of regulation, it is possible to provide better information for regulators, policymakers and industry associations as they form their microinsurance strategies.

Terminology and calculation for business case and other key indicators

A number of key performance indicators were collected for the second time or calculated in order to provide trend information. The following list provides the definitions of the terms we use and the underlying calculations.

Comparable data refers to changes over the 2013-2016 time period. Because some providers did not submit data in both time periods, a calculation based purely on the numbers identified would be misleading. Thus "comparable" growth calculations include only those products or providers for which information was available for both time periods, including any entrants or exits. For premiums and lives, this comparable data set accounts for approximately 49% and 47% of the "identified" market respectively.

Coverage ratios are calculated as simply the number of insured/total population in 2016. Comparable quantifiable definitions and measurements of the target market for microinsurance (low-income) across markets are not available. Thus for purposes of comparability, the total population is taken as the base. The total population is based upon the World Bank Indicators of 2016.

Premium information refers to Gross Written Premium, in 2016 USD. Premium data from 2013 is provided in 2013 USD. This differs from the 2014 study where written premiums reported in the 2012 study were adjusted to 2013 USD dollars to account for exchange rate fluctuations and to facilitate comparability.

Claims refers to the value of claims *paid* during 2016.

Claims ratios are calculated as claims paid/written premium. Data for claims ratios was reported for a limited subset of products, accounting for 26% of total premiums identified in the region.

Commission rates = commissions paid / written premium. Commission data was reported for 20 products accounting for USD 96 million, or 20%, of the total identified microinsurance premiums.

Administrative costs are net of commission paid and thus reflect only costs incurred internally by the insurance provider. Administrative costs were reported for 17 products accounting for USD 96 million, or 20%, of total identified premiums.

Expense ratios = administrative costs/gross written premium.

Combined ratio is the summation of the claims ratio, commission rate and administrative ratio, and it was only calculated if all three data points were provided. Combined ratios are believed to be a sufficient indicator of profitability in microinsurance, as in most cases other elements affecting profitability – such as premiums ceded or investment income – are negligible. Data sufficient to produce a combined ratio was provided for 17 products, accounting for USD 96 million, or 20%, of all identified microinsurance premiums.

Considerations

A major consideration concerns what insurers or others believe constitutes “microinsurance”. Although the project applies a clear definition of microinsurance and a model for counting policyholders and covered lives, it is possible – indeed likely – that this definition will not correspond exactly to that used by an insuring entity or the government in a jurisdiction. Thus, data generated may not comply exactly with the definition put forth. The overall effort focused on collecting microinsurance data related to those considered low-income and, if possible, complying directly or nearly with our definition. Therefore, data presented in this study will reflect “those identified” as covered with microinsurance as opposed to an absolute number of people with microinsurance. For these concerns, again, the researchers made all possible efforts to contact organisations and clarify information.

Most of the data collected was self-reported and voluntarily submitted by the insurers, distribution channels,

aggregators, regulators, donors and other organisations involved with microinsurance. However, this year’s study has had a much lower participation and response rate than in previous years. The participating companies reported total gross written premiums of approximately USD 205 million, accounting for 25% of premiums reported in 2014. Thus, additional data points for premiums and lives covered were collected from regulators, including SBS, SIBOIF, CNSF, SUSEP, the insurance association Fasescolda and BSLatAm, thus reaching USD 480 million.

In terms of key performance indicators, an even smaller proportion of respondents provided the data requested. Thus, some of the aggregated information provided in this report only applies to the subset of respondents who were willing to provide all of the necessary underlying data points. The paper indicates when this is the case and provides an indication as to the composition of the subset.

With these considerations, it is important to recognise that the quantitative information presented in this paper does not represent an absolute number of products, clients or other data. Rather, this paper reports what the team was able to identify as microinsurance. Although the data for this study is not an absolute measure of microinsurance in LAC, the data set is large enough to represent the “landscape” of microinsurance and provide an accurate picture of the market and where it is going.

Appendix C: Key figures – lives insured and premiums by country

The tables below provide details by country for lives insured and premiums of microinsurance and traditional insurance as well as details of microinsurance coverage ratios (lives insured / total population) by country. Please

note that the total coverage noted here is only for the countries with reported data. The total coverage rate for the region, inclusive of the countries in which no microinsurance was identified, was 8.8%.

Table 6: Lives insured and premiums by country

Country	Lives insured	Coverage ratio	Source for lives insured	Total insurance premiums ⁴²	Total MI premiums	Source for MI premiums
 Argentina	3,730,000	8.5%	BSLatAm	14,291,000,000	33,380,823	BSLatAm
 Belize	4800	1.3%	Reported Data	N/A	252,232	Reported Data
 Bolivia	710,000	6.5%	BSLatAm	506,000,000	5,650,264	BSLatAm
 Brazil	13,790,000	6.6%	BSLatAm	72,646,000,000	66,134,082	CNSF
 Chile	1,930,000	10.8%	BSLatAm	11,682,000,000	80,128,030	BSLatAm
 Colombia	5,218,080	10.7%	Fasecolda	7,809,000,000	79,133,653	Fasecolda
 Costa Rica	430,000	8.9%	BSLatAm	1,216,000,000	3,062,803	BSLatAm
 Dominican Republic	390,000	3.7%	BSLatAm	879,000,000	1,787,568	BSLatAm
 Ecuador	2,950,000	18.0%	BSLatAm	1,618,000,000	86,259,503	BSLatAm
 El Salvador	390,000	6.1%	BSLatAm	546,000,000	6,656,829	BSLatAm
 Guatemala	940,000	5.7%	BSLatAm	808,000,000	32,949,761	BSLatAm
 Honduras	70,000	0.8%	BSLatAm	418,000,000	624,455	BSLatAm
 Mexico	14,657,348	11.5%	CNSF (A2ii)	24,403,000,000	44,210,412	CNSF (A2ii)
 Nicaragua	58,914	1.0%	SIBOIF (A2F)	204,000,000	837,238	SIBOIF (A2F)
 Panama	70,000	1.7%	BSLatAm	1,396,000,000	135,588	BSLatAm
 Paraguay	380,000	5.7%	BSLatAm	382,000,000	2,456,405	BSLatAm
 Peru	5,075,185	16%	Reported Data/ SBS	3,330,000,000	27,814,973	Reported Data/ SBS
 Uruguay	60,000	1.7%	BSLatAm	1,281,000,000	4,655,216	BSLatAm
 Venezuela	640,000	2.0%	BSLatAm	37,853,305,933	102,828	BSLatAm
Other countries	220,000	N/A	BSLatAm	N/A	3,677,564	BSLatAm
Total, LAC	51,714,327	8.1%		181,268,305,933	479,910,226	

⁴²Source: <http://www.sigma-explorer.com>. Data for Venezuela is the reported data by the regulator, and was not included in the data from Sigma Explorer. The total insurance premium reported in this table is thus greater than what was reported for the entire region by Sigma Explorer

Appendix D: Social protection programmes by country

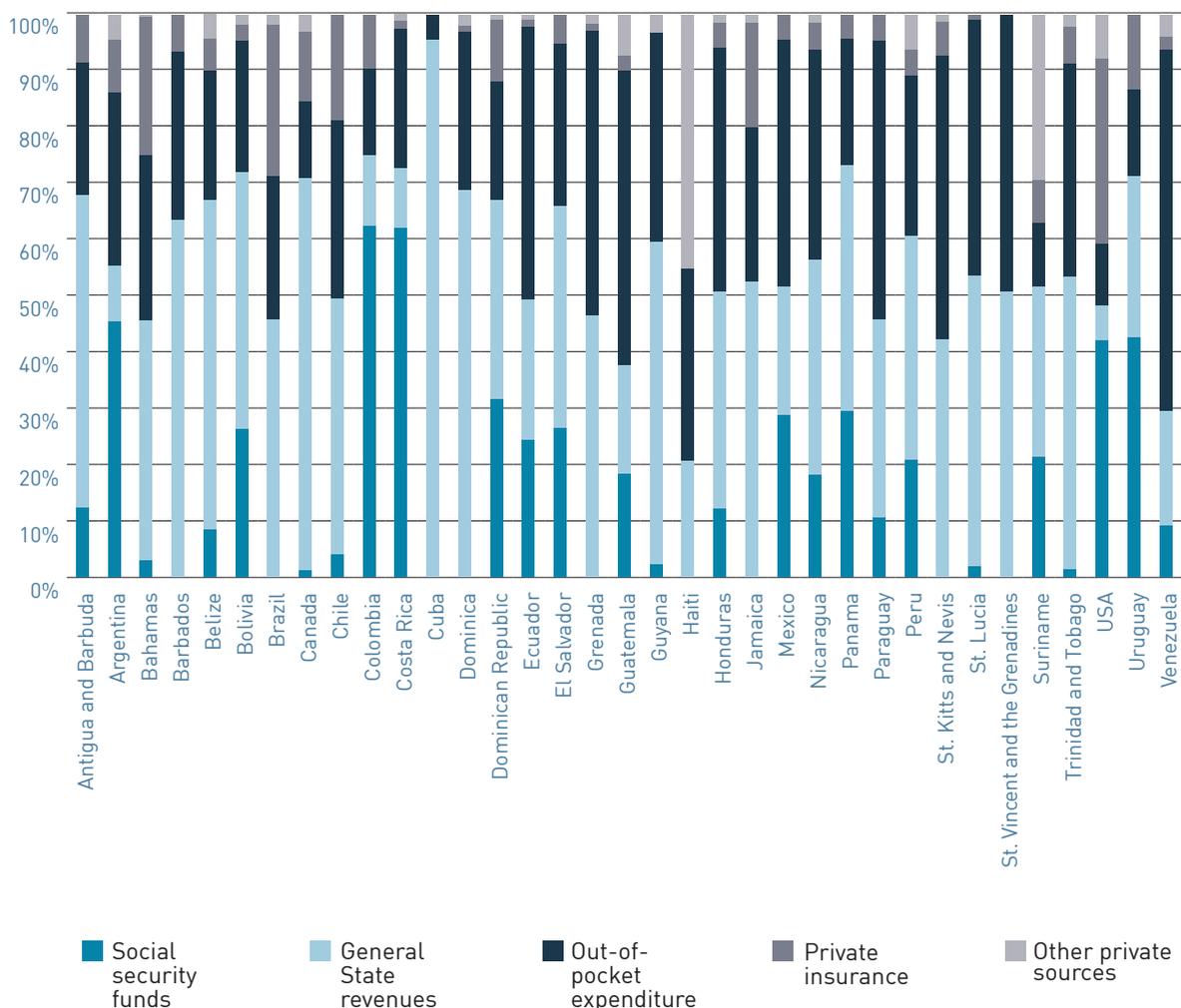
Government sponsored health care in Latin America and the Caribbean

The Pan American Health Organization (PAHO) estimates that 30% of the population in Latin American countries have no access to health care due to financial barriers. The lack of equally accessible health services impoverishes the more vulnerable sections of the population. Efficiently managed financing is necessary. Currently, direct payment (out-of-pocket expenditure) is the most inefficient form of financing. This form of financing is also difficult for the poor as such an expenditure often takes up a larger proportion of their household budget.

Out of pocket expenditures are elevated in several Latin American countries and present a significant challenge in health financing. For the poorer segments of the population, microinsurance could be an adequate instrument to fill the gaps for the lower income segments. Figure 2019 presents an overview of the different sources of financing of health care in the region, including out-of-pocket expenditures. To learn more about health financing in America and LAC, please access the following article from the Pan American Health Organization:

<http://www.paho.org/salud-en-las-americas-2017/?p=178>

Figure 20: Segmentation reflected in financing



Source: Adapted from Pan American Health Organization, *Health Financing in the Americas*. (Last Accessed October 20): <http://www.paho.org/salud-en-las-americas-2017/?p=178>

Government pension coverage in LAC

The risk of insufficient income in old age is one that has been relegated to the periphery of microinsurance, with some debate as to whether insurance is even a viable or practical solution, particularly with relatively few microinsurance programmes offering pensions or other types of long-term coverage. However, a clear need for this type of coverage exists. A recent study by OECD, the IDB and the World Bank estimates that in 2010, just 45% of workers contributed to or were affiliated with a pension scheme in 19 countries in Latin America and the Caribbean, leaving a large coverage gap.⁴³ Participation in contributory schemes is affected by a number of factors including employment status (64% of salaried workers contribute, compared to just 17% of self-employed workers), educational attainment, gender and household income, among others. Low-income workers rarely contribute, and just

20-40% of middle income earners participate in pension schemes, “making them particularly vulnerable to old age poverty risks.”⁴⁴

One of the main ways that Latin American and Caribbean governments have started to address this gap is through the offering of social pensions or non-contributory schemes. These types of programmes aim to provide support for the vulnerable segments of society who are unable to contribute. While successful at expanding social protection, the benefit levels can be extremely low – as little as 2-5% of the average income. Table 7 provides social pension coverage rates and corresponding estimates of the size of benefits for LAC countries. In 2013, an estimated total of 24.5 million people were covered by social pensions in the region.⁴⁵

Table 7: Social pensions in LAC

Country (bold denotes countries in which microinsurance was identified)	% of 65+ population covered by social (non-contributory) pensions, 2013	Number of people 65+ covered by social (non-contributory) pensions, 2013	Benefit as a % of average income, various years	Benefit as a % of international poverty line	Name of social pensions programme
Anguilla	N/A	N/A	N/A	N/A	Non-contributory Old Age Pension
Antigua and Barbuda	N/A	N/A	8,25%	261%	Old Age Assistance Programme
Argentina	1,80%	82 064	23,99%	773%	Pensiones Asistenciales
Aruba	N/A	N/A	N/A	N/A	N/A
Bahamas	6% (60+ pop)	~1,811	11,26%	415%	Old Age Non-contributory Pension
Barbados	30,10%	9 425	22,59%	535%	Non-contributory Old Age Pension
Belize	30%	3 983	12,99%	151%	Non-contributory Pension Programme
Bermuda	N/A	N/A	N/A	Monthly Benefit: USD 451	Non-contributory Old Age Pension
Bolivia	100%	533 560	15%	139%	Renta Dignidad or Renta Universal de Vejez
Brazil	86%	13 784 900	33,35%	588%	Previdencia Rural
British Virgin Islands	N/A	N/A	N/A		N/A
Chile	83%	1 462 436	12,60%	346%	Sistema de pensiones solidarias
Colombia	44%	1 275 685	5,05%	78%	Programa Colombia Mayor

⁴³OECD/IDB/TheWorld Bank (2014), *Pensions at a Glance: Latin America and the Caribbean*, OECD Publishing, http://dx.doi.org/10.1787/pension_glance-2014-en p. 14

⁴⁴Ibid, p.9

⁴⁵More information on microinsurance and social protection programmes: Ramm, G., Ankolekar, M., 2014. *Situating Microinsurance in Social Protection*. Luxembourg: Microinsurance Network.

Costa Rica	59%	201 220	14,53%	321%	Programa Regimen No Contributivo
Cuba	N/A	N/A	N/A	N/A	Old Age Social Assistance
Dominica					None
Dominican Republic					None
Ecuador	56%	616 925	7,44%	112%	Pension para Adultos Mayores
El Salvador	17%	75 451	15,14%	176%	Pension Basica Universal
Guatemala	16%	123 746	18,42%	137%	Aporte económico del Adulto Mayor
Guyana	151%	36 222	24,10%	249%	Old Age Pension
Grenada					None
Haiti					None
Honduras					None
Jamaica	24%	52 123	2,35%	30%	Programme for Advancement through Health and Education
Mexico	63%	4 624 165	4,66%	124%	Pensiones para adultos mayores
Montserrat	N/A	N/A	N/A		N/A
Netherlands Antilles	N/A	N/A	N/A		N/A
Nicaragua					None
Panama	81%	219 098	12,15%	358%	120 a los 65
Paraguay	29%	98 633	26,16%	327%	Pension alimentaria para las personas adultas mayores
Peru	41%	747 240	8,19%	140%	Pension 65
St. Kitts and Nevis	N/A	N/A	N/A	N/A	Assistance Pension
St. Lucia					None
St. Vincent and the Grenadines	53% (of 60+ pop) ^v	~4,058	10,38%	165%	Elderly Assistance Benefit
Suriname	106% (of 60+ pop) ^v	~40,014	19,78%	437%	Algemene Oudedags Voorzieningsfonds (State old age pension)
Trinidad and Tobago	99%	119 497	27,56%	1297%	Senior Citizens' Pension
Uruguay	7%	33 389	21,13%	662%	Pensiones No-Contributivas
Venezuela	23%	419 592	48,44%	1110%	Gran Misión Amor Mayor
Total estimated people covered by social pensions in LAC		24 565 237			

About the Microinsurance Network:

A not-for-profit membership-based association, the Microinsurance Network is driven by its vision of a world where people of all income levels are more resilient and less vulnerable to daily and catastrophic risks through improved access to effective risk management tools. Low-income consumers lie at the heart of our mission. We work with a broad range of stakeholders around the world to prioritise the needs, interests and well-being of our ultimate beneficiaries.

Find out more: <http://www.microinsurancenetwork.org/publications>

Read our publications: www.microinsurancenetwork.org/resources

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Twitter: @NetworkFlash

About the Munich Re Foundation:

The Munich Re Foundation seeks to provide answers to overarching questions from a variety of perspectives in order to find sustainable solutions in the area of risk prevention. Questions concerning development are linked to risk management and poverty reduction.

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