

- Draft for consultation -



Mainstreaming Gender and Targeting Women in Inclusive Insurance: Perspectives and Emerging Lessons

A Compendium of Technical Notes and Case Studies

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

 **IFC** International
Finance Corporation
WORLD BANK GROUP

 **jica**


Women's World Banking

With contributions from:

 **aii**
access to insurance initiative



Imprint

As a federally owned enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development.

Published by:
Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

Friedrich-Ebert-Allee 36 + 40	Dag-Hammarskjöld-Weg 1-5
53113 Bonn, Germany	65760 Eschborn, Germany
T +49 228 44 60-0	T +49 61 96 79-0
F +49 228 44 60-17 66	F +49 61 96 79-11 15

E info@giz.de
I www.giz.de

Programme:
Sector Programme Global Initiative for Access to Insurance and
Sector Initiative Development and Integration of Social Protection Systems

Responsible:
Greta Nordmann, Susanne Ziegler, Marie-Christina Dankmeyer, Brigitte Klein and Johanna Knoess

Author:
Martina Wiedmaier-Pfister and Katherine Miles

Edited:
Martina Wiedmaier-Pfister and Katherine Miles

Design:
www.design-werk.com, Nikolai Krasomil

Photo credits/sources:
Page 1: © Martina Wiedmaier-Pfister

URL links:
This publication contains links to external websites. Responsibility for the content of the listed external sites always lies with their respective publishers. When the links to these sites were first posted, GIZ checked the third-party content to establish whether it could give rise to civil or criminal liability. However, the constant review of the links to external sites cannot reasonably be expected without concrete indication of a violation of rights. If GIZ itself becomes aware or is notified by a third party that an external site it has provided a link to gives rise to civil or criminal liability, it will remove the link to this site immediately. GIZ expressly dissociates itself from such content.

On behalf of:
German Federal Ministry for Economic Cooperation and Development (BMZ)
Division 114 – Cooperation with the private sector; sustainable economic policy
Division 304 – Health, population policy and social protection

Addresses of the BMZ offices	
BMZ Bonn	BMZ Berlin
Dahlmannstraße 4	Stresemannstraße 94
53113 Bonn, Germany	10963 Berlin, Germany
T +49 (0)228 99 535-0	T +49 (0)30 18 535-0
F +49 (0)228 99 535-350	F +49 (0)30 18 535-2501

poststelle@bmz.bund.de
www.bmz.de

GIZ is responsible for the content of this publication.

Bonn 2016

Compendium Contents

Executive Summary

Part 1: The Industry Perspective

What Can Insurers Do to Reach More Low-Income Women?

Marieme Esther Dassanou and Prapti Sherchan, IFC

Gender Sensitive Inclusive Insurance Distribution

Katherine Miles, GIZ

Engaging More Women for a Stronger Insurance Industry

Marieme Esther Dassanou and Prapti Sherchan, IFC

Part 2: Government Stakeholder Perspectives

The Role of Insurance Regulation and Supervision in Promoting Inclusive Insurance for Women

Katherine Miles and Anke Green, A2ii

Mainstreaming Gender and Targeting Women in Inclusive Insurance Through Development Cooperation

Martina Wiedmaier-Pfister and Katherine Miles, GIZ

The Role of Policy Makers in National Social Protection Systems with a focus on Inclusive Insurance

Gaby Ramm, GIZ

Insurance Financial Literacy that Works for Women

Isabelle Schirmer and Philipp Decking, GIZ

Part 3: Case Studies

VimoSEWA – An Insurance Cooperative for, with and by Women

Tara Sinha, SEWA

Empowering Women through Health Insurance: Lessons from RSBY in India

Gabriela Renteria Flores, GIZ Indo-German Social Security Programme

Inclusive Microinsurance for Women: Jordan

Kathryn Glynn-Broderick, Women's World Banking

Women in Inclusive Insurance Markets: The Case of Mutuals in the Philippines

Antonis Malagardis, GIZ, Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia)

Disclaimer:

The inclusion of specific products or models in the case studies are for illustrative purposes only and does not indicate endorsement by the authors. The Women and Inclusive Insurance Project represents a collaboration between various development partners: The GIZ Sector Projects "Global Approaches to Access to Insurance" and "Development and Integration of Social Protection Systems"; the GIZ regional project "Regulatory Frameworks for Pro-poor Insurance (RFPI)" in Asia; the International Finance Corporation (IFC); Women's World Banking; and the Access to Insurance Initiative (A2ii) supporting the IAIS in inclusive insurance and hosted by GIZ.

Executive Summary

Mainstreaming Gender and Targeting Women in Inclusive Insurance: Perspectives and Emerging Lessons

The Rationale for a Focus on Women and Inclusive Insurance

The compendium “Mainstreaming Gender and Targeting Women: Emerging Lessons for Inclusive Insurance from Diverse Stakeholder Perspectives” provides a variety of articles and case studies on the state and potential of gender mainstreaming and targeting women in inclusive insurance in developing countries and emerging economies. It considers inclusive insurances as broader than micro-insurance¹ so that all underserved women clients in these markets can be included. At its heart, this compendium is based on the knowledge that gender and biological differences between women and men affect their life cycle risks with implications for their needs and preferences for inclusive insurance products and services.

Inclusive insurance is a strategy to promote broad-based access to insurance for the “un- and underserved” and includes different classes of insurance. The concept of inclusive insurance has emerged as a broader concept in recent years inspired by wider discussions in inclusive finance. Women are increasingly recognized as an un- and underserved market for inclusive insurance with high growth potential. For example, the IFC, AXA, and Accenture estimate that the annual women’s retail life insurance market value in select developing and emerging economies is projected to grow by a CAGR of 10.4 percent to 13.2 percent to reach \$298 billion to \$458 billion by 2030.² Women are willing to spend between 10–15 percent of their income on insurance, especially on health insurance according to the same research. Furthermore, it is well accepted that women reinvest up to 90 percent of their income back into their children’s education, nutrition, and health needs.³

This is in a context where persistent gender inequalities remain on a global level, with women facing greater levels of disadvantage and poverty. As such, the inclusive insurance client profile of women is different from male clients and many of women’s risks and needs require special inclusive insurance approaches. For example, in its latest research the World Bank Group’s “Women Business and the Law” found that 155 of 173 economies still have at least one law restricting women’s economic opportunities.⁴ Literacy levels remain lower for women despite the fact that mean years of education have increased faster for

women than for men in most regions, leading to narrowing gender gaps in education.⁵ Furthermore, according to UN Women, women are more likely to live in poverty in 41 out of 75 countries researched with a greater risk of poverty among separated women, widows, and single mothers, including heads of household without a male partner.⁶

What Can Access to Inclusive Insurance for Women Achieve?

Inclusive insurance for women can contribute to sustainable economic development.

Inclusive insurance is recognized as a valuable means to stabilize and even improve income for individuals, households, and businesses. It can be used alongside credit, savings, and transfers to mitigate and financially relieve the potential financial losses faced by middle or low-income individuals and micro, small and medium sized enterprises (MSMEs). These include health, disability, and accident related risks, or the death of a family member. Insurance can also protect assets including houses, livestock, or vehicles, against the repercussions of theft, fire, death, loss, or the impacts of natural disaster and climatic change.⁷ It is widely recognized that, over time, inclusive insurance can improve welfare. It builds financial resilience, cushioning individuals, households, businesses, and communities from economic shocks, preventing them from falling into poverty or becoming poorer. As such, it contributes to financial sector development and, importantly, protects the gains of many other development agendas, such as poverty alleviation, employment generation, agricultural development, food security, and social protection.

Enhancing access to inclusive insurance for women can alleviate poverty.

Given that women are disproportionately represented among the poor, access to insurance can help increase their ability to mitigate risks and effectively manage shocks. Inclusive insurance prevents women from relying only on their husbands or extended family and on traditional risk management mechanisms such as selling assets, informal lending – often at high interest rates – or pulling children out of school. Consequently, inclusive insurance can empower women and generate positive impacts on women’s labor and asset productivity, children’s education, health and thereby contribute to a stabilization

of income and finally, improve conditions that can help to alleviate poverty. For instance, maternal mortality remains a threat for the poorest women. A lack of or low-quality pre-natal care has a direct effect on the health of children at birth and throughout life. Given that some of these issues are largely preventable or require treatment, health insurance coverage for low-income women that includes maternity benefits can address a pressing need for women, especially if this health insurance is part of a larger social protection system and backed by the government.

The Role of Diverse Stakeholders

All Insurance industry stakeholders are called on to address this unmet inclusive insurance demand and address the needs of the women's market.

- **Insurers:** There is a commercial market opportunity for insurance companies to consider women as clients. Women are likely to be better and more profitable clients for inclusive insurers, like they have proven to be in the microcredit industry.
- **Intermediaries:** There is a business case for distribution channels – brokers, agents, trusted organizations such as MFIs, and mass channels – to use women to either work as staff, agent, or at outsourced claims processing centers. Leveraging women as distributors of insurance will increase the uptake of low-income insurance among women clients.
- **Governments:** The Universal Declaration of Human Rights recognized that the right to social security is a human right, moreover, there are legally binding commitments that require governments to respect, protect, and fulfill women's rights. At the same time many governments have made voluntary global commitments relevant to inclusive insurance such as the Sustainable Development Goals and through the G20 Global Platform for Financial Inclusion. In this context, there is scope for governments to promote access to inclusive insurance to complement other government policies such as poverty alleviation, and whereby targeting women can reduce poverty at a societal level.
- **Financial sector policymakers, central bankers, and insurance supervisors:** Financial sector policy objectives include promoting financial stability, financial integrity and consumer protection.⁸ Given the growing recognition of the link between financial stability and financial inclusion, women's access to financial services, including insurance, is gaining prominence among financial policymakers, central bankers, and insurance supervisors.⁹ Therefore, creating an enabling environment for women's access to inclusive insurance can support their objectives.

- **Development cooperation agencies:** From a global policy perspective, women's access to inclusive insurance can support the sustainable development agenda and specifically contribute towards the achievement of gender equality and empowerment of women and girls, set out in Sustainable Development Goal 5. This support is also in line with development cooperation agencies' institutional commitments to gender equality and financial sector development.

Key Findings and Conclusions

There is both a clear business and social case for mainstreaming gender and targeting women in inclusive insurance with benefits for both expanding insurance industry penetration and for risk protection of the vulnerable in society. Yet, currently, the potential of gender mainstreaming and targeting women in inclusive insurance in developing economies has yet to be realized and significant further progress to be made to reap both the business and developmental benefits.

Women and men client profiles can exhibit different characteristics. Motivations for focusing on women in inclusive insurance may differ between stakeholder groups; however, at the intersection of these diverse interests is the recognition that the client profile of women is different from male clients. They may be less well educated, poorer, less formally employed, and more vulnerable to a range of risk factors than male clients. This is particularly true for separated women, widows and single mothers.¹⁰ Moreover, women have gender specific needs due to their biological reproductive nature and may require maternity care in a context where there is inadequate social protection and state-provided health care.

A tailored inclusive insurance proposition for women can meet these needs and be commercially viable. Women are generally more risk aware and open to seeking mitigation measures including insurance than men. As their labor force participation and education levels are increasing, so too will their interest in and ability to afford inclusive insurance. As such, it is anticipated that the market for serving women has significant growth potential. When women become clients, there is evidence that they are more profitable, exhibit less fraudulent claims activity, and can be more loyal customers and even motivate others to use a certain service.¹¹

Access and usage of inclusive insurance can provide significant positive developmental impacts on women. Women are disproportionately more represented among the poor and informal sector, access to insurance can help to effectively manage economic shocks. It can prevent women using other mitigation strategies such as selling assets, informal lending, or pulling children out of school. In turn, this can generate positive impacts on women's labour and

asset productivity, children's education, and health, thereby contributing to a more stable income and alleviation of poverty.

Many examples of women-centric approaches to insurance exist. Yet, to grow the women's inclusive insurance market and achieve these social returns and business benefits, a number of challenges need to be overcome. In principle, solutions to these challenges or gaps have in many instances already been identified and it is now time to focus on implementation. The following entry points for each main stakeholder category have been identified:

Insurers and intermediaries: The engagement of insurers and intermediaries is crucial to generate more gender-sensitive approaches in inclusive insurance. Examples of underwriters and distributors from the Philippines to Jordan indicate that there is some practice in diverse regions, related to a variety of insurance product offerings where the insurance industry has already begun to reach out to women. It may be that more examples do exist but have yet to be identified. Nevertheless, it suggests that the inclusive insurance industry could do more to take a gender-sensitive and participatory approach when developing products, and also, document and disseminate existing approaches and track their effectiveness. This, often male-dominated, industry faces challenges, including: a lack of data on women clients and their insurance usage patterns; weak consideration of strategies in distribution that work for women including preferences for certain sales channels; and, a lack of a tailored value proposition for women. The low participation of women in the workforce of insurers and intermediaries adds to the barriers. Addressing these challenges can capitalize on women's savings behaviours. In turn, this can build the client base of insurers, and simultaneously deliver a social impact by helping women to support their families, provide for their health needs, and open up paths to retirement pensions.

Financial sector policymakers, central bankers and insurance supervisors: Women's access to insurance is in the interest of insurance supervisors based on their functions including formulating regulatory frameworks, supervisory guidelines and administrative procedures that promote customer protection. There is the potential for insurance supervisors to routinely consider whether financial sector policies and regulation adequately protect women and does not disproportionately impact them. Moreover, there is scope for insurance supervisors to through their supervisory role to improve access to formal insurance for women. For example, by licensing of insurers and intermediaries that focus on women, introducing gender-sensitizing complaints mechanisms and addressing regulatory barriers facing women more strongly such as KYC requirements. In terms of additional areas for authorities and insurance supervisors to enhance women's access to inclusive insurance, there is an opportunity for the development of gender

sensitive national financial inclusion strategies (NFIS) and financial education strategies, and also, through the analysis of sex-disaggregated supply side data.

Social protection policymakers: Women-targeted inclusive insurance within social protection policymaking serves as an interim step towards reaching comprehensive social protection. There are challenges to integrating a gender dimension in government policies and programs, particularly in the area of inclusive and social insurance, including the tension between product being both affordable but also providing sufficient client value. Moreover, social protection policymakers can engage more with women on their specific protection needs, and set-up public private partnerships to deliver this type of inclusive insurance. In doing so, governments can leverage the intersection of gender strategies with other development strategies in the areas of poverty-alleviation, financial sector development, social protection, food security, and climate change. This enables them to reach out to poorer women and their family members and small firms, while using insurance to help avoid that more women become poor.

Development cooperation agencies: Development cooperation agencies play an important catalyzing role to advance sustainable gender-sensitive inclusive insurance markets as a funder of public goods, while in certain cases, equalizing market failures. Engagements in inclusive insurance and gender are framed in the context of international commitments. Financial inclusion, poverty alleviation, and climate-change related programs are drawing on inclusive insurance as a mechanism to support their development goals. In this context, there are multifaceted examples where development cooperation agencies have been engaged in mainstreaming gender in inclusive insurance by explicitly targeting women in their strategies, programming, or tools. However, the engagement on women-centric inclusive insurance can benefit from a stronger focus like the one in place on women's access to credit and savings products. Ad-hoc measures need continuity, scaling up, and a deeper and more concerted effort by development cooperation agencies to systematically engage on this path. Going forward, existing engagements mainstreaming gender or targeting women through inclusive insurance provide the foundations on which to build enhanced and more concerted support towards greater developmental impact on gender equality and poverty alleviation.

Clients: A major barrier for improving up-take of insurance is that existing and potential female clients lack of awareness and knowledge of the relevance and concept of insurance and associated products. They are also limited in their ability to pay for insurance in the formal sector. As such, there is scope for more financial literacy programs that focus on women's needs and behavior in terms of its content and delivery mechanisms.

Recommendations

All stakeholders are called upon to mainstream gender and focus on targeting women through inclusive insurance. This compendium points to a series of high-level recommendations relevant to public and private stakeholders committed to advance this topic as follows:

- **Collection and analysis of sex-disaggregated inclusive insurance data.** Diverse stakeholders in the ecosystem should support the collection and analysis of sex-disaggregated data on women's inclusive insurance demand and supply side at a global, regional, and national level. Each stakeholder will have a different role to play and have diverse motivations for collecting and using such data. Nevertheless, there is an interdependency within the system which suggests there is value in coordination. The individual data collection purposes and roles are for example:
 - **Product and client data:** Insurance companies and intermediaries offering inclusive insurance products can determine the baseline of women's market at the institutional level and analyze the gender information collected. This may include data on women clients, their customer loyalty, profitability and insurance usage patterns/claims behavior, as well as sales channels.
 - **Sector development and performance data, and demand data:** National governments, ministries, central banks, and insurance supervisors can collect and analyze data gathered by the entities they supervise at a national level, as well as create incentives for this data collection and reporting at an institutional level.
 - **Technical support for gender-disaggregated data collection and analysis:** Development cooperation agencies can facilitate the support and integrate the collection of relevant sex-disaggregated data processes of data collection at the national and institutional level. At the national level, they can support systems and process adaptations, establishing institutional gender base lines and impact data collection on the effectiveness of existing attempts to increase access to insurance for women. At the international level, they can support the inclusion of sex-disaggregated insurance data in supply and demand side surveys.
- **Make financial literacy programs more responsive to women clients.** The perspective of women can inform the development of gender-sensitive financial literacy strategies/programs. To support this, multiple stakeholders can collaborate to undertake market research and consultations with existing and potential women clients from the formal and informal sector to establish their level of financial literacy around the concept of inclusive insurance and awareness of diverse product types. These consultations can inform needed interventions about financial literacy content and channels to reach women effectively through these programs.
- **Make the policy and regulatory environment favorable for female/women-centric use of insurance.** This can include identifying and removing regulatory barriers that hinder women's access to insurance; for example, in the context of KYC requirements, allow innovative delivery channels that enhance women's access to insurance and including gender targets on access and usage of insurance in national financial inclusion strategies. All stakeholders have a role to play in both feedback to insurance supervisors where these barriers exist and in the attempts to overcome them through regulation and policymaking.
- **Engage in addressing legal and policy constraints which indirectly place constraints on women related to their access to and usage of insurance.** Insurers, NGOs, insurance supervisors, and development cooperation agencies can all play a role in addressing these constraints by coordinating with government agencies and policy makers to identify and overcome any legal and policy constraints that may impact women's access of inclusive insurance.
- **Stimulate inclusive insurance market research and innovation regarding new product and distribution channel development to target women clients.** Non-traditional partnerships and new technology can be used to support innovation to better service women clients. For example, different stakeholders such as industry associations and development cooperation agencies can collaborate in market research to identify the risk protection needs of women to inform the development of products and new distribution channels. Customized gender-sensitive insurance products can be piloted, through the support of development cooperation challenge funds or other forms of investment. If successful, these can be scaled up and potentially replicated in diverse geographies by industry and NGO partnerships.
- **Build all stakeholder's capacity on gender and inclusive insurance.** There is a need to sensitize gender experts, including women's organizations, on inclusive insurance. Vice versa, there is the opportunity to build the gender capacity of those with technical expertise on inclusive insurance from industry and business associations and insurance supervisors, for example, through dedicated training programs.
- **Promote gender diversity in the insurance industry.** Gender workforce diversity can confer a number of benefits for organizations, including those related to governance and innovation, and those accessing the women's market. The sector can commit to increasing the number of women at senior management and board level in a context where it is well established that gender diversity enhances decision-making and governance.

- Establish a “good practice coalition” among diverse stakeholders. Multi-stakeholder collaboration on research to establish the evidence base related to the opportunities and constraints of mainstreaming gender in inclusive insurance. A “good-practice coalition” of development cooperation agencies and their institutions, as well as industry and others, can shed light on what was tried, and what works in targeting women through inclusive insurance.

Endnotes

- 1 Microinsurance' typically refers to insurance services offered primarily to clients with low income and limited access to mainstream insurance services and other means of effectively coping with risk". MIN 2015
- 2 IFC, AXA and Accenture 2015.
- 3 Borges, 2007.
- 4 World Bank 2015.
- 5 GBA 2014; UN Women 2015; The proxy compares the percentage of working age women living in poor households – the bottom 20 percent of households– to the percentage of working age men in such households.
- 6 UN Women 2015.
- 7 See: A2ii Note “inclusive insurance protects households and promotes economic growth.”
- 8 GBA, IDB and Data 2 X, 2015;
<http://www.iaisweb.org/page/about-the-iais>
- 9 ADBI 2010; CGAP & IFC 2013.
- 10 UN Women 2015
- 11 IFC and AXA 2015.

References List

- A2ii (2014a) Inclusive insurance protects households and promotes economic growth. Available at: https://a2ii.org/sites/default/files/reports/briefing_note_2014_10_13.pdf
- ADBI (2010) ADBI Working Paper Series Financial Inclusion and Financial Stability: Current Policy Issues – Alfred Hannig and Stefan Jansen. Available at: <http://www.adb.org/sites/default/files/publication/156114/adbi-wp259.pdf>
- Borges, P. (2007) Women Empowered: Inspiring Change in the Emerging World.
- CGAP & IFC (2013). Financial Access 2012. Getting to a More Comprehensive Picture. Available at: https://www.cgap.org/sites/default/files/cgap_forum_FAS2012.pdf
- GBA. (2014) How banks can profit from the Multi Trillion Dollar Female Economy. Available at: <http://ddd.gbaforwomen.org/docs/GBAReport-How-Banks-can-Profit-From-Multitrillion-Economy.pdf>
- GBA, IDB and Data2X (2015) Measuring Women's Financial Inclusion: The Value of Sex-disaggregated data. Available at: <http://www.gbaforwomen.org/download/draft-report-measuring-womens-financial-inclusion/>
- International Finance Corporation (IFC), AXA, Accenture (2015). She for Shield. Insure Women to Better Protect All. Available at: http://www.ifc.org/wps/wcm/connect/a2d8348049d01b0c82a5a3e54d141794/SheforShield_Final-Web2015.pdf?MOD=AJPERES
- UN Women (2015) Progress of the World's Women 2015 – 2016. Transforming Economies, Realising Rights. Available at: http://progress.unwomen.org/en/2015/pdf/UNW_progressreport.pdf
- World Bank Group. (2015). Women, Business and the Law: Getting to Equal. Available at: <http://wbl.worldbank.org/-/media/WBG/WBL/Documents/Reports/2016/Women-Business-and-the-Law-2016.pdf>

Web Links

<http://www.iaisweb.org/page/about-the-iais>



© GIZ / Michael Tseng



What Can Insurers Do To Reach More Low-Income Women?¹

Marieme Esther Dassanou and Prapti Sherchan, IFC

Introduction

Microinsurance has grown from a market of 78 million lives covered in 2005 to 263 million lives in 2013,² with regions seeing tremendous growth. In Africa, the total of all written microinsurance premiums amounted to almost US\$ 647 million in 2014, with 5.4 percent of the total population covered,³ a 30 percent⁴ increase from 2011. In Latin America and the Caribbean, written premiums amounted to US\$ 828 million, with 7.9 percent of the total population covered (2013).⁵ Gross premiums in Asia and Oceania amounted to US \$170 million, with 4.3 percent of the total population covered (2012).⁶

Despite this growth, the majority of low-income populations, including women, still remain uninsured. Women represent 70 percent of the world's poor,⁷ and their lower earnings, gender-specific health requirements, and lower access to assets make them highly vulnerable to health and financial risks. Despite these unique protection needs, there is a lack of awareness and a limited availability of data on low-income women. Their risk profile has resulted in this segment remaining underserved by the insurance sector.

The 2015 report *SheforShield: Insure Women to Better Protect All* estimates that the global women's insurance market has the opportunity to grow to US\$ 1.7 trillion by 2030. Within this, the low-income women's segment has the potential to become an important market for inclusive insurance, allowing insurers to access new markets and sustainably contribute to development.⁸

Traditionally, microinsurance products have been attached to loans distributed by microfinance institutions (MFIs), and have only been accessible by MFI borrowers for the duration of the loans. However, this paradigm is changing. Community based organizations (CBOs) now also design and distribute their own insurance products. Insurers can use new technologies and innovative distribution channels to reach out to the low-income segment, including women, by offering a variety of microinsurance products.

Due to women's traditional role of acting as conduits for their families and communities, they represent a significant entry point to the family wallet, and hence a market opportunity for insurers. Additionally, targeting the low-income women's market will help insurers broaden their brand and build loyalty among a customer group with the potential to become middle-income consumers in the future. Ultimately, explicitly targeting this segment as a business opportunity will help insurers differentiate and establish themselves in an underserved, yet promising, market for the financial sector. While many insurers were initially attracted to inclusive insurance for philanthropic reasons, many have come to realize that microinsurance can be financially sustainable and profitable.⁹

Leverage A Great Opportunity – Design for Women

To capture the women's market, insurers should move beyond microinsurance products (e.g. credit-life and agri-index) as some are starting to, and create insurance products such as micro-pension plans, simple hospitalization products, multi-risk products, family covers, life insurance with a cash-value option, and other add-ons based on women's risk profile. Insurers can create products that are basic, affordable, and relevant to low-income women and their families, which will attract and retain them as loyal clients.¹⁰ Due to the rapid growth of mobile technology, insurers are now able to develop and leverage innovative partnerships, which serve as distribution channels to reach low-income women.

Box 1: Low-Income Women Customer Profile

- Wants basic, affordable, and valuable products
- Values relationship with providers
- Focuses on providing for her family's basic needs
- Relies on family, friends, and neighbors for support and financial advice
- Worries about leaving debt to her children
- May live in rural areas, without access to infrastructure or population centers
- Limited use of formal banking services
- Not technologically savvy
- May be financially illiterate

Women respond to risks differently from men and have unique protection needs. Their protection needs are intensified by longer life expectancies and women-specific health risks such as pregnancy and childbirth. They are more likely to be self-employed, and are more likely to be in the informal economy, with limited discretionary spending due to societal constraints. Women often have fluctuating cash flows and own fewer assets, problems that are compounded by inheritance customs, restrictions on land and asset ownership, and divorce practices, which tend to favor men. Moreover, their ability to participate in the formal sector may be restricted by unpaid caring responsibilities and lower levels of education and literacy.

Despite their higher vulnerability and challenging economic options, women tend to be better credit risks than men, as MFIs report that women clients have higher loan repayments and lower default rates, compared to men.¹¹ They are also known to be risk aware,¹² better at saving, and are more reliable and effective investors. Women are constantly looking for peace of mind, especially concerning their children. They are worried about education and the well-being of their children's future in case of an unexpected death. It is critical that insurers carefully consider these concerns and characteristics during product design.

Cater to Women's Insurance Needs

Capitalize on women's saving behaviors: Research suggests that liquidity constraints are a major cause of the low uptake of insurance among the poor.¹³ Savings are also increasingly popular among women, amidst the suite of available financial product offerings. According to Women World Banking (WWB) research, low-income women are able to save around 10 to 15 percent of their net monthly income, but this rarely covers more than basic household emergencies and minor health related costs.¹⁴ Insurers can capitalize on women's saving behavior by offering savings-linked insurance products. These typically enable long-term savings plans and pensions to reach a wider pool of women, not just the entrepreneurs that credit-life products normally target. Partnering with groups that encourage savings, such as village savings and loan associations (VSLAs), can be advantageous as it can help insurers to reach areas that have no access to formal financial services. For example, CARE and MicroEnsure distribute voluntary funeral insurance to Ugandan farmers through VSLAs.¹⁵

Help women to support their families: Women of all segments prioritize their children's education. This is especially true for low-income women, as they recognize education's importance in helping their children overcome their prevailing financial situation. The majority of borrowers within the low-income population are women. Many loans-linked insurance offerings do not provide coverage for the family and spouse, only protecting the life of the borrower. Instead, insurers could create products that consider the

whole family, and which extend beyond the term of the loan. Kshetriya Gramin Financial Services, in India, and Kasf Foundation, in Pakistan, have recognized the need to expand their credit-life insurance to include spouses,¹⁶ as women borrowers were not able to repay their outstanding loans once their husbands died. This was because in addition to losing an important source of income, women faced the cultural stigma associated with working once widowed.¹⁷ Similarly, the choice to extend insurance to family members can help women maintain their peace of mind. The Self-Employed Women's Association (SEWA) in India offers health insurance bundles to its women clients, with the option to add spouses and children to the scheme.¹⁸

Provide for women's health needs: Women have gender-specific health needs such as pregnancies, ovarian and cervical cancer, etc., which could be addressed by insurers. Furthermore, healthcare costs exert high pressure on poor families, and are the most common cause of strain on women's savings and assets. According to the World Bank, 12.6 and 18 percent of Indian and Indonesian women respectively have outstanding loans on health and emergencies.¹⁹ When designing insurance products and key differentiators in highly competitive markets, it is important that insurers include pregnancy and maternity benefits, and that they cover for whatever illnesses are most prevalent in the area, such as malaria, heart diseases, cancer etc. For instance, LAPD, a microfinance facility in Nigeria, has added coverage for C-sections and malaria to its credit-life policies.²⁰ In Guatemala, where gynecological cancer is one of the leading causes of death among women, savings account holders of Banrural Bank have access to VivoSegura microinsurance, which covers preventative and curative gynecological services, and cancer treatment.²¹

Open up paths to retirement pensions: Low-income women do not have retirement and pension plans available as security nets, as they tend to operate in the informal sector. Due to their longer life expectancy, women are also likely to outlive their spouses, compounding their risk. Women are frequently able to set aside small sums of money, but often lack the means to convert their savings into funds large enough to support them in old age.²² Offering pension or savings products that allow small and flexible payment options, as well as annuitization options, would help to increase their retirement funding. In India, SBI Life insurance's Grameen Shakti product bundles term life insurance with cash benefits for the insured at the end of the term.^{22, 24}

Educating women about financial planning for retirement and encouraging them to start saving early is another way to grow the women's inclusive insurance market. As the social fabric fails due to migration and smaller family sizes, the traditional solidarity mechanisms that worked for women in the past will become less reliable. Dhan

Foundation, an NGO in Tamil Nadu, India, found that 90 percent of the women surveyed expressed a need for micro-pensions, with younger respondents showing an increased willingness to pay into funds. These younger respondents considered themselves less likely to receive old age support and care from family members.²⁵

Help to protect women's assets: Access to assets and properties not only increases women's financial security, but is also associated with increased household bargaining power. In 35 of the 173 economies covered by the Women, Business and the Law report, female surviving spouses do not have the same inheritance rights as men.²⁶ Divorce and spousal death can leave low-income women without assets, putting them at a greater risk of being pulled back into a vicious poverty cycle. In some parts of Nigeria, women are forbidden from inheriting land or assets that they shared with their spouses before death or divorce; and in parts of India, widows are not allowed to re-marry. Therefore, educating women about asset protection, encouraging them to have their names on legal titles of assets being insured, and offering add-on services²⁷ that include affordable legal services can all help women to better navigate perilous legal contexts and increase the value of insurance policies women customers.

Improve Delivery to Women

Simplify claim processes and policy language: Low-income women often have low financial literacy levels. Complex or lengthy applications or claims documentation requirements and processes increase their distrust in insurance, and decrease their policy uptake and renewal. Policy language, as well as distribution and service mechanisms, should be simple and easy to understand, noting limitations in accessibility and literacy among the customer segment. According to the Morocco-based Al Amana Microfinance, the benefits and claims process for their "L'assistance" microinsurance product needed to be worded simply, and was accompanied by strong visuals. This generated more awareness and usage of their product among its clients (See box 2 – Al Amana Microfinance).²⁸

Educate customers: In addition to improving access to financial products, effective financial inclusion programs can help to improve women's knowledge, agency, and ability to engage in equitable and fulfilling long-term relationships with insurance providers. By helping women to understand how insurance improves their lives and those of their family members, insurers can build product interest, trust, and thereby, sales. Care International's research suggests that prioritizing clients' financial literacy as part of an insurer's strategy can help to increase new insurance enrollments threefold.²⁹ In India, Bajaj Allianz and CARE's microinsurance customers are mainly women, and so these insurers make use of posters, illustrations, role-plays, songs, and theatre to help their clients understand the risks and benefits of insurance.³⁰

Build on female agents: Agents are integral for driving insurance adoption among the low-income women segment. SEWA's experience in India suggests that women value regular face-to-face interactions; these provide the opportunity to ask questions about the policies and discuss risks relating to broader family issues.³¹ In some markets, restrictions on women's movements can mean women are not allowed to interact alone with the opposite sex. Women agents, on the other hand, tend to be more relationship-focused than men, and are thus better at building long term relationships and trust. Therefore, women sales agents, when guiding and explaining products, have been shown to be valuable. This also helps insurers to generate job opportunities for women.

Leverage partnerships: Through partnerships with governments, NGOs, community organizations, and service providers, insurers are able to reach a wider range of women customers. Partnerships with already established local groups will allow access to, and a better understanding, of the local context. This in turn will help insurers to gain insights into the local women's market, garner community level trust, and access a wider range of women customers. For example, Philippine Prudential Life, Malayan Insurance, and Munich Re distribute their products through CLIMB, an association of 2000 cooperatives with more than a million Filipino members.³² Furthermore, MicroEnsure works with Dutch NGO PharmaAccess and Kilimanjaro Native Cooperative Union (KNCU) to offer KNCU health plans to its members in Moshi, Tanzania.³³

Leverage mobile technology: Mobile insurance is one of the fastest growing "mobile money" services in emerging markets.³⁴ This growth is down to the fact that it increases scalability for insurers and customer penetration for mobile operators. According to GSMA, there is a 14 percent global gender gap in mobile access, and addressing this gap would add an additional US\$ 170 billion in revenue for the mobile industry by 2020.³⁵ While mobile operators are looking for ways to penetrate the women's segment, partnership with insurers can help operators to improve their value proposition through product innovation. For insurers, benefits arise from effective product design, improved distribution, reduced transaction costs, greater back-office efficiency, and the ability to offer affordable premiums.³⁶ For women clients, mobile phone technology can address mobility and access issues that are exacerbated for women in many cultures. MicroEnsure, in partnership with telecom operators, sells affordable life and health insurance products to over 15 million customers across 17 countries in Africa and Asia. It expects to reach 26 million customers by 2018.^{37, 38} Mobile insurance programs that specifically target low-income women are still an emerging area. By leveraging mobile technology, insurers can reach women who are not able to leave their house without a male companion, or those who may not have had access to insurance otherwise. (See case study in box 2 – Orange Mali (Sini Tonon Savings)).

The experience of Mobile Financial Services (MFS) providers suggests that while mobile technology can help to increase penetration, effective and reliable agent networks are still critical for educating, driving adoption, and increasing the usage of mobile financial products, including insurance.³⁹ In addition, there is a persistent gender gap in the access and usage of mobile technology in many countries. This means that women clients themselves are less technologically savvy and less educated, and therefore initially require hand-holding.

Case Studies

Box 2: Education is a Requisite to Usage of Microinsurance

It is in the interests of microinsurance providers to educate policyholders about the benefits of their insurance products. This was the experience of Al Amana Microfinance in Morocco. "L'Assistance" is a microinsurance scheme that is automatically attached to the client's loans, which pay out during events of stress (e.g. for childbirth, hospitalization, or upon critical illness diagnosis). Despite having 240,000 clients enrolled within a year of introducing the policy, 41 percent of whom were women, only a small number of claims were filed (a 20 percent claims ratio; a target of 50 percent would indicate that the product is good value).

Due to the complex language used to explain the product, and the client's low financial literacy, clients did not understand how to use the product to pay for financial losses. When the product was explained in simplified terms, using strong visuals, clients, particularly women, were more eager to purchase the product, as they saw its value in addressing their immediate needs. Al Amana is working with WWB to develop a more targeted marketing strategy that simplifies the language, clearly presents the claims process, and trains sales staff in explaining its benefits. Given the lower level of literacy among low-income women, leaders in the industry recognize the need to develop clear, pictorial language to address and attract women clients.

Source: Women's World Banking: An Unintended Secret: Microinsurance in Morocco (2014); SheforShield: Insure Women to Better Protect All (2015)

Leveraging Mobile Technology to Reach Women Customers

Only 27 percent of Orange Money subscribers in Mali are women, even though the overall mobile money market in the country is relatively well developed. In December 2014, Orange partnered with Population Services International (PSI), PlaNet Guarantee, and NSIA, an insurance company, to launch Sini Tonon savings product (ST) and Tin Nogoya insurance product (TN). TN's insurance offerings include life/disability coverage for all customers, and maternity cover to address women's health needs and help Orange Money reach the previously untapped women's market in Mali. This was also a first-of-its-kind program by a mobile operator that specifically targeted women in the development and distribution of interlinked mobile savings and insurance products.

Orange Money subscribers can open a ST savings account with an initial minimum deposit of about US\$5, with subsequent deposits of 16 cents. TN is an insurance product linked to ST that activates automatically when the balance reaches US\$ 66. The activation provides the user with 12 months of life/disability and maternal health insurance. Benefits include payout to the beneficiary for death or permanent disability and reimbursements for four major delivery complications (hemorrhage, eclampsia, dystocia complications, and C-section). The product also encourages prenatal care consultations by limiting reimbursement if customers do not make use of the service.

An early customer survey (May 2015) highlighted that ST was encouraging customers to save (55 percent of women and 48 percent of men had not saved before using ST). For 97 percent of the female TN users, this was the first time they had been insured. Over 30 percent of ST users stated that they were using the product because of the possibility of being covered by TN. Initial data also showed that women users had made twice the number of claims as male users, indicating strong interest in the service. The products have also helped to improve Orange Mobile's image among its customers.

Source: GSMA Connected Women Case Study – Orange Mali: Reaching Women Customers with Mobile Savings and Insurance (2015)

The Way Forward: Challenges and Recommendations

With little money to spare, women seek products that are **affordable, easily accessible, and clearly beneficial to them and their families**. With inheritance and property rights often applied differently to men and women, low-income women need help in **protecting the little assets** they may have. Insurers are therefore very well-positioned to help diminish this protection gap and help empower low-income women, their families, and their communities. Some additional challenges that require further attention are listed below.

- Insurers need to gather and analyse **gender-disaggregated data** for more effective product design. This will also allow them to better monitor and analyze the behaviors, risks, and profitability of the low-income women in their portfolio. According to a recent report by the Global Banking Alliance for Women, while the collection and use of global and national level gender-disaggregated data is improving, there are no reliable and comparable supply-side datasets currently available.⁴⁰ Without data, it will be hard to make a business case for serving women in the inclusive insurance market. Collecting this data will require baseline data collection on existing clients by gender, setting KPIs to track performance, and internal awareness in raising activities to establish an understanding of the value of collecting and analyzing this data.
- Removing barriers to women's ownership of, and control over, assets can help to increase the awareness and uptake of insurance. However, this also requires **effective government policies** that understand the protection needs of women in local contexts, and **support insurance innovation and cultural shifts**. Insurers can also play a role in this by **advocating** for financial inclusion policies that support women clients.
- **Mobile technology** can help to boost the distribution of insurance products, however women's low financial literacy skills require the continuous presence of agents, as they are the key enablers of insurance adoption among low-income women.
- **Partnerships** and technology may help to achieve economies of scale, however achieving **financial inclusion** requires the knowledge and ability to make effective use of products. Insurers need to develop initiatives that will help improve **women's awareness and ability** to access financial products.

- Insurers are recommended to invest in **Women's Market programs** with a specific strategy and process, aimed at reaching the underserved women's market including the low-income segment. Such programs require an approach that also considers the importance of women in the insurance value chain as agents, and as leaders for setting the companies' strategic direction having positive impacts on product design. One such example is IFC's Banking on Women (BoW) program. The experiences of BoW have shown that to successfully target the women's market, banks need to adopt a holistic approach. They should aim to be the 'Bank of Choice' and the 'Employer of Choice' for women.⁴¹ Following this approach is not only innovative for the insurance industry, but will also create an impact far beyond the insurer's bottom line. It also presents a great way for insurance companies to differentiate themselves from other players in the market.

Endnotes

- 1 By "Insurers" this focus note refers to commercial insurers, as this note is a call-to-action for commercial insurers to recognize the potential of low-income women as clients and the part commercial insurers can play in accelerating the growth of the microinsurance industry. Although the low-income women's segment by itself can vary based on differing income levels, household statuses, locations and geographies, for the purpose of this note the low-income women's segment has been grouped into one.
- 2 Leach, J; Ncube, S; Menon, A, 2014.
- 3 Microinsurance Center, 2015.
- 4 This comparable growth of 30 percent represents increase for institutions that reported in 2011 and in 2014 out of the 200 providers surveyed for the Microinsurance Center.
- 5 Microinsurance Network and Munich Re Foundation, 2014.
- 6 Microinsurance Center, 2013.
- 7 ILO, 2010.
- 8 The SheforShield report identifies five key segments: salaried women without children, working mothers, retirees, women entrepreneurs and low-income women customers.
- 9 Microinsurance Network, 2013.
- 10 IFC, AXA and Accenture, 2015.
- 11 D'Espallier; Guerin; Mersland and Roy, 2009.
- 12 Stewart, 2013.
- 13 CGAP, 2013.
- 14 Women World Banking, 2006.
- 15 CARE International, 2011.
- 16 Kasf Foundation, 2016.
- 17 ILO, 2013.
- 18 Banthia, Johnson, McCord and Mathews, 2009.
- 19 The World Bank, 2014.

- 20 Dias, Garand and Swiderek, 2013.
- 21 MicroCapital, 2013.
- 22 Van Dulleman and de Drujin, 2014.
- 23 Caverly, 2013.
- 24 The product by SBI Life Insurance allows flexibility of premium and cover amounts, and premium cost is the same regardless of age or gender.
- 25 Van Dulleman and de Drujin, 2014.
- 26 World Bank Group, 2016.
- 27 Banthia, Johnson, McCord and Mathews, 2009.
- 28 Palmer, 2014.
- 29 Roscoe, 2013.
- 30 Allianz Group, 2010.
- 31 Banthia, Johnson, McCord, and Mathews, 2009.
- 32 Accenture, 2012.
- 33 MicroInsurance Centre, 2013.
- 34 GSMA, 2015.
- 35 GSMA, 2015.
- 36 Tellez, 2012.
- 37 MicroEnsure Website, 2016.
- 38 Technomy, 2015.
- 39 GSMA, 2013.
- 40 GBA; IDB; DATA2X, 2015.
- 41 IFC, 2016.

References

- Accenture. 2012. Succeeding at Microinsurance through Differentiation, Innovation and Partnerships. Available at: <https://www.accenture.com/us-en/insight-succeeding-microinsurance-differentiation-innovation-partnership.aspx>
- Allianz Group. 2010. "Learning to insure the poor." Microinsurance report. Available at: https://www.allianz.com/media/responsibility/documents/microinsurance_report.pdf
- Banthia, Anjali, Susan Johnson, Michael J McCord and, Brandon Mathews. 2009. "Microinsurance that works for women: Making Gender Sensitive microinsurance programs." ILO. Available at: http://www.ilo.org/public/english/employment/mifacility/download/mpaper3_gender.pdf
- CARE International. 2011. "Uganda – Linking Savings Groups to Funeral Insurance." Access Africa Technical Learning Series, no. 3. Available at: <http://www.careinternational.org.uk/linking-for-change/images/technical%20learning%20series%20publication%203%20-%20funeral%20insurance%20uganda.pdf>
- Caverly, Olivia. 2013. "MicroInsurance Innovations: What's Next?" Available at: <https://cfi-blog.org/2013/03/21/microinsurance-innovations-whats-next/>
- CGAP. 2013. "Why don't people buy microinsurance?" Available at: <http://www.cgap.org/blog/why-people-don%E2%80%99t-buy-microinsurance>

D'Espallier, B, Isabelle Guerin and Roy Merland. 2009. "Women and Repayment in Microfinance." Working Paper. Available at: http://www.microfinancegateway.org/sites/default/files/mfg-en-paper-women-and-repayment-in-microfinance-mar-2009_0.pdf

Dias, Denise, Denis Garand and Donna Swiderek. 2013. "Towards Inclusive Insurance in Nigeria." Available at: https://a2ii.org/sites/default/files/reports/towards_inclusive_insurance_in_nigeria_an_analysis_of_the_market_and_regulations.pdf

GBA, IDB and Data2X. 2015. "Measuring Women's Financial Inclusion: The Value of Sex-disaggregated data." Available at: <http://www.gbaforwomen.org/download/draft-report-measuring-womens-financial-inclusion/>

GSMA. 2015. "Connected Women. Bridging the gender gap: Mobile access and usage in low- and middle-income countries." Available at: http://www.gsma.com/connected-women/wp-content/uploads/2015/02/GSM0001_02252015_GSMAReport_FINAL-WEB-spreads.pdf

GSMA. 2013. "Unlocking the Potential: Women and Mobile Financial Services in Emerging Markets." Available at: http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2013/02/GSMA-mWomen-Visa_Unlocking-the-Potential_Feb-2013.pdf

International Finance Corporation (IFC), AXA and Accenture. 2015. "She for Shield. Insure Women to Better Protect All." Available at: http://www.ifc.org/wps/wcm/connect/a2d8348049d01b0c82a5a3e54d141794/SheforShield_Final-Web2015.pdf?MOD=AJPERES

ILO. 2013. "Vimosewa's resurgence: increasing outreach and managing costs in a voluntary standalone micro-insurance programme." Available at: http://www.impactinsurance.org/sites/default/files/mp25_0.pdf

Kasf Foundation. "Micro-insurance." 2016. Available at: http://kashf.org/?page_id=229

Microinsurance Network. 2013. "Commercial Insurers in Microinsurance: Recent Trends." Available at: http://www.microinsurancenetowork.org/sites/default/files/files/Commercial_Insurers_in_Microinsurance_Survey_2013b-1.pdf

Microensure. 2016. <http://www.microensure.com/>

Microcapital. 2013.

Palmer, Allegra. 2014. "An Unintended Secret: Microinsurance in Morocco." Available at: <https://www.womensworldbanking.org/news/blog/unintended-secret-microinsurance-morocco/>

Roscoe, Alexa. 2013. "How Financial Literacy Can Help Build the Market for Microinsurance." Financial Inclusion 2020 Blog Series. Available at: <https://cfi-blog.org/2013/09/18/how-financial-literacy-can-help-build-the-market-for-microinsurance/>

Stewart, Barbara. 2013 "Women are Risk Aware – Not Risk Averse." Edmonton Sun. Available at: <http://www.edmontonsun.com/2013/11/05/women-are-risk-aware----not-risk-averse>

Technomy. 2015. "Financial Startups: Solid Investments that Improve Life in Emerging Markets." Available at: <http://technomy.com/2015/11/financial-startups-solid-investments-that-improve-life-in-emerging-markets/>

Tellez, Camilo. 2012. "Emerging Practices in Mobile Insurance." Available at: http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2012/07/MMU_m-insurance-Paper_Interactive-Final.pdf

World Bank. 2014. "World Bank Global Financial Development Report: Financial Inclusion." Available at: http://siteresources.worldbank.org/EXTGLOBALFINREPORT/Resources/8816096-1361888425203/9062080-1364927957721/GFDR-2014_Complete_Report.pdf

Women World Banking. 2006. Women's World Banking Gender Report with MFW (Jordan).

DRAFT



Engaging More Women for a Stronger Insurance Industry

Marieme Esther Dassanou and Prapti Sherchan, IFC

Introduction

Women's labor force participation can play an important role in increasing a country's GDP or significantly boosting a company's bottom line, as is being increasingly recognized around the world by governments and the private sector. From a macroeconomic perspective, a report by McKinsey's in 2015 suggests that equal participation of women and men in the economy would add up to US\$28 trillion annual global GDP, or 26 percent by 2025. For example, India could increase its GDP by 16 percent, and China by 12 percent.¹ On the microeconomic side, an office evenly split along gender lines functions more effectively and can help increase revenue by roughly 41 percent, according to the Massachusetts Institute of Technology (MIT).²

Similarly, companies with diverse executive boards enjoy returns on equity (ROE) that are 53 percent higher, on average, than for those poorly performing on diversity.³ As such, the insurance sector in developing economies can greatly benefit in terms of profitability, enhanced governance and innovation from greater gender diversity in its workforce, and including more women specifically as agents and at senior management level and on the board.

Across the insurance value chain, from the corporate executive to the rural sales agent, including women more effectively in the development, pricing, marketing, and distribution of insurance products enhances the industry's ability to enter the underserved women's market and fully address its needs. In commercially challenging times, tapping into a range of opinions, ideas and experiences can only better position insurance companies to remain relevant to their customers.⁴ Within the low-income segment, this is even more important. Women agents are key to the

insurance value chain as they have an advantage in building trust among women who are constrained due to low awareness, cultural norms⁵ and have greater mobility restrictions.⁶ To date, very little has been done by the insurance industry to accelerate the recruiting, retaining, and promoting of women, causing the sector to greatly miss out on key opportunities.

This note seeks to address the importance of leveraging women as part of the insurance value chain as agents and employees. It also identifies the different challenges women face in actively and successfully participating in the insurance industry and provides best practices and recommendations for insurers to consider as they look to increase the uptake of insurance by women in the low income segment.

The Case for Women's Employment to Further the Inclusive Insurance Agenda

For the insurance industry, women are a growth opportunity on the demand side, as well as being vital for sustained business success on the supply side. After investing over US\$1 billion in women-owned enterprises via financial intermediaries, IFC's Banking on Women program has learned that, in order to successfully tap into the women's market, it is not enough to be the bank of choice.⁷ Banks need to adopt a holistic women's market approach and also need to become the employer of choice for women in order to successfully target the women's market. The same can be applied for insurance companies.

Women represent more than half of all global graduates and, when trained and given opportunities, a strong performing workforce. With their multi-faceted role in society, women are able to greatly influence the development of insurance products, bringing in their insights as professionals, mothers, and caregivers.

Women can also be strong advocates for the insurance industry as they can develop long-term relationships, thereby improving client recruitment and retention. In addition to this, as women in many instances are leaders of MFIs, NGOs and community groups or self-employed, they can easily become agents or influence the uptake of insurance by women and men. The opportunity is, therefore, twofold: women in leadership at corporate level and women as sales staff or agents.

Women in insurance leadership positions

Diversity is key for innovation, for the bottom line and for employee morale. If given the right opportunities, women employees in the insurance industry, including those at leadership levels, can bring a fresh perspective. Women either make or influence up to 80 percent of purchasing decisions, and as employees women can bring a better understanding of household risk mitigation concerns of female clients.⁸ They can influence insurance product development, pricing and marketing to better address the needs of women consumers at all levels, including the low-income segment. An analysis of the S&P Composite 1500 found that firms with women in top management roles experienced an increase in "innovation intensity" and were worth on average about US\$40m more than companies with only male leaders. In addition, gender diverse teams are better at logical analysis, coordination and problem solving.⁹ Furthermore, studies suggest that companies with a gender-diverse leadership and board perform significantly better than their competition. This includes a 42 percent higher return in sales, 66 percent greater return on invested capital, and 53 percent higher return on equity.¹⁰

Despite strong evidence, women feel undervalued by the insurance industry. Whether it is senior, middle management or board positions, women find it hard to break through the glass ceiling and walls that silo them in "pink ghettos" and restrict their chances of getting positions linked with profit and loss responsibilities.¹¹ This is the case within insurance companies, brokers and within associations. Women are up against an unconscious bias, occupational sex segregation, and stereotypes, which increase turnover and drain good talent out of the industry. However, it is crucial that gender diversity in the workforce and senior leadership reflect the diversity in the consumer base. Women in leadership positions are able to guide the organization's strategic direction, and help influence the creation of inclusive products, which would lead to more women consumers purchasing insurance. In addition, women at this level become role models for other female employees, including agents who aspire for stable and successful careers in the industry. While there is evidence of the benefits of hiring women in corporate leadership, the insurance industry has been slow to capitalize on the opportunity. Recent Ernst and Young research shows that only 6 percent of insurers believe that the number of women in leadership positions will increase in the next 5 years, while only 45 percent think they have been effective in promoting women in the last 5 years. Additionally, within the financial sector, women state insurance to be the least attractive career.

Some of the barriers women encounter include:

- **A male dominated industry:** Due to its reputation of being a “male” industry, women find insurance a poor career choice, especially those who want to raise a family. PwC reports that out of 10,000 young professional women interviewed in over 70 countries, fewer than 13 percent would want to work for an insurer and 80 percent of women believe that insurance companies are not interested or serious about workforce diversity.¹²
- **Lack of role models** and an under-representation of women in leadership and board roles suggest lower opportunity for career progression for women. A study by the Jacobson group show that globally women make up only 12 percent of board seats, and 6 percent of top management positions within the insurance industry.¹³ In the Middle East, among the CEOs of the 88 Gulf Cooperation Council (GCC) listed insurance entities, only one CEO is a woman and only 26 percent of senior and managerial positions are held by women.¹⁴ The absence of women role models can discourage bright, ambitious and career-minded women from joining the workforce. In addition, encouraging more women to join the industry is important to building the pipeline of future women leaders within the industry.
- **Bias in advancement and lack of professional development opportunities** are a big barrier for women seeking leadership opportunities, according to a survey conducted by the Insurance Industry Charitable Foundation (IICF).¹⁵ According to Catalyst, male senior managers determine who gets the promotion, and have the tendency to select protégés who resemble them.¹⁶ Although this is changing, insurers have been slow in providing specific training and professional opportunities for women to help them succeed in the industry. According to an Oliver Wyman survey of 800 professionals worldwide within the financial services industry including insurance, 55 percent of women agreed, “it is harder for women to reach senior leadership roles in financial services than it is for men.”¹⁷ Women also tend to be less represented in profit making positions, such as underwriting and actuaries, lowering their chances of accessing senior management positions, which usually require such a profile.
- **Work-life balance** is an issue for women working in the insurance industry. Long hours and client entertaining duties can be restrictive, especially for women who have parental and caregiving obligations. Although in some instances men may also share similar responsibilities, most often women are likely to bear the majority of the responsibility.¹⁸ A Overseas Development Institute recent policy brief shows that when paid and unpaid care responsibilities are combined, women still do overwhelmingly more work, working up to five extra weeks or more per year.¹⁹

Quick Facts on women in the Insurance Industry

- Women’s distinct contribution is their ability to develop long-term client relationships.
- Investing in women employees and agents can yield tremendous benefits for insurers: A minimum increase of 66 percent on invested capital, a return sales increase of at least 42 percent, and an average return on equity increase of at least 53 percent.
- Fewer than 13 percent of women globally would want to work for the insurance industry.
- 80 percent of women have the perception that insurers are not interested in gender diversity, but rather are more concerned with profit making.
- Only 6 percent of insurers expect an increase in the number of women in leadership in the next 5 years.
- 63 percent of insurers agree that they do not have sufficient diversity of thought and experience within their leadership team.

Sources: IFC, SheforShield Report 2015; Mercer, When Women Thrive 2013; EY, Navigating disruption without gender diversity? Think again 2016

Women agents a valuable asset

The reputation of the insurance industry and insurers are critical for building trust and increasing sales within the low-income segment. A 2013 microinsurance study by UNDP shows that surveyed participants, of whom 74 percent were women, would prefer the convenience of a trusted insurance agent who can explain the product, collect their premiums, and settle claims in person.²⁰ According to India’s Self Employed Women’s Association’s (SEWA) experience, women value regular face-to-face interactions with agents and the opportunity to ask questions about the policies and to discuss risks relating to broader family issues.²¹

Women agents are particularly well suited for the low-income sector where women represent the majority of the population. Their close involvement in planning for their family and children’s future, and their ability to build strong and lasting relationships with their clients, especially other women, enables them to access a relatively untapped customer segment. Women can leverage their networks, gathering other fellow-women to sell insurance policies using the Avon or Tupperware system. In addition, women’s ability to gain trust within their community and provide financial advice through informal savings mechanisms, such as “Susus” in Eastern Africa or village savings loans groups (VSLG), or the Microinsurance Mutual Benefit Associations like in the Philippines, making them an important asset for the insurance industry.

Even in an era when mobile insurance is one of the fastest growing business models among mobile financial services,²² agents will likely remain an integral part of the insurance sales process. As women in the low-income segment tend to be less technologically savvy, and less financially literate, women agents are critical for meeting their needs, driving the usage and adoption of mobile financial services that includes mobile insurance.²³ Furthermore, agents become even more important as women in the low-income segment will require education and hand-holding to help them understand insurance products and their usage.

Insurance companies that have leveraged women agents to access the low-income market are experiencing great performance and returns. For example, Bharti AXA Life Insurance in India has seen great results from their women agents. In a given period, the number of policies sold by Bharti AXA's women agents can be 50 percent higher than those sold by men.²⁴ Similarly Aegon Religare Life Insurance found that while 31 percent of its agents are women, they bring in close to 40 percent of Aegon's total business.²⁵

As women are valuable for accessing the low-income market, it is necessary for the insurers to increase women's engagement as agents by making the role a more attractive career choice. Insurers should be able to attract more women agents as the structure of the industry does allow for independence, flexibility, and an opportunity to make an income, often additionally to another formal or informal business. However, the low reputation of the industry, the difficulty in generating leads, the large pay gap, and sociocultural norms make it difficult for women to fully engage and build a career in the industry as agents.

The low professional reputation of agents and the level of corruption have greatly tarnished the employer brand of the insurance sector. Agents are often perceived to be misleading and cheating people of their money. PwC women survey respondents stated that the industry's reputation could change for the better if insurers were more engaged in the community rather than only seeking revenue generation and profit.²⁶ As potential women agents, especially those in the low-income segment, would be trusted leaders in their community, they would be expected to contribute to a positive industry reputation and increase women's interest in the profession. Additionally, in certain markets like China, Mexico, and Nigeria, being an agent is traditionally not considered to be a desirable occupation, as they are perceived to be inexperienced due to the low prerequisites for entry into the industry.

Creating the insurance book of business: The ability to generate a customer listing, otherwise known as leads, is equally a concern for women agents who feel they are competing with more experienced men who will share leads with incoming men agents before they do so with women. Women have to create their own leads, which takes time and heavily impacts their income, thus making the proposition not so attractive.

Sociocultural norms can have a negative impact on women's ability to perform in the insurance sector. In some countries, local cultural norms will determine the type of interaction women can have, thus refraining them from accessing key clients.²⁷ With the work of an insurance agent being primarily face-to-face, social barriers, harassment, after-hour family commitments, and mobility challenges are likely to create a difficult path for women wanting to enter the insurance sector.

A big pay gap: although women are better represented within the sales and distribution force, their earnings tend to be significantly lower than men. For example, in a developed market like the U.S., women agents earn just 62.5 percent of what men earn.²⁸ As the commission structure is not very attractive, especially for new women agents, knowing that they will make less than their male counterparts discourages women from venturing into the sale of insurance as an occupation.

Case Studies

Box 1: Supporting Women's Advancement – MetLife Global Women's Initiative

As part of its strategy for attracting and developing exceptional women professionals worldwide, MetLife created the Global Women Initiative program (GWI). The goal of GWI is focused on increasing the representation of women in broader leadership roles and strengthening the leadership capability of women in its talent pipeline. To ensure that women are prepared and ready to take on broader leadership roles, MetLife under GWI offers a variety of programs including:

- The Global Women's Leadership Forum, an annual program that brings together the most influential senior women in the organization. In this forum of peers, attendees connect with thought leaders on women's leadership topics, provide strategic insight and discuss their commitments in leading and implementing the GWI in their respective countries and businesses.

- Developing Women's Career Experience, a 14-month developmental program focused on the female talent pipeline.
- Lean In Circles modelled on the concepts in Sheryl Sandberg's best-selling book. A Lean In Circle comprises of a small group of people who meet regularly to learn from each other and to discuss topics of interest.

As part of this initiative, Metlife has expanded its Women's Business Networks to 21 countries around the world. The company has also increased its percentage of board seats and is recognized to be one of 40 companies in the Fortune 500 list, where women fill at least 30 percent of the board seats.

Effective Recruitment of Women Agents – AXA Indonesia "Wanita Hebat" (Amazing Women) Program

AXA Indonesia's "Wanita Hebat" (Amazing Women) recruitment program is unique in its focus on targeting educated women for agent positions. The media campaigns – conducted through radio, press, magazine, and online channels – use women in the advertisements and are focused on print sources and websites that women use most. For example, the campaign targets women lifestyle websites, such as Detik Wolipop, and Facebook profiles of women who fit the target age, gender, location and interest.

Interested candidates are invited to recruiting events, where they not only hear testimonials about the agents' experience and the screening process, but also participate in a half-day education session promoting financial empowerment for women. This type of campaign not only increases transparency of the recruitment process, but also provides financial education to all candidates.

AXA has monitored the results of the program since its October 2014 launch, and early results show an increase in the number of monthly recruits. Events are held in over 50 cities in Indonesia, allowing for broad recruitment in key geographies. As of March 2015, the number of women who responded to the recruitment program increased by 36 percent: from 896 to 1,220. In addition, the conversion rate of candidates to certified agents has increased from 40.6 percent to 43.9 percent.

Sources: Metlife Annual Report 2014; SheforShield: Insure Women to Better Protect All 2015

The Way Forward: Challenges and Recommendations

As insurance companies increase their activities in developing economy markets, they should actively seek to recruit, retain, and promote women throughout the insurance value chain; by increasing the number of women agents and by enabling women at mid-level management to rise to leadership positions, keeping in mind the local cultural context. Following are a few recommendations for insurers to consider:

- Insurance companies can begin with **providing gender awareness trainings** to management, employees and brokers to address the unconscious biases that exists amongst staff. In addition, articulating why diversity, inclusion and equality are critical to remain competitive in the insurance industry, and a priority for the sector will enable companies to place higher value on women and pique women's interest.
- **Insurers should make a commitment to increasing the number of women at senior management and board level.** There is a need for an industry and an organization-wide commitment to the development and promotion of women in insurance. Insurers and associated partners, i.e. reinsurers, bancassurance, and microfinance institutions, should have a clear strategy to increasing the number of women in senior management and at board level. This should include identifying internal gender gaps through a thorough assessment, i.e. global EDGE gender assessment and certification,²⁹ helping to create thoughtful career plans, as well as developing mentorship and sponsorship programs to provide exposure to women to help them move up the ladder; and setting firm-wide targets for women in leadership.
- **Make insurance more attractive for women as a career choice.**
For future women leaders
 - Create an inclusive culture where senior management is seen to support smart family policies. This plays an invaluable role in creating the momentum for change. CEOs and senior managers with a deep personal commitment to gender diversity can make a difference and help create and/or maintain momentum, by acting as "champions" and advocates for women's employment. This would help influence company culture and workplace behavior at all levels.³⁰
 - Highlight and communicate the success of women currently in the industry, especially those in senior leadership positions, and leverage them to groom other women for managerial positions.
 - Offer opportunities for further professional training and development within insurance and beyond, as well as provide international opportunities which will make being part of the industry more appealing, especially for younger women.

- **Create strong mentorship and sponsorship programs for women employees.** When asked what would help more women reach leadership positions, over half (54 percent) of female respondents said mentoring from senior leadership, compared to 29 percent of men who were asked the same question.³¹ Enhancing women's ability to cultivate a strong network and ensuring that they have strong advocates are both critical steps to further their professional development and their advancement within the industry. This will help them gain the knowledge and skills necessary to prepare them for middle and senior management roles. In addition, developing a sponsorship program in parallel, with both senior managers and board members who can advocate for promising employees, will increase women's chances of making it to the top.
 - **Create ways to meet women's work flexibility needs** and make it a real part of women/all staff's working lives rather than just passive policy. This could include undertaking a survey to identify the most innovative flex-work options, and eliminating any perception that taking advantage of flexible policies could harm them and their careers. Furthermore, aligning the institutions' activities to help create a work environment that promotes work-life balance. For example, as networking is critical for career mobility, insurance companies could host networking events during working hours so that women who have caregiving responsibilities do not miss out on the opportunity to make connections. Also, creating employee resources groups for women would be another avenue for them to make connections and tap into peer networks.
- would be pairing up agents. This would also reduce the likelihood of harassment and enable peer-to-peer learning. In addition, establishing a company transportation system so that women do not have to travel by themselves will help ensure their safety. For example, Bajaj Allianz offers pickup and drop-off assistance to women agents to ensure safety.³²
- **Help women agents build an initial client base.** Insurers can help lower the start-up costs for agents by facilitating the handover of clients between women agents, or between junior and senior agent regardless of gender as long as a clear process and set of rules are established. As one agent moves to a different type of client or retires, insurers or brokers can act as intermediaries to help sell the book of business to another agent. Insurers can also provide start-up loans to purchase a new book of business or subsidize the cost for a given period of time. Insurers should also look for ways to reduce the commission gap for women agents.
 - **Find ways to reduce the pay gap** by gathering more gender disaggregated data on the differences in commissions for women and men and the process for assigning pay to different job classes, as well as awarding pay increases. Insurance companies will then be in a better position to identify ways to eliminate the gender pay gap. Companies can also look into conducting regular pay audits and assessment, creating a fairer commission structure, as well as providing additional benefits as a way to reimburse and compensate women agents.

For women agents

- **Offer more technical and leadership training.** Women in the low-income segment prefer face-to-face discussions and an agent that walks them through the process, and collects the claims. Ensuring that women agents are knowledgeable and can address complicated questions and situations is important. Thus, providing beyond the basics hands-on training is necessary. Insurers could also launch dedicated recruitment efforts in countries where women are under-represented. In addition, as part of companies' employee development programs, it would be helpful to create a dedicated sales leadership program that women agents would benefit from. Such a program would have a mentorship component with seasoned agents and a technical component, which would enhance women's eligibility to top-level positions within the company in the medium to long-term.
 - **Recognize that there are sociocultural norms,** and identify innovative ways to circumvent them to enhance women's role as agents. Leveraging technology, or even creating an environment where face-to-face interaction can happen without tarnishing a woman's reputation would help. For example, one solution
- **Become not only the insurer of choice, but the employer of choice as well. Create a women's program.** Women employees will be attracted to companies that promote gender equality in the workplace and look out for the interest of women consumers. This means creating a women's program with an internal approach to recruiting, nurturing, and promoting women employees, with resource groups for women, a well identified mentorship and sponsorship approach, and work policies that take issues such as sexual harassment and gender based violence into account, as well as a women client focused market strategy and products. To date only 8 percent of insurance companies report having such a program.³³ Building such an approach will require a conscious effort to review internal processes that might block the advancement of women, as well as understand women's behavior towards risk and their purchasing patterns, thus enabling companies to create targeted products. A women's program also means an established baseline and targets on women's participation at certain levels in the workforce to help insurers measure progress and change.

Endnotes

- 1 McKinsey & Company, 2013.
- 2 MIT News, 2014.
- 3 Lloyds, 2014.
- 4 Ernst & Young, 2016.
- 5 Fletschner, Diana, and Lisa Kenney, 2011.
- 6 IFC, 2011.
- 7 IFC, 2016.
- 8 The Guardian, 2013.
- 9 Ernst & Young, 2016.
- 10 European Commission, 2012.
- 11 "Pink ghetto" is a term used for functions that typically attract a large number of women into the workforce, such as HR, legal, and communications. These restrict the chances of getting jobs with P&L (profit and loss) responsibility.
- 12 PwC, 2015.
- 13 The Jacobson Group, 2014.
- 14 MIER Review, 2015.
- 15 Risk Management, 2015.
- 16 Business Insurance, 2013.
- 17 Oliver Wyman, 2015.
- 18 Oliver Wyman, 2015.
- 19 ODI, 2016.
- 20 UNDP, 2013.
- 21 Banthia, et al., 2009.
- 22 GSMA, 2015.
- 23 GSMA, 2013.
- 24 Joglekar, 2011.
- 25 Insurance Research Center, 2011.
- 26 PWC, 2015.
- 27 IFC, AXA and Accenture, 2015.
- 28 Insurance Journal, 2016.
- 29 <http://www.edge-cert.org>
- 30 IFC, 2013.
- 31 Ernst & Young, 2016.
- 32 Allianz S.E., 2014.
- 33 Ernst and Young, 2016.

References

- Allianz, S.E. 2014. "Bajaj Allianz Promoting Women's Careers." https://www.allianz.com/en/press/news/company/human_resources/news_2014-01-09.html
- Banthia, A., Susan Johnson, Michael J McCord, and Brandon Mathews. 2009. "Microinsurance that works for women: Making Gender Sensitive Microinsurance Programs". ILO. http://www.ilo.org/public/english/employment/mifacility/download/mpaper3_gender.pdf
- Business Insurance. Joanne Wojcik. 2013. "Women have made gains in the insurance industry, but challenges remain". <http://www.businessinsurance.com/article/20131201/NEWS04/312019991>
- Ernst and Young. 2016. "Navigating disruption without gender diversity? Think again." [http://www.ey.com/Publication/vwLUAssets/EY-women-in-industry/\\$FILE/EY-women-in-industry.pdf](http://www.ey.com/Publication/vwLUAssets/EY-women-in-industry/$FILE/EY-women-in-industry.pdf)
- European Commission. 2012. Women in Economic Decision Making in the EU: Progress Report. http://ec.europa.eu/justice/gender-equality/files/women-on-boards_en.pdf
- European Commission (EC), 2011. Press release: European Commission gives guidance to Europe's Insurance Industry to ensure non-discrimination between women and men in insurance premiums. http://ec.europa.eu/justice/newsroom/gender-equality/news/111222_en.htm
- Fletschner, Diana, and Lisa Kenney. 2011. "Rural women's access to financial services Credit, savings and insurance". <http://www.fao.org/3/a-am312e.pdf>
- GSMA, 2015. "Mobile insurance: Comparing Low-touch and High -Touch Business Models". <http://www.gsma.com/mobilefordevelopment/programme/mobile-money/mobile-insurance-comparing-low-touch-and-high-touch-distribution-models/>
- GSMA. 2013. "Unlocking the Potential: Women and Mobile Financial Services in Emerging Markets". http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2013/02/GSMA-mWomen-Visa_Unlocking-the-Potential_Feb-2013.pdf
- International Finance Corporation (IFC), AXA. 2015. "She for Shield. Insure Women to Better Protect All". http://www.ifc.org/wps/wcm/connect/a2d8348049d01b0c82a5a3e54d141794/SheforShield_Final-Web2015.pdf?MOD=AJPERES

International Finance Corporation (IFC). 2016. Press Release: IFC, YES Bank, and Goldman Sachs 10,000 Women Partner to Lend to Women-Owned Businesses in India. <http://ifcextapps.ifc.org/ifcext%5CPressroom%5CIFCPressRoom.nsf%5C0%5CA1FF72FF6A97BF0F85257F8C002ADAF9>

International Finance Corporation (IFC). 2013. Investing in Women's Employment: Good for Business, Good for Development. <http://www.ifc.org/wps/wcm/connect/5f6e5580416bb016bbf1bf9e78015671/InvestinginWomensEmployment.pdf?MOD=AJPERES>

Insurance Research Center. 2011. India: Proportion of women life insurance agents rises. <http://www.irc.ac.ir/en/news/news.php?newsid=273>

PwC. 2015. Female Millennials in Financial Services. <https://www.pwc.com/gx/en/financial-services/publications/assets/pwc-female-millennial-report-v2.pdf>

Insurance Journal. 2016. Agency Compensation: Unequal pay for women? <http://www.insurancejournal.com/magazines/coverstory/2016/02/22/398997.htm>

Jacobson Group 2014. Breaking Barriers: The time is now for Insurance. <https://jacobsononline.com/uploadfiles/breakingbarriers-womenininsurancewhitepaper.pdf>

Joglekar, Yogini. 2011. Women pulling ahead of men as insurance agents. <http://www.dnaindia.com/money/report-women-pulling-ahead-of-men-as-insurance-agents-1592843>

Lloyds. 2014. Diverse executive boards enjoy significantly higher earnings. <https://www.lloyds.com/the-market/tools-and-resources/diversity/facts-and-case-studies/2014/diverse-executive-boards-enjoy-significantly-higher-earnings>

McKinsey & Company. 2013. Women Matter. <http://www.mckinsey.com/global-themes/women-matter>

MIER Review. 2015. "Women in insurance: Glass ceiling chipped, not yet broken". <http://www.meinsurancereview.com/Magazine/ReadMagazineArticle/aid/36132/Women-in-insurance-Glass-ceiling-chipped-not-yet-broken>

MIT News. 2014. "Study: Workplace diversity can help the bottom line". <http://news.mit.edu/2014/workplace-diversity-can-help-bottom-line-1007>

ODI. 2016. Women's work – Mothers, children and the global childcare crisis. ODI. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/10333.pdf>

Oliver Wyman. 2015. Women in Financial Services. <http://www.oliverwyman.com/insights/publications/2014/dec/women-in-financial-services.html#.VyqGqkLyM8>

PwC. 2015. Female Millennials in Financial Services. <https://www.pwc.com/gx/en/financial-services/publications/assets/pwc-female-millennial-report-v2.pdf>

UNDP. 2013. Microinsurance Study: Understanding and Needs of Low-Income Populations regarding Microinsurance. <http://www.undp.org/content/dam/cambodia/docs/PovRed/Microinsurance%20Study-The%20Understanding%20and%20Needs%20of%20Low-Income%20Populations%20regarding%20Microinsurance.pdf>

DRAFT



The Role of Insurance Regulation and Supervision in Promoting Inclusive Insurance for Women¹

Katherine Miles and Anke Green, A2ii

Introduction

Inclusive insurance policymaking is not gender-neutral. Women and men have the potential to be differentially impacted by financial sector policies and by regulatory and supervisory approaches to insurance. Nevertheless, while women's financial inclusion and gender considerations are emerging priorities for financial services supervisors², a gender perspective has been mostly absent from insurance regulation and supervision in developing and emerging economies.

Driven by data indicating a persistent gender gap in financial inclusion,³ discussions have been taking place on the financial inclusion of women. Women's access to and usage of insurance are part of these broader discussions. While the limited data available for the insurance sector in developing countries is currently inconclusive, it has been established that women face a number of legal, economic, and socio-cultural barriers that could disproportionately impede women's access to insurance. Such barriers may include the predominance of women in the informal sector, lower levels of financial literacy, and the inability to enter legal contracts without male signatories. In such cases, women are comparatively more vulnerable to a multitude of risks that could plunge them into poverty. Despite these barriers, there is a huge market opportunity in providing inclusive insurance for women. Recent estimates suggest that women represent a market opportunity for insurance premiums of between US\$1.45 and US\$1.7 trillion by 2030.⁴

There is a strong rationale for supervisors to accelerate access to insurance for women. Besides being an end in itself, increasing the proportion of the population with insurance coverage, in particular amongst women and other vulnerable segments, can contribute to the core objectives of insurance supervisors that aim to maintain a fair, safe, and stable insurance market. Promoting women's access to insurance can also contribute to the achievement of broader policy objectives such as poverty alleviation, gender equality, social protection, agricultural development, food security, and sustainable economic development in the framework of national policies and the global Sustainable Development Goals (SDGs).⁵

This paper aims to inspire momentum and increase awareness among insurance supervisors of the transformative potential of gender approaches. It explains how supervisors have started to consider gender dimensions in their work, in particular by exploring differences between women and men's access to insurance. Moreover, it emphasises the relevance of women's access to insurance in the context of financial inclusion policymaking.

Integrating a Gender Perspective in Insurance Supervision

In some jurisdictions gender approaches to insurance policy and regulation have resulted in debates related to sex-based discrimination. In the European Union, for instance, it has been ruled as discriminatory to take the sex of the insured person into account as a risk factor in pricing private insurance contracts.⁶

However, gender approaches are not intended to discriminate; rather they aim to ensure that policy and regulatory approaches to insurance do not unintentionally harm or benefit women or men disproportionately more than the other.

The barriers to access to insurance that are faced by excluded vulnerable populations are not wholly uniform. Differences in demographics such as gender and age, as well as location, can lead to unique protection needs and consumer protection issues. As such, policies that aim to remove these barriers must be sensitive to these differences in order to be effective. Distinguishing customers on the basis of gender is one way to delineate the profile of insurance clients; doing so therefore opens up the possibility of employing targeted policy tools that are tailored to gender-specific barriers or impacts.

How the Role of Insurance Supervisors Can Impact Women's Access to Insurance

Women often exhibit behavioural patterns that affect their financial decisions in ways that are different from men. Women may be more risk aware and more inclined towards certain types of distribution channels. Women and men may also have inherently different protection needs and therefore lean towards different types of products. In Ghana – as in many other countries – women purchase credit life products at a higher rate than men, partly because they receive these products through women-oriented microfinance institutions of which they are members. Their specific health needs can also be different. There are products in Ghana and the Philippines, for example, which provide cover for maternity complications and other female illnesses.

A primary consideration of insurance supervisors in implementing a proportionate regulatory framework is to strike a balance between enabling business and consumer protection. On the one hand, they are responsible for removing regulatory barriers related to inclusive insurance and creating a more flexible regulatory environment that promotes market development. On the other hand, insurance supervisors should consider whether consumers are adequately protected. In this context, there is scope for insurance supervisors to shape their policy and regulatory frameworks to ensure women benefit proportionately from the consumer protection regime, while ensuring that compliance costs for the industry remain low and incentivising the industry to adapt their products to meet the needs of the lower-income women's segment. Relevant areas of regulation and supervision are set out below.

Formalising Insurance and Licensing Intermediaries

Women's access to insurance can be enhanced through regulation that promotes market innovation and enables insurance products that are designed, distributed and serviced in ways that effectively reach out to women. These do not necessarily have to be policies that solely target or benefit women. Jurisdictions including Brazil, Ghana, India, Mexico, Pakistan, Peru, or the Philippines have created a specific regulatory framework for microinsurance business that allows the distribution of insurance through alternative channels including mobile network operators (MNOs) or retail sales points. Although such regulatory frameworks benefit both women and men, women have been found to be amongst the key beneficiaries. This is because traditional barriers to women's access (in particular those arising as a result of women's constrained mobility in some countries) can be overcome through the use of alternative channels. However, in addition to allowing distribution channels that benefit both male and female clients, supervisors should specifically focus on those channels that are well placed to reach women, such as MFIs, when setting requirements relating to licensing of insurance intermediaries.

Similarly, ensuring that intermediaries with whom women typically interact are adequately regulated can strengthen consumer protection for women. Anecdotal evidence suggests there is a prevalence of lower-income women purchasing insurance from microfinance institutions (MFIs), self-help groups, or community-based organisations. These are often informal operators out of reach of the insurance supervisor, thereby limiting the supervisor's ability to protect these consumers. Supervisors should seek acceptable ways to address informal insurance activity. This might mean putting in place the necessary transitional arrangements⁸ to allow informal insurance to migrate to a regulated environment in order to ensure consumer protection and stability in the market.

Complaint Mechanisms

It is also important to ensure that women have equal knowledge, capacity, and access in relation to complaint mechanisms. Even in the formal system, women may be more susceptible to abuse from market operators and intermediaries. For example, the Palestine Monetary Authority had to intervene in a consumer protection case where banks pursued women to repay loans taken out by their late husbands. This occurred despite their husbands' compliance with a regulatory requirement that credit life insurance be taken out for all loans exceeding a term of 48 months. Cases such as this highlight the need to ensure that women are equally educated on their rights as a financial consumer, complaint mechanisms are accessible to women, and that women are equally confident to use and trust any established complaint mechanism.⁹ In some countries, due to cultural factors, women have been found to be reluctant to approach formal institutions.

Know Your Customer (KYC) Requirements

KYC requirements can sometimes constrain women's access to insurance. Research has shown that, in some countries, women are less likely to be able to provide the required identity documents. This may be due to a lack of national ID, such as a birth certificate, or the requirement for a male relative's signature to authorize their application. While the increased adoption of biometric national ID cards has served to address this constraint in some countries, many more women than men still remain without ID documents. As such, adapting KYC requirements to allow more flexible identification processes, as has been done in some jurisdictions, can serve to promote access to insurance among the lower-income women's segment. Examples are widening the range of accepted identification forms, such as driver's licenses or electoral cards. Moreover, insurance supervisors should collaborate with other government agencies to address these indirect barriers that women face in relation to identity documents.

Additional Areas in which Insurance Supervisors Can Enhance Women's Access to Inclusive Insurance

Gender-Sensitive National Financial Inclusion Strategies (NFIS)

National financial inclusion strategies detail specific strategic objectives, targets and action plans related to financial inclusion. As central banks or the Ministries of Finance often drive the development of such strategies, these institutions often have strong influence, whether in the sense of a directive or for advocacy purposes. NFIS typically consider financial inclusion themes relating to a broad range of financial products and services, including insurance and the content sometimes dovetails with microinsurance policy papers. An increasing number of these NFIS do consider differences between the financial inclusion of women and men. However, even though gender differences may be included in NFIS relating to savings and credit products, it seems that few national financial inclusion strategies consider the gender dimensions of inclusive insurance. Fortunately, momentum among central banks and banking supervisors is also gradually promoting engagement with women's financial inclusion among insurance supervisors. In Zambia, for instance, the central bank has engaged with the insurance supervisor to generate interest in this area.

Sex-disaggregated Data

Sex-disaggregated data have implications for market development strategies. There is emerging recognition of the value of sex-disaggregated baseline data to establish who is currently obtaining insurance, how they are purchasing it and any gender-specific patterns in insurance product usage. Gathering supply-side data from the market and analysing it to understand the implications would be highly important in evidence-based policy making. Supervisors can learn from the banking sector, responding to the challenges of collecting and using sex-disaggregated data by capacity building, adapting data systems and adjusting reporting templates¹⁰. NAICOM in Nigeria has begun to track financial inclusion in the insurance sector using sex-disaggregated indicators (Box 1). In Tanzania, the Social Security Regulatory Authority has collected sex-disaggregated supply-side data relating to health insurance and pensions uptake.

Occasionally, such data may also contradict widely held assumptions about women's access to insurance. In some jurisdictions, evidence suggests that women are more likely to take out insurance compared to men, partly attributed to their higher interest in such forms of risk mitigation. For example, data from the Central Bank of Samoa in the Pacific Islands suggests that there are higher levels of formal insurance uptake among women (Box 1). In Ghana, the majority of microinsurance clients are

self-employed women in the informal sector. This is mainly due to MFIs being an important distribution channel to target this market segment.¹¹ This implies that gender dimensions of access to insurance need to be assessed on a case-by-case basis and that sex-disaggregated data is crucial in this regard. Such data can help determine which products women have access to and whether these products effectively meet women's protection needs. It may also mean that more work may need to be done in some jurisdictions to identify the constraints in men's access to insurance among certain income groups.

Financial Literacy Strategies and Approaches

Only in a few countries, such as Bhutan and Indonesia, do national financial education strategies and their programmes recognise gender differences in financial literacy needs and behaviours and therefore specifically reach out to women. However, they do not appear to specifically address insurance and gender. It is important that financial education initiatives do so, especially in countries where socio-cultural factors may contribute to lower general literacy rates for women. As financial education programmes start to integrate gender differences to inform their pedagogical approaches and content, the value of inclusive insurance for women should also be considered.

Case Studies

Box 1: Case Study Examples

Philippine Insurance Commission (IC)

IC is mandated by law – along with other national government agencies and local government units – to allocate at least 5 percent of their total budget for programmes and projects to promote women's economic empowerment and gender equality, as well as to annually submit institutional gender plans and an accomplishment report. To fulfil this requirement, the IC has set up a gender and development technical working group. This group explores gender issues and gender gaps within the IC and among insurance clients. It is divided into sub committees, one of which focuses on gender data and analysis. A current priority is to establish the differences in access and usage of insurance between men and women and identify any specific gender barriers. In a related initiative, the IC has started to gather demand-side data within its insurance-focused financial literacy survey to establish if there is a gender gap in financial literacy related to microinsurance. They are currently exploring the feasibility of collecting supply-side data from insurance companies that relate to the gender breakdown of all insurance policyholders.

Source: Stakeholder interview with the Philippine Insurance Commission, April 2016.

National Insurance Commission (NAICOM) – Nigeria

NAICOM in Nigeria is required, in line with the National Financial Inclusion Strategy published in 2012, to provide data to the Financial Inclusion Secretariat twice a year in order to help track the progress of financial inclusion in the insurance sector. Data to be reported includes sex-disaggregated data, including: the total number of people per insurance product; policyholders broken down by geographical location and gender; the number of informal microfinance institutions and of their clients broken down by state, gender and age; as well as the total active mobile subscribers for the industry and per mobile network operator (MNO) broken down by gender. The Financial Inclusion Secretariat will also be tracking the level of financial literacy nationwide by state, gender and age. Furthermore, they have an insurance penetration target of 40 percent by 2020 and growth targets for insurance agents that, while not sex-disaggregated, represents a valuable channel for women to access insurance products.

Source: Central Bank of Nigeria, 2012.

Bank Negara Malaysia (BNM)

In 2011, in advancing the financial inclusion mandate, BNM introduced a Financial Inclusion Framework, a comprehensive plan outlining its strategies for an inclusive financial system. One of the ten key points in the plan is a focus on expanding outreach and increasing the insurance penetration rate. One initiative is to develop microinsurance and microtakaful. In this context, BNM has collected sex-disaggregated demand-side data on insurance through national surveys in both 2011 and 2015. In doing so, it found in 2015 the percentage of the adult population with life insurance or takaful policies stands at 16 percent and also that there are gender differences in insurance uptake. In terms of supply-side data, national ID numbers in Malaysia indicate whether the ID card holder is male or female, which offers the possibility of analysing insurance industry data on policyholders by gender. As such, this information can be utilised to support supply-side data gender analysis on insurance policyholders.

Sources: Stakeholder consultation with BNM in April 2016; BNM (2015); BNM (2011).

Central Bank of Samoa (CBS)

In 2013, CBS made a set of Alliance for Financial Inclusion (AFI) Maya Declaration commitments, including “to provide an enabling environment for inclusive insurance markets and microinsurance by 2017.” The implementation of these commitments has been supported by the Pacific Financial Inclusion Programme (PFIP) which, supported by CBS, conducted a survey to gather demand-side financial inclusion baseline data to inform its broader National Financial Inclusion Strategy. Sex-disaggregated data was collected on insurance access within the country. It found that overall insurance penetration stood at 21 percent and, notably, women had higher access. Women were also found to have higher levels of access to finance than men. Potential higher levels of engagement by women in the formal insurance sector have been attributed to outreach by the South Pacific Business Development Foundation (SPBD), a local microfinance institution that offers a loan and life insurance product to all its members – 99 percent of whom are women. The compulsory in-house loan insurance covers clients’ outstanding loans with SPBD in case of death.

Source: Stakeholder consultation with CBS in April 2016

The Way Forward: Challenges and Recommendations

Improving access to insurance forms part of an increasing number of NFISs. Insurance is recognised as an important risk mitigation tool for vulnerable population groups, while supporting financial systems development and catalysing other financial services such as credits, savings or payments. At the same time, the financial inclusion of women has emerged as a policy priority and is increasingly recognised as a key element of broader development objectives. Despite this, these two agendas have not yet fully converged. Few insurance supervisors recognise the need to analyze gender differences in insurance access and even fewer are actually collecting sex-disaggregated data.

Collecting this data to examine whether women have lower levels of access to insurance than men is an important first step. As initial data in some jurisdictions show, it should not automatically be assumed that women have lower levels of access to insurance than men. Analyzing the sex-disaggregated data and ensuring that it informs policymaking is the next challenging step. For example, in jurisdictions where more women than men have access to inclusive insurance, initial data seem to suggest that this is due to (mandatory) credit life policies distributed by their MFIs. While these products undoubtedly play an important role in improving the wellbeing of microcredit clients and their families, it is doubtful that they sufficiently cover the complex risk protection needs of low-income women.

What is certain is that sex-disaggregated data can support a better understanding of gender considerations in insurance access and usage; and that this information can be used by supervisors to better target policy and regulatory measures, ultimately stimulating inclusive insurance development and uptake. On a global level, this data can be used to support greater research and peer learning between insurance supervisors and other relevant stakeholders on the regulatory barriers that hinder women’s access to insurance.

Since women are a heterogeneous group and their protection needs as well as their barriers to access differ, a good gender approach to inclusive insurance will require tailor-made approaches to regulation that vary by country and the local gender context. However, informed in part by experience from regulation of the banking sector, there are a number of key actions that may already be relevant for insurance supervisors from each jurisdiction to consider. These include the following:

- Engage with the insurance industry to understand where there is a need to remove regulatory constraints to support the transition of informal insurance into the formal sector;
- Remove recognised regulatory barriers that hinder women's access to insurance (e.g. simplify KYC requirements);
- Encourage the insurance industry to develop a better awareness of gender differences in designing their products and distribution channels;
- Adapt any complaint infrastructure to ensure it is accessible and responsive to women's needs in order to address consumer protection concerns for women;
- Collaborate with the lead authority in the development of a national financial inclusion strategy to include gender considerations on access and usage of insurance. If necessary, seek to ensure the national financial inclusion strategy includes sex-disaggregated targets for inclusive insurance such as uptake and intermediary key performance indicators;
- Gather and analyse sex-disaggregated industry data on access and usage of insurance by diverse product types. To support this, build internal capacity within the insurance supervisor, develop a mechanism for gathering this data and reporting progress, and adapt internal IT systems and processes to support the capture of this information in the system in a secure manner to avoid misuse;
- Embark on gender-sensitive financial literacy strategies incorporating insurance education that considers women's specific needs and behaviours, and the most appropriate channels to effectively reach women; and
- Coordinate with other government agencies and policy-makers (e.g. Ministry of Finance or women's ministry) to understand any legal and policy constraints that may specifically impact women's access to inclusive insurance.

Working through multi-stakeholder partnerships, these actions can support insurance supervisors in accelerating access to insurance for women.

Endnotes

- 1 This article is an extract from a publication entitled *Mainstreaming Gender and Targeting Women in Inclusive Insurance: Emerging Lessons* developed by GIZ on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the International Finance Corporation (IFC), Women's World Banking with contributions from the Access to Insurance Initiative (A2ii) and SEWA.
- 2 The term 'financial services supervisors' includes insurance supervisors. 'Supervisors' includes regulators and supervisors.
- 3 Data from the Global Financial Inclusion Database (Findex) from 2014 indicate women make up the majority (55 percent or 1.1 billion) of the world's 2 billion unbanked adults. Moreover, despite the number of unbanked dropping by 20 percent between the first Findex in 2011 and 2014, the gender gap in account ownership has not narrowed (World Bank, 2015).
- 4 IFC & AXA, 2015.
- 5 UN, 2015.
- 6 In 2011, the Court of Justice of the European Union ruled that different premiums for men and women constitute sex discrimination, and in turn the European Commission adopted guidelines to help the insurance industry implement unisex pricing. This builds on the principle of equal treatment between men and women in the access to and supply of goods and services, which prohibits direct and indirect sex discrimination set out in a European Council ruling from 2004. See references: EC, 2011 a & b; Official Journal of the EU, 2004.
- 7 IFC & AXA, 2015.
- 8 IAIS, 2012.
- 9 A2ii, 2014a.
- 10 GBA, IDB and Data2X, 2015.
- 11 NIC, GIZ, CDC and MIC, 2015.

References

A2ii (2014a) Inclusive insurance protects households and promotes economic growth. Available from: https://a2ii.org/sites/default/files/reports/briefing_note_2014_10_13.pdf

A2ii (2014). Regulatory approaches to inclusive insurance market development. Cross- country synthesis paper 2. Available from: https://a2ii.org/sites/default/files/reports/2014_03_10_annex_9_a2ii_cross-country_synthesis_doc_2_for_consultation.pdf

ADB (2010) ADB Working Paper Series Financial Inclusion and Financial Stability: Current Policy Issues – Alfred Hannig and Stefan Jansen. Available at: <http://www.adb.org/sites/default/files/publication/156114/adb-wp259.pdf>

AFI & WWB (2016) Policy Frameworks to Support Women's Financial Inclusion. Available at: http://www.afi-global.org/sites/default/files/publications/2016-02-womenfi.1_0.pdf

AFI (2013). Maya Declaration Commitment made by the Central Bank of Samoa. Available at: http://www.afi-global.org/sites/default/files/publications/maya_declaration_central_bank_of_samoa.pdf

Bank Negara Malaysia (BNM) (2015). Financial Stability and Payment Systems Report 2015. Available at: http://www.bnm.gov.my/files/publication/fsps/en/2015/cp02_002_box.pdf

Bank Negara Malaysia (BNM) 2011. Financial Sector Blueprint 2011-2020. Available at: http://www.bnm.gov.my/files/publication/fsbp/en/BNM_FSBP_FULL_en.pdf

Central Bank of Nigeria. (2012) National Financial Inclusion Strategy. Available at: <http://www.cenbank.org/Out/2012/publications/reports/dfd/CBN-Summary%20Report%20of-Financial%20Inclusion%20in%20Nigeria-final.pdf>

CGAP & IFC (2013). Financial Access 2012. Getting to a More Comprehensive Picture. Available at: https://www.cgap.org/sites/default/files/cgap_forum_FAS2012.pdf

DFID & GIZ. (2013) Promoting women's financial inclusion. A toolkit. GIZ Inclusive business models- Options for support through PSD programmes. Available from: <https://www.giz.de/fachexpertise/downloads/giz2014-ib-models-rz.pdf>

European Commission (EC), (2011) a. European Commission gives guidance to Europe's insurance industry to ensure non - discrimination between women and men in insurance premiums. Available at: http://europa.eu/rapid/press-release_IP-11-1581_en.htm

European Commission (EC), (2011) b. Sex Discrimination in Insurance Contracts: Statement by European Commission Vice-President Viviane Reding, the EU's Justice Commissioner, on the European Court of Justice's ruling in the Test-Achats case. Available at: http://europa.eu/rapid/press-release_MEMO-11-123_en.htm?locale=en

FSB. (2015) Annual Report 2015. Available at: <https://www.fsb.co.za/Departments/communications/Documents/FSB%20Annual%20Report%202015.pdf>

GBA, IDB and Data2X (2015) Measuring Women's Financial Inclusion: The Value of Sex-disaggregated data. Available at: <http://www.gbaforwomen.org/download/draft-report-measuring-womens-financial-inclusion/>

GBA (2015). The Power of Women's Market Data: A How to Guide. Available at: <http://www.gbaforwomen.org/download/the-power-of-womens-market-data-a-how-to-guide/>

Government of South Africa (1998). Government Gazette Number 19370. Employment Equity Act. Available at: <http://www.labour.gov.za/DOL/downloads/legislation/acts/employment-equity/eegazette2015.pdf>

Government of South Africa (2014). Government Gazette Number 37873. Employment Equity Act, 1998 (Act 55 of 1998 as amended) Repeal of Employment Equity Regulations. Available at: <http://www.labour.gov.za/DOL/downloads/legislation/regulations/employment-equity/amendment/2014eereg1aug.pdf>

International Finance Corporation (IFC) and AXA (2015). She for Shield. Insure Women to Better Protect All. Available from: http://www.ifc.org/wps/wcm/connect/a2d8348049d01b0c82a5a3e54d141794/SheforShield_Final-Web2015.pdf?MOD=AJPERES

Mckinsey Global Institute (2015) The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth. Available at: <http://www.mckinsey.com/global-themes/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>

National Insurance Commission, GIZ, CDC Consult and Micro Insurance Centre. (2015). Landscape of Micro-insurance in Ghana 2015 – Supply and Demand Side Report. Available at: http://www.microfinancegateway.org/sites/default/files/publication_files/the_landscape_of_microinsurance_in_ghana_2015_0.pdf

Official Journal of the European Union. (2004). Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:373:0037:0043:EN:PDF>

Rose & Marquis. (2006) Money and Capital Markets: Financial Institutions and Instruments in a Global Marketplace. Available at: http://highered.mheducation.com/sites/0072957395/information_center_view0/index.html

UN (2015). Transforming our world: the 2030 Agenda for Sustainable Development. Resolution adopted by the General Assembly on 25 September 2015. Available at: http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

World Bank (Demirguc-Kunt, Asli, Leora Klapper, Dorothe Singer, and Peter Van Oudheusden) (2015). The Global Findex Database 2014: Measuring Financial Inclusion around the World. Policy Research Working Paper 7255, World Bank, Washington, DC. Available at: http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2015/04/15/090224b082dca3aa/1_0/Rendered/PDF/The0Global0Fin0ion0around0the0world.pdf#page=3

World Bank & OECD, 2014 Women and Finance – Progress report to the G20. Available at: https://g20.org/wp-content/uploads/2014/12/G20_Women_and_Finance_Progress_report_WB_and_OECD.pdf



- Draft for consultation -

© GIZ / Martin Egbert



VimoSEWA – An Insurance Cooperative for, with and by Women

Tara Sinha, SEWA

Introduction

The Self Employed Women's Association (SEWA) is a national trade union in India; it was registered in 1972. Today SEWA has over 1.5 million members across 14 states. SEWA members are poor women workers in the informal economy; they include agricultural laborers, service providers, home-based workers, and vendors. This case study describes the origin and growth of SEWA's insurance program. The program started with a life insurance product in the mid-1970s, operating at a low scale of coverage and outreach. It finally took off in 1992, and has since evolved to offer the following products: full service, voluntary, standalone, multi-product insurance cooperative, and protection against natural and accidental death, hospitalization, and asset loss.

The Context

Brief Overview of the Country and Institutional Contexts

India has a population of 1.3 billion and is one of the fastest growing economies today. According to the World Bank it is a middle income country, yet it has a large informal economy. The informal economy accounts for about 93 percent of total employment in the country, which includes both informal sector workers and workers in informal employment in the formal sector.¹ Informal workers lack regular income, and have little access to any kind of social protection. A higher proportion of women (96 percent) than men (91 percent) work in the informal sector.² Women tend to be in the lower-paid and less-skilled jobs, and also tend to be less organized. There is increased recognition that women tend to be concentrated in the more precarious forms of informal employment, and supporting poor women in the informal economy is key to reducing women's poverty and gender inequality.^{3, 4}

Social Protection in India

Social protection has assumed a more important role in India in recent years, with increasing recognition of the need to extend social protection to workers in the informal economy. However, coverage remains low. Only 12.5 percent of informal workers are covered by health social protection, and only 24 percent receive a pension.⁵ In 2008, the national government launched the Rashtriya Swasthya Bima Yojana (RSBY) for informal workers who were below the official poverty line. As of March 2013 however, only 7.5 percent of informal workers were covered by this scheme.⁶

The Mahatma Gandhi Rural Employment Guarantee Scheme (MNREGS) has been a flagship income security scheme, which provides up to 100 days of waged unskilled manual employment each year. According to a recent news report in February 2016, 127 million households (roughly 50 percent of all households in India) participated in this scheme in 2014-2015.⁷

In 2015 the Government launched three social protection schemes for the low income segments, namely: Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Atal Pension Yojana (APY). The first two protect against accidental and natural death, whereas the third is a pension scheme for persons when they become 60 years of age. All three schemes require the beneficiary to have a bank account, which boosts financial inclusion and ensures transparent transactions.

The Insurance Sector in India

Prior to India's independence in 1947, insurance in India was a privately-run industry. In 1956, all life insurance business was nationalized under the Life Insurance Corporation of India (LIC). The general insurance business was later nationalized in 1973, under the General Insurance Corporation. Since these developments, the industry has been dominated by life insurance for individuals – typically males in formal employment, and commercial insurance for businesses. Health insurance, asset insurance, and other types of insurance for individual risks have been negligible components of the insurance companies' portfolio.

In 1999, India liberalized its insurance sector by promulgating the Insurance Regulatory and Development Authority (IRDA) Act. The new legislation opened up the insurance market to private insurers, and in 2014-15, India had 23 private life insurance companies and 22 private non-life insurers. One important component of the new Act was its effort to extend insurance to previously un-served populations, which required each insurance company to incrementally increase its outreach to rural and social (economically weaker) populations. As per IRDA's annual report 2014-2015, 25 percent of new individual life insurance policies and 12 percent of new non-life insurance premiums

were in rural areas. In the social sector, 30 million lives were covered under life insurance, and 300 million under non-life insurance. Sex-disaggregated data is not available however.^{8, 9}

Background and Justification for Starting Insurance

SEWA considered starting an insurance program in the late-1970s in response to the risks and vulnerabilities faced by its women members and their families. Early in its operations, SEWA Bank's loan records revealed that medical crises were one of the major costs borne by poor women, and were a common reason for the loans not being repaid.^{10, 11}

As Ayeshaben, a garment worker and union leader explained:

"We work hard and save. But one illness or death of a family member means that our savings are wiped out, and we are forced to borrow from money-lenders or pawn our jewellery, and go into debt. So how can we ever stand on our own two feet?"¹²

All SEWA members are workers in the informal economy. They have no employer-worker relationship with their employers and receive no workplace benefits. Insurance was recognized as an important means of protecting these women and their families from the risks of sickness, asset loss, and loss of life.

When SEWA first approached insurance companies in the mid-1970s to provide cover to its members, the response was discouraging. The insurance companies perceived SEWA's members as 'bad risk', and so took the view that insuring this population was beyond their ability. It is an indication of SEWA's pioneering vision that it persisted in its efforts, and eventually succeeded in starting insurance for its women members. This achievement was especially impressive given that at the time there was barely any recognition that informal workers contributed to the economy, let alone there being any social protection schemes for them.

Importance to Women

Need for Insurance to Mitigate Risk

Vulnerable populations require a range of social protection interventions, including protective, preventive, promotive, and transformative measures for coping with risks and enhancing resilience.¹³ In line with this thinking, SEWA's holistic approach recognizes that its members need multiple strategies to address their vulnerabilities. SEWA believes that poor women can only emerge from poverty and move towards self-reliance through full employment at the household level. Full employment includes work and income security, food security, and social security. The latter must include at least the basic services and facilities mentioned earlier – health care, child care, shelter

with a tap and toilet in every home, insurance, and pension.¹⁴ Therefore the insurance program is key to helping members to cope with the risks of sickness, accident, asset loss, and death.

Women at Greater Risk

Women and men both face risks and vulnerabilities, especially if they are poor. However, women face certain gender specific risks and others that are exacerbated by gender inequalities and discrimination.¹⁵ For instance, women have a lower representation in formal employment than men, and are therefore less likely to be eligible for state sponsored protection mechanisms.¹⁶ Moreover, they face larger protection gaps due to their longer life expectancy.¹⁷ In addition, women also face gender-specific health risks during pregnancy and childbirth. In most instances, a woman's role as the main care giver also means that the illness of a household member adversely affects her earnings and health.¹⁸ At the same time, women's lower social status (due to patriarchal social norms) places their lives and health at a lower priority.

In many instances, women are heads of households, or are the main earning member, and are therefore responsible for the well-being of the entire family. A study by UN Women found that even where there are state-sponsored social protection programs in India, women-headed households are less likely to access these benefits.¹⁹ Social protection is therefore critical, not only for this half of the population, but also for their families who depend on them.

Poor women are more susceptible to risks because of their low incomes and a negligible asset-base. Furthermore, they often experience insecure and unsafe working conditions, poor housing, sanitation, and security concerns. The key risks faced particularly by women include poor health, the death of a husband, divorce, domestic violence, sexual harassment, old age, and work-related risks.²⁰

Early in the 1970s when SEWA started organizing women, it learned the following:

- Women and their families face multiple and frequent risks, which result in huge economic leakages and losses, keeping them in poverty.
- The poorest and most vulnerable of communities – especially women – are disproportionately affected by exposure to risks.
- Risks and crises result in de-capitalization and asset loss. Consequently, women and their families slip deeper into poverty.
- Risks may be chronic or acute. Chronic risks include poverty and unemployment; acute ones include drought, floods, sickness, and natural disasters such as earthquakes.

- Poor women want support to tackle as many risks as possible at a time, thereby reducing their vulnerability. An insurance package is one way to help tackle these risks.
- Poor women are willing to give premium for insurance, thereby protecting themselves against risks.
- Women are more likely not to see treatment for their own illness – and this is exacerbated in the absence of health insurance.

According to the current CEO of VimoSEWA, women like SEWA's members face a larger number of risks compared to men because they carry out a larger number of tasks, both within and outside the house. Furthermore, women are much less likely to attend to their health needs in the absence of insurance, because of the expenditures involved. This neglect of their health needs in turn leads to poorer health and higher morbidity, and also affects their income-earning potential. SEWA has found however, that women are better at recognizing the need for risk protection, not only for themselves but for their entire family. As one member told us:

"The men just come and give us the money they earn – looking after the needs of the household is our responsibility. We are the ones who think about the needs of the children, including the need for health insurance for them."²¹

This is supported by wider research findings from the Indian market, which show that women are more likely than men to be concerned about providing for their children and ensuring that their family is able to maintain the same quality of life in the event that they can no longer provide for them.²²

Context Prior to the Launch of VimoSEWA

SEWA introduced its first insurance product in the late 1970s, which was a life insurance for its women members. At the time, the insurance industry in India was under state control. Life insurance was the dominant product for individual buyers, it was mostly purchased by workers in the formal economy, and men were the majority policyholders. There was very little health insurance, and where it was available, it catered to formal workers. Even today, the term "insurance" is primarily associated with life insurance.²³

More broadly, women workers in the informal economy had no access to formal financial services. This was the rationale behind the launch of SEWA Bank in 1974, which enabled members to save safely and take loans at reasonable rates (unlike the high lending rates of money lenders and traders).

The government-owned insurance companies were unwilling to provide any kind of non-life insurance, e.g. health insurance or asset insurance, until 1992. Poor self-employed women were seen as being 'un-insurable' and 'bad risks'.

The Learning Curve: Development and Implementation

This section describes the evolution of VimoSEWA from a small scale insurance program in Gujarat to India's first women's insurance cooperative society, serving women and their families across seven states.

Background and Overview of the Journey from Conceptualization to Implementation

VimoSEWA's journey from the late 1970s has been driven by the needs of SEWA's women members. Along the way, VimoSEWA has experimented with various types of insurance products, distribution, client servicing strategies, and changing management systems. The journey has had many successes and some challenges, and many lessons have been learned. The following sections discuss the various aspects of this journey.

Lessons along the Way

SEWA offered a life insurance product to its members in the late 1970s, but the coverage amount was small and the outreach was limited. It was only in 1992, when SEWA's membership reached 50,000, that the insurance companies were finally ready to discuss insuring informal women workers. During discussions, potential women clients made it clear that they needed both life and non-life insurance, i.e. health, accident, and asset insurance.

Products and Product Development – Responding to Women's Needs

In 1992, there was a single bundled product for women. By paying a single premium, a woman could be covered against her own death (natural or accidental), her husband's accidental death, her hospitalization, and the loss of livelihood-related assets. This bundled product was a major innovation – while the client paid a single premium for a basket of covers, VimoSEWA segregated the premium amount to go to different insurance companies.²⁴

In 2000, based on demand from the members, VimoSEWA introduced life and health insurance for the husbands of its insured members. In 2001, two additional bundled schemes with higher levels of premiums and benefits were also added. In January 2003, once again in response to member demand, VimoSEWA introduced children's health insurance. As a result, by 2003 SEWA was providing insurance protection to the entire family, as long as the primary member was a woman.²⁵

VimoSEWA worked with insurance companies to adapt their products to serve women's needs. It organized small workshops with women and actuaries from insurance companies to actually develop microinsurance products. For instance, the initial health insurance product offered by the insurance company did not cover gynecological ailments, which were important for SEWA members. To remedy this, SEWA succeeded in persuading the insurance companies to expand the coverage to include

gynecological illnesses. Similarly, insurance companies initially refused to honor hospitalization or death resulting from work-related hazards, such as falling off a tree while picking tendu leaves²⁶ or being bitten by a snake while working in the fields.

Over the years, the insurance products have become more varied and now have higher risk coverage, all in response to member needs. When VimoSEWA started offering its bundled products in 1992, insurance was a new concept, and women were conservative about the premium amount they were willing to pay. The early products therefore had very low premiums and only provided limited coverage. Over time, however, women's understanding of insurance matured and their trust in the program increased. As a result, they started asking for higher coverage amounts, even when it meant they would have higher premium amounts. Furthermore, SEWA membership has benefitted from the country's socio-economic growth, and members are now able to afford more expensive insurance products. For example, when health insurance was first offered, the coverage was Rs. 2,000 for an annual premium of Rs. 30.²⁷ In 2016, a popular health insurance product has coverage of Rs. 15,000 for an annual premium of Rs. 1,130.

In 2008, the government of India launched RSBY, a health insurance scheme for families who are below the official poverty line (BPL). This scheme covers a family of five members for an annual sum insured of Rs. 30,000. The premium for this floater policy is paid by the government; each family is required to pay a nominal amount of Rs. 30 for enrolling in the scheme. Since the launch of RSBY, VimoSEWA aagewans have helped eligible members to enroll in the scheme by helping them to fill out enrolment forms and access medical care at listed hospitals. In addition, VimoSEWA offers these families the Saral Suraksha Yojana (SSY), a hospital cash product that covers incidental expenses and wage loss. (See Box 1).

In some cases, the women enrolled in RSBY choose to take additional health insurance through VimoSEWA. The reason, according to some aagewans, is that these members feel more secure with VimoSEWA's health insurance. At VimoSEWA, members have constant access to an aagewan to provide clarifications and hand-holding support for servicing claims. Members have mentioned that they find it difficult to navigate the RSBY systems and procedures when they become hospitalized or need to file a claim. According to Mirai Chatterjee, Director at SEWA Social Security, "(Members like to) keep one foot in VimoSEWA which they trust as their own, and for which they have tested out experience of receiving claims, even if it sometimes takes some time."

Similarly, a savings-linked life insurance product was launched in 2010.²⁸ Savings is an important need among women, and clients wanted their life insurance to be combined with their savings. The savings-linked life insurance product combines risk coverage with asset building, both

of which are important social protection measures. This product continues to be one of VimoSEWA's most popular insurance products. Today VimoSEWA offers 15 different types of bundled and standalone products, with a price range of Rs 50 to Rs 1200 p.a.^{29, 30}

Box 1: Gender-sensitive Hospital Cash Product

VimoSEWA developed a unique product that recognizes a woman's dual role as both a worker and a caretaker for her family. VimoSEWA developed SSY, a hospital cash product that pays the member a fixed amount per day not only in case of her hospitalization, but also in the event of a family member's hospitalization. This is in recognition of the fact that if a family member is hospitalized, the woman is the one who will be in hospital with the hospitalized family member and therefore lose her day's wages. SSY has subsequently emerged as an important add on product for members who are covered by the government's RSBY scheme.

Member Education and Distribution – Ensuring Women are Reached

Vulnerability to risk does not directly translate into demand for microinsurance.³¹ VimoSEWA's insurance is voluntary, which means that each policy that is bought by choice. VimoSEWA's experience has shown that educating women workers on their insurance policies has a direct impact on the membership and utilization of the insurance. VimoSEWA has ensured that all of its members understand the concept of insurance, and member education has been carried out through group meetings, workshops, and individual door-to-door contact. The concept of a risk pool, to which all contribute but only some obtain benefits by way of claims, was an idea that took time for women to digest.

The distribution and servicing of VimoSEWA's insurance is carried out by local women leaders called aagewans, who are supported by a team of full-time staff. It has been found that a women-led sales force is better able to understand the risk protection needs of the entire family. In addition, women clients are more comfortable engaging in discussion with women agents.

VimoSEWA aagewans go through thorough orientation and training covering the concept of insurance, and covering techniques for effective communication. Trust in the person distributing insurance is crucial to the buyer. While the buyer values the product education received at the time of distribution, her faith in the promoter and her sense of being able to reach the promoter at any time is of immense value. The aagewans' strong linkages with the communities in which they work position them strategically to effectively distribute and service VimoSEWA members.

As one member said:

"Each year Kamalaben (the aagewan) explains the details of the product to me, and each year when it is time to renew I ask her to tell me again as I have forgotten the details."³²

Fairness and transparency in claims have been important features in building credibility among the clients. One member stated:

"My husband was admitted to the hospital, but I could not file a claim because I had only recently bought insurance. The aagewanben had explained to me that pre-existing conditions are not covered. I still continue to buy insurance because adverse events can strike anytime."³³

At one point VimoSEWA tried using men to distribute insurance to women, but this experiment was unsuccessful. The men who took up the work did not have the same attitude when explaining the products to the women. Their attitude was more that of salespeople selling insurance, rather than offering a mechanism for social protection.

"When we approach the woman, our aim is to explain insurance as a mechanism of social protection. We use different tools like flipcharts and short films to explain the concept. We found that the male agents saw it more as a sales job rather than one of educating the member."³⁴

VimoSEWA also distributes insurance through SEWA Shakti Kendras (SSK). SEWA SSKs are convergence and coordination centers located in the areas where members reside. They aim to empower communities by strengthening members' capacities to access entitlements through mobilization, building awareness, initial hand-holding, and nurturing grassroots leadership. At the SSKs, community members can get information on SEWA initiatives, government departments and schemes, and application support.

Claim Servicing – at the Women's Doorstep

VimoSEWA has found that effective servicing claims effectively is important for building client loyalty. When a client needs to file a claim, she contacts the VimoSEWA office on a toll-free number, and a staffer from VimoSEWA goes to her doorstep to collect the required documents. Many clients are home-based workers or work in the vicinity of their homes. If they were required to go to the VimoSEWA office to deposit claims related documents, they would lose a half or full day's wages.

VimoSEWA as a Cooperative – Inclusive by Design

By 2009, women had enough microinsurance experience to set up their own cooperative. The National VimoSEWA Insurance Cooperative was formally registered with 12,000 share-holders, all informal women workers, from five states. This form of organization is by nature inclusive and democratic, and the elected board of trustees represent the client community, makes decision about types of products, and design product pricing in line with of their clients' needs. This is the first insurance cooperative of its kind in

India; it is used, managed and owned by women workers, and the Share-holders and policy-holders are all.

Evolution of Staffing Patterns – Entry of Insurance Professionals

Until the late 1990s, none of the persons staffing VimoSEWA had any direct experience in the insurance industry. As the program grew, people with experience in the insurance industry started to join (first women and then men). This enhanced VimoSEWA's internal expertise and aided its negotiations with the insurance companies.

Working with Other Organizations for Larger Outreach

VimoSEWA started working with other organizations, mainly NGOs, in 2003, when these organizations wanted to offer insurance to their women members but lacked the expertise of doing so independently. VimoSEWA therefore started working with organizations in Tamil Nadu and Bihar. After several years these organizations learned how to run their own microinsurance programs and so started running independent operations. Meanwhile, other new organizations came under VimoSEWA's umbrella. Currently, in 2016, VimoSEWA has 27 partner organizations that benefit from the group policies VimoSEWA purchases from the insurance companies.

Opportunities and Challenges

The fact that the insurance program is nested within a larger member-based organization has been a significant opportunity and asset. The development of products and their pricing has always been done in consultation with the potential insurance buyers. The SEWA community leaders who go to sell insurance are known and trusted, and this allows them to access new members. SEWA initially received technical and financial support to start its insurance program from GIZ (then GTZ), CGAP, the Ford Foundation, and the Asian Development Bank.

One of the biggest challenges, especially in the early years, was explaining the concept of insurance to members, and making them understand that insurance was a risk-pooling mechanism where the premium was non-refundable in the event that no claim was made. The support of these insurance companies was significant in SEWA's member education interventions. This issue continues to be a challenge when one enters new areas where insurance is an alien concept however. VimoSEWA has also learned that no shortcuts can be taken when attempting to enroll new members. Women are unwilling to enroll unless they fully understand what they are buying.

Another major challenge has been achieving financial sustainability. Ensuring that each client is educated about insurance, and about the scheme she is buying, is costly. Servicing claims in a timely and transparent manner also incurs costs. VimoSEWA also has to strike a balance

between having products that are affordable but at the same time provide adequate coverage. Achieving financial sustainability has continued to be a challenge for many years, and Oza et al.'s study on the topic describes how VimoSEWA has succeeded in achieving financial sustainability.³⁵ This has been an important success, given that VimoSEWA continues to be a stand-alone microinsurance cooperative offering voluntary insurance.

Effect of Insurance Product/Service on Women Clients

The insurance program has had several positive outcomes for its women members and their families. Most importantly, insurance has provided a significant source of financial support to women who suffered adverse events. In the last 10 years, VimoSEWA has paid out claims totaling almost Rs. 159 million (US\$ 2.38 million).³⁶

Insurance has also alleviated anxieties arising from the potential risks of death and illness. This is borne out by the fact that many members continue to renew their insurance policies despite not having filed a claim for any adverse event. Women feel they are able to fulfil their role as caretakers because of the insurance coverage. According to a VimoSEWA aagawan:

"If a woman's children or husband need hospitalization, she immediately takes them for the required care. She may be tardy about getting hospitalized herself, because of her household responsibilities, but the insurance helps her ensure that her family members get the required health care."

The woman is the insurance policy holder – the policy is sold to her and the insurance education is also given to her. This has led to an immense increase in the understanding of risk management and the role of insurance. Women have learned the intricacies of insurance, and have learned to assess the costs and benefits of different options. Gaining an understanding of insurance has also led to the building of a common bond among the insured members, both as a risk-pooling mechanism and as a solidarity fund. The claim cheque is always made in the name of the woman policyholder, even if the health claim is for the husband. According to VimoSEWA's core team members, they value the fact that the primacy of the woman is recognized. More broadly, it has strengthened their sense of self-worth as workers – whose social protection is as important as that of any male member.

The Future: Further Implications and Lessons

VimoSEWA has successfully shown how insurance services can be offered to low-income women workers in the informal economy. In this section we discuss the implications of this for broader financial inclusion, and for the identity and self-esteem of women clients. Finally, this study will discuss VimoSEWA's efforts to further make insurance regulations better meet the social protection needs of people with low incomes.

Addressing Financial Sector Needs and Issues

The government of India has been trying to expand financial inclusion and financial literacy to the majority of Indians, who are outside the ambit of the formal financial system. As India's RBI governor has said "in order to draw in the poor, the products should address their needs – a safe place to save, a reliable way to send and receive money, a quick way to borrow in times of need or to escape the clutches of the money lender, easy to understand life and health insurance and an avenue to engage in savings for the old age."³⁷

For many members, VimoSEWA has been the entry point for their linkage with the formal financial system. Several women have opened bank accounts to save money to pay the VimoSEWA annual premium. According to Savitaben, an aagewan:

"It is difficult for many of our members to pay an annual premium of Rs. 2000. So we tell them to open a recurring deposit account and deposit Rs. 100 to 200 each month. I have helped so many members open accounts in the post office in our village."

Similarly, all claims payments are made by cheque, and there continue to be clients who do not have bank accounts in their name when they receive their first claim cheque.³⁸ In such instances, the aagewans helps the member to open a bank account.

VimoSEWA has played a key role in making insurance understandable and available to large numbers of women workers and their families. Typically, insurance in India was equivalent to life insurance, even among the well-to-do. Furthermore, it only males took life insurance. VimoSEWA has contributed to the government's agenda of making social protection available to low income women and their families through life and health insurance. Consequently, these women benefit from a deeper financial inclusion, one that includes not only savings and loans but also insurance.

VimoSEWA has contributed at the national level for the promotion of insurance and social protection for women. For instance, learnings from VimoSEWA were incorporated into the RSBY, a government sponsored health insurance scheme that was launched in 2008. The Indian Parliament's insurance committee, in recognition of the importance of microinsurance as a risk mitigation tool and an anti-poverty measure, invited VimoSEWA to depose before a multi-party committee of Members of Parliament. SEWA has thus been a trail blazer, and has demonstrated how insurance can work for poor women workers in the informal economy.

Link Between Insurance and Women's Value and Identity as an Individual and Family Caretaker

All of VimoSEWA's products are developed in consultation with the women clients and aagewans, and as per their clients' needs. The products also recognize a woman's role not just as a worker, but also as a caretaker and provider in the family. The woman is invariably the policyholder, and her family gets insurance cover through her. Being an insurance policy holder has added to the empowerment of women.

"When we have an area meeting where we are doing insurance education for new members, we often use an existing client to share her experience with insurance. Often a woman sitting in the group will ask 'so your husband has insurance?' And she proudly says no, I am the policy holder."

Looking Forward - What more Needs to be Done

Currently VimoSEWA follows the partner-agent model of insurance, and the insurance companies carry the risk for a majority of the products sold by VimoSEWA. These companies are also the final arbiters for claims settlements. Unfortunately, the typical products offered by insurance companies do not cater specifically to women's needs or paying capacities, especially low-income women workers in the informal economy. The servicing of claims by insurance companies has also been unsatisfactory, and this is an ongoing area of struggle.³⁹

In fact, to provide better service to its members VimoSEWA has carried out almost all the tasks of insurance during its lifetime. These include negotiating with the insurance companies to develop suitable products, distributing insurance and educating the members about this concept, and engaging in the screening and settling of claims. VimoSEWA has taken on these tasks because its vision is not one of simply 'selling insurance', but also of helping its women members be agents in developing social protection mechanisms for themselves and their families. VimoSEWA believes it can better serve low income women and their families if it has greater freedom in product development and claim settlement. One long standing example is SEWA Bank, which is fully viable and continues to be so after 40 years.

As a recent report on insurance for women states, women in lower income segments (particularly those in rural areas) lack access to insurers' sales channels. Currently, insurance companies cater primarily to the middle and high-income brackets, leaving the majority of the Indian population – and therefore the majority of women – without insurance coverage. Awareness about protection mechanisms like insurance is poorer among women than among men. Insurance companies have also not been able to establish linkages with women for the sale of policies.⁴⁰ Most insurance sales agents in India are males, and media coverage shows that women may prefer buying insurance from women.⁴¹

The VimoSEWA cooperative is a step in this direction, but current regulations prevent it from being a full-fledged insurer. While the IRDA has issued microinsurance regulations, these only apply to intermediaries offering microinsurance products; there is no separate recognition of microinsurance insurance companies. The capital requirements for mainstream insurance companies, and those who would offer only microinsurance products remain the same, i.e. Rs. one billion (about US\$ 20 million). The VimoSEWA cooperative has been advocating for appropriate regulations for microinsurance cooperatives, including lower capital requirements, which would be more in line with the smaller financial scale of its operations.

Conclusion

The National VimoSEWA Insurance Cooperative has been a pioneer in successfully demonstrating how insurance can be provided to low-income women workers in the informal economy. Lessons from SEWA's experience have helped several organizations, and even the central government, to offer insurance as a social protection mechanism. Change has been a constant in SEWA's insurance program, and products, servicing strategies, and management systems have evolved over time in response to client needs, lessons learned, and the need to achieve financial sustainability. However, through this evolution, women workers in the informal economy continue to be at the center of the insurance program, and their needs and inputs will continue to guide and shape it.

Endnotes

- 1 Ramani, 2013.
- 2 ILO, 2002.
- 3 Sankaran & Madhav, 2011.
- 4 Chen, 2012.
- 5 India Labour Market Profile, 2014.
- 6 *ibid*
- 7 <http://www.firstpost.com/business/can-nregas-success-be-replicated-in-urban-areas-as-well-to-create-robust-infrastructure-2608338.html>
- 8 Rural obligations are given in terms of a percentage of premiums for all types of insurance, whereas social obligations are given in terms of the number of lives covered for life and non-life insurance.
- 9 IRDA, 2015.
- 10 Chatterjee and Ranson, 2006.
- 11 Borrowing for medical expenses is especially high in South Asia, especially among the poorest households. According to a 2015 World Bank report, 20 percent of adults in South Asia reported that they borrowed money to cover medical expenses.
- 12 The draft National Health Policy 2015 put out by the Health Ministry of India says that 63 million persons face poverty annually due to catastrophic health expenses.
- 13 Arnold and de Cosmo, 2015.
- 14 Chatterjee, 2016.
- 15 Thakur et al, 2009.
- 16 Doss et al, 2015.
- 17 Life expectancy for women in India is 68.2 years, compared to 64.7 for men according to the World Health Organization's 2013 estimates.
- 18 This has come up in several discussions with SEWA's members.
- 19 Doss et al, 2015.
- 20 Banthia et al.2009.
- 21 FGD Gomtipur, Ahmedabad city, May 2, 2016.
- 22 IFC, 2015.
- 23 Cognizant, 2014.
- 24 Life insurance and non-life insurance was offered by separate companies.
- 25 Oza, 2013.
- 26 Used for making beedis, a local type of cigarette.
- 27 Chatterjee and Ranson, 2006.
- 28 Oza, 2013.
- 29 Chatterjee, 2016.
- 30 The author would like to thank Mirai Chatterjee, Director of SEWA Social Security, the team members of the VimoSEWA Cooperative, and clients of VimoSEWA for all their support in writing this case study.
- 31 Brown, 2001.
- 32 Member FGD Gomtipur, Ahmedabad city, May 2, 2016.
- 33 *ibid*
- 34 FGD Ahmedabad city Aagewans May 2, 2016.
- 35 Oza, 2013.
- 36 Chatterjee, 2016.
- 37 The Hindu, August 24, 2014.
- 38 According to an aagewan in Ahmedabad city, men are reluctant to have their wives as joint account holders. A woman therefore needs to have her own bank account to receive a claim cheque.
- 39 Interview Mirai Chatterjee.
- 40 IFC, 2015.
- 41 *ibid*.

References

- Arnold, M. and Sergio de Cosmo. "Building Social Resilience: Protecting and Empowering Those Most at Risk. Global Facility for Disaster Reduction and Recovery." The World Bank. (2015).
- Banthia, Anjali, Susan Johnson, Michael J McCord and Brandon Mathews. "Microinsurance that works for women: Making Gender Sensitive microinsurance programs." ILO (2009). Available at: http://www.ilo.org/public/english/employment/mifacility/download/mpaper3_gender.pdf
- Brown, Warren. "Microinsurance – the risks, perils and opportunities." Small Enterprise Development 12(1) 11–24 (unknown).
- Chatterjee, Mirai and K. Ranson. "SEWA Social Security: Organizing women workers for insurance and health services, in Social Protection and Inclusion: Experiences and Policy Issues." ILO-STEP (2006).
- Chatterjee, Mirai. "VimoSEWA-Background." (2016).
- Chatterjee, Mirai. "Priority-Setting in VimoSEWA Insurance Cooperative of the Self-Employed Women's Association, SEWA, India." Keynote Address presented at the Prince Mahidol Award Conference (2016).
- Chen, Martha Alter. "The Informal Economy: Definitions, Theories and Policies." WIEGO Working Paper No. 1 (2012).
- Cognizant. "Health Insurance Evolution in India: An Opportunity to Expand Access" Cognizant Insights 20–20 (2014). Available at:
- Doss Cheryl et al. "Shocks, Assets and Social Protection: A Gendered Analysis of Ecuador, Ghana, and Karnataka India." UN Women New York (2015)
- International Finance Corporation (IFC) and AXA. "She for Shield. Insure Women to Better Protect All." (2015). Available at: http://www.ifc.org/wps/wcm/connect/a2d8348049d01b0c82a5a3e54d141794/SheforShield_Final-Web2015.pdf?MOD=AJPERES
- ILO. "Women and Men in the Informal Economy: A statistical picture." ILO Geneva (2002).
- ILO. "Vimosewa's resurgence: increasing outreach and managing costs in a voluntary standalone micro-insurance programme." Micro-insurance Paper 25 (2013). Available at:
- Insurance Regulatory Development Authority of India (IRDA). "Annual Report 2014–2015." (2015).
- Oza, Arman, A. Dalal and J. Holtz. "VimoSEWA's Resurgence: Increasing Outreach and Managing Costs in a Voluntary Stand-Alone Microinsurance Programme."s ILO Microinsurance Paper No. 25 (2013).
- Palmer, Allegra. (2014). An Unintended Secret: Microinsurance in Morocco. Available at: <https://www.womensworldbanking.org/news/blog/unintended-secret-microinsurance-morocco/>
- Ramani, Shyama V., A. Thutupalli, T. Medovarszki, S. Chattopadhyay and V. Ravichandran. "Women in the Informal Economy: Experiments in Governance from Emerging Countries." United Nations University Policy Brief No. 5 (2013).
- Sankaran and Madhav, 2011.
- Thakur, Sarojini T., C. Arnold and T. Johnson. "Gender and Social Protection, in Promoting Pro-poor Growth: Social Protection." OECD (2009). Available at: <https://www.oecd.org/dac/povertyreduction/43514563.pdf>

DRAFT



Empowering Women through Health Insurance: Lessons from RSBY in India

Gabriela Renteria Flores, GIZ Indo-German Social Security Programme

The content of this paper represents the opinion of the author(s) and does not necessarily reflect the position of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

Introduction

Women and men deal with different health needs and risks, arising from biological demands and socially constructed norms. From a health-gender equity perspective,¹ the target is to enable both men and women to fulfill their health potential according to their needs. However, guaranteeing equal access will still require further effort. Social health protection plays a role in mitigating barriers to health care, and can contribute to closing gender gaps by empowering women. This case study describes the role of the Rashtriya Swasthya Bima Yojana (RSBY) in the provision of social health protection for women. As India's health insurance scheme, RSBY is one of the world's biggest health insurance providers, and provides coverage to approximately 120 million beneficiaries.

The Context

Gender is related to the establishment of power relationships, which are usually uneven and hierarchical. In a largely patriarchal society like India, such roles and preferences might have an impact on the gender-driven provision of goods and services. These imbalances determine women's life chances, and therefore their wellbeing.²

In India, despite the established legal framework for protection of women's rights, the gap between the ideal and reality remains large. Cultural and societal norms are strictly adhered to and at times restrict these rights. India's gender equality rank on international comparisons is very low. According to the Human Development Report 2015, India is 130th in the Gender Inequality Index, out of 155 countries.³

The lower status of women is reflected in many different aspects of society. The norms and values of the patriarchal society are deeply entrenched, and they manifest in both public and private spheres. For example, women only hold 12.2 percent of the seats in Parliament, and women's labor force participation rate is only one-third of the rate for men (27 and 79.9 percent respectively).⁴ Furthermore, the women's incidence in the informal sector is higher than men, and literacy rates are 74 percent for women compared with 88 percent for men.⁵ In relation to maternal mortality rates, India ranks 129th out of 188 countries, with 190 deaths per 100,000 live births.⁶ The child sex ratio is also skewed towards a preference for males.⁷

Gender disparities and the low status of women in India can be intensified when combined with other aspects of discrimination, such as ethnicity, age, religion, marital status, or disability. Based on this, it is important to consider 'Gender Mainstreaming' when designing policies to address gender gaps.

Importance to Women

The lack of social protection is a great threat to a nation's people. This is particularly hazardous in a country like India, where around 90 percent of the population is informal workers. This issue is especially threatening for women, because as mentioned earlier, female participation in the labor force is low, and usually consists of low-paid jobs or informal work. Women are therefore less likely to be covered by formal social security than men.

The lack of social security leaves households unprotected against catastrophic expenses, such as those related to health. Social protection floors are recognized by the ILO as an important tool for promoting equal opportunity and gender equality. Providing insurance against financial burden arising from unexpected health expenditure is one of the major challenges in health social security.⁸

According to the World Health Organization, India has one of the lowest expenditures on health in the world, at around 3.8 percent of its GDP. Around 70 percent of this is private expenditure. Out-of-pocket expenditure makes up around 87.2 percent of all private expenditure on health; this is one of the key factors leading to poverty. In India around 60 million people are being pushed into, or deeper into, poverty due to unexpected health expenditure.¹⁰

Men and women accessing health care share common barriers, such as the availability of services, financial issues, quality, etc. However, these barriers can be intensified by gender, or by different needs.

A study carried out under the umbrella of the Indo-German Social Security Programme identified the barriers that people encounter when seeking health care, and concluded that they are reinforced by gender. Some of the principal obstacles are related to accessibility, availability, affordability, and acceptability.¹¹

- **Accessibility** denotes the convenience to obtain the services (e.g. geographical distances), the infrastructure required to reach it, waiting time, etc. This barrier is intensified for women from a cultural perspective. They may face limited mobility when traveling on their own, and concerns regarding their safety are also involved—they are more dependent on the consent and accompaniment of their husband. For example, only one third of women between the ages of 15–49 years are allowed to travel unaccompanied to places outside of their community.¹²
- **Affordability** (or financial constraint) includes the direct and indirect costs of seeking health care (e.g. out of pocket expenditure), and costs of transportation. Indirect costs include the time spent in transportation and at the medical facilities, which reduce the time available for housework. Affordability is a barrier that is particularly reinforced by gender; it involves power disparities since women have low access to, and control over, financial resources.
- **Acceptability** refers to the degree up to which the services are congruent with the context. In this case, as mentioned, women tend to have lower educational status, and when trying to access to health care, they could face administrative procedures in hospitals that would be difficult for non-literate persons.
- **Availability** addresses not only the existence of the service needed, but also the availability of skilled health care providers, medicines, other services and facilities, and their adequacy. At this point, it is important to highlight that the availability of skilled female doctors is an important factor for women who are seeking health care. From a cultural perspective, women might feel uncomfortable being treated by male physicians, which would affect their behavior towards health care. This is also related to the barrier of acceptability, in the sense that a lack of female providers is not congruent with the cultural perspective.

Underlying double sources of discrimination, gender, and age play an important role. For example, health risks and healthcare needs increase for elderly women. It has been suggested that the conditions of older women are worse due to their likelihood of being widowed, poor, and suffering from poor health.¹³ Furthermore, older women are more prone to arthritis, hypertension, anemia, dementia, depression, and other illnesses.¹⁴

These aspects of women's status (low literacy, low bargaining power, preference given to other members of the family, and access to resources) usually lead to underestimation of women's health problems, which therefore affects their behavior when seeking health care.

The Learning Curve: Development and Implementation

There have been other attempts to intervene in women's health, but they did not improve women's health status as desired. Furthermore, there is no insurance in place that covers women against out-of-pocket medical expenses.

RSBY Implementation

In 2008, the Government of India launched RSBY, a national health insurance scheme for families living below the poverty line. It provides health care through over 10,000 public and private hospitals across India. RSBY is one of the world's largest health insurance schemes, and provides coverage to over 40 million poor households and around 120 million people. Over ten million hospital cases have been covered so far, protecting informal workers and their families from catastrophic private health expenditures that would push them deeper into poverty. It has been implemented in 28 states and union territories so far. The GIZ Indo-German Social Security Programme has been working with the government on the design and implementation of the RSBY.

RSBY is a public-private partnership, where program implementation and the definition of eligible families lies with the states and union territories authorities. Private and public insurers both act as contractors and payers for services. Insurers enroll beneficiaries, empanel health facilities, and settle hospital claims.

RSBY covers up to Rs. 30,000 annually for hospitalization, for a maximum of five members of the household. Central and state governments subsidize the insurance premium, so beneficiaries only have to pay a nominal fee of only Rs.30.

Some of the key factors of its success are the cashless, paperless, and portable features. RSBY uses sophisticated IT technology based on biometric-enabled smart cards, providing a cashless and paperless way of claiming access to health services. When households register, they are issued a biometric smart card containing their fingerprints and photos. This card is provided on the spot by insurance companies at enrollment centers. The card can be used to obtain treatment in any public or private participating hospital across India. At no time do beneficiaries have to pay for services or fill out any forms.

The RSBY has been considered by the World Bank as "one of the most promising efforts in India" and "a model of good design and implementation with important lessons for other programmes in India."¹⁵ The International Labor Organization recognized it as one of the 18 most successful schemes for providing social protection.

Addressing Barriers

The special features of the scheme are particularly important in addressing the barriers that women face in accessing healthcare. Given the different challenges that women face, it is evident that special emphasis should be given to assure that women are included in RSBY. To this end, a feature in the software made it mandatory to enroll women as spouses. Even though this feature does not automatically mean that more female members will be enrolled, it helps to improve enrollment of women overall. Furthermore, RSBY covers up to five members in a household, matching with the Indian average family size of 5.3 members. This decreases the likelihood of particular members of a household being denied the provision of the services.

One of the goals of RSBY is to improve access to health-care, and to this end the benefits of this health insurance scheme can be availed in any empaneled healthcare facility across India (more than 10,000 public and private hospitals are empaneled). Maternal health care services are included part of the RSBY's benefits package, but antenatal and postnatal care services are not included.

The RSBY makes use of smart cards containing information that allow for easy identification of the family members (biometrics and photos); this is thought to reduce options of fraud. It also makes it easier to obtain services, because with the use of the smart card the transactions are paperless. This feature helps to mitigate barriers related to low literacy, as a component of acceptability.

Using the RSBY card, all transactions are cashless and do not require any payment from the beneficiaries. This directly overcomes financial barriers, in particular for women who do not have control over household resources. Furthermore, the RSBY includes as part of the benefits transportation costs of up to Rs. 1,000 per year (Rs.100 per hospitalization). This feature means that women do not have to depend on the financial consent of their husbands, as seeking healthcare does not necessarily imply any financial burden.

Even when a man is listed as head of the household, women can be more independent regarding health decisions. As the use of the smart card can be individual, women do not depend on the consent of their husbands to seek health care. In a sense, the RSBY expands the possibility for women to make strategic life choices by overcoming some of the barriers faced without the RSBY card. The program enhances women's decision-making power, controlling financial resources in terms of seeking healthcare.

Results

Enrollment

The pattern of women's enrollment in RSBY is encouraging. According to data provided by the Ministry of Labor and Employment, the share of women in total enrollments increased from 39 percent in 2009 to 45 percent in 2013. Some targeted campaigns were carried out to promote the use of the smart card, and these appear to have had a positive impact on increasing women's enrollment levels.

Hospitalization

Enrollment, however, does not guarantee the use of health services and facilities; it is only a means to achieve the end: access to health care. Hospitalization rates can be viewed as an indicator of access to health care. With RSBY, the share of women among beneficiaries who have used the service has risen from 46 percent to 51 percent in five years.

Initiatives

In 2013, in an effort to address social inequities and power imbalances, the state of West Bengal decided to issue RSBY Smart Cards to women as head of households on a pilot basis. This pilot was only implemented in some districts of the state. It has been a landmark initiative, which, in a way, has changed the paradigms within the household, at least with respect to the decision to access health care. The measure started in December 2013, and by March 2014 more than 3.5 million families had Smart Cards with women listed as heads of households.

Civil Society Participation

Civil Society Organizations have collaborated with RSBY by creating awareness and promoting the scheme and its benefits. Some examples are VimoSEWA (Self Employed Women's Association) through their aagewans,¹⁶ and the Poorest Areas Civil Society (PACS) through their mitras.¹⁷ These examples have helped eligible members to enroll in the scheme, and have helped smart card holders to access to RSBY services.

The Future: Further Implications and Lessons

There is substantial evidence of gender inequalities in India; particularly related to health. Efforts to implement health insurance schemes such as RSBY, which aim to improve access to health care, do not tackle gender issues directly.

An equitable approach to health aims to ensure equal access to women and men's needs. Evidence shows that RSBY has had a positive impact on access to health care for households. This is particularly true for women, who can change their health-seeking behavior by being less dependent on their husbands.

Empowerment occurs with the realization of women's right to seek for and access health care. RSBY intends to tackle some of the restrictions that women face in seeking for health care. However, there is still potential to further enhance RSBY's gender-sensitivity and support women's empowerment.

RSBY introduces innovative features that make it easier for women to access benefits, and these features address some of the main barriers women face when seeking for health care. The scheme is cashless and it covers costs of transportation, which allows it to tackle affordability barriers. It also provides information about empaneled health care facilities, and the benefits of the program help to overcome the availability barrier, as the beneficiaries identify the facilities that are more convenient for them. Moreover, the smart card is portable, and the benefits can be obtained in empaneled hospitals throughout India. Finally, literacy barriers are addressed with the paperless feature.

There are other design and implementation challenges to be examined however, in particular with a gender-focused strategy.

- **Special attention should be given to women during enrollment and awareness campaigns.** In particular focus should be directed at those who face double vulnerability characteristics; i.e. widows, disabled women, the elderly, etc.
- **General health educational campaigns could increase awareness.** These campaigns can be a way to involve potential beneficiaries. Targeting them at women could bring focus to the importance of seeking health care. Information is a powerful key when it is used correctly. Therefore, campaigns should be specifically focused, and should contain clear and easily accessible information for the target population, taking into account factors such as low levels of literacy of women.

- The government of India has in place some maternal and child health activities, which could be linked to RSBY as a way to generate awareness of the program and its benefits. With associations in that regard, the information could be delivered to more potential beneficiaries of RSBY.
- Complement the basic scheme with additional packages that specifically address women's needs. Furthermore, there special attention should be placed on packages for sexual and reproductive health.
- Active participation of civil society should be encouraged. This would help promote women's rights and increase awareness of the scheme and its benefits.
- From the supply side, it is important to promote competitiveness amongst insurers to generate more efficient and effective services.
- In line with the ILO's recommendations,¹⁸ gender-disaggregated information should be regularly collected, compiled, and analyzed. The implementation of a monitoring and evaluation system with gender-disaggregated measurements should give information to identify gender disparities. Some of the dimensions should cover the provision of services, and the quality and appropriateness of services, among others.
- Incentives for health care of the elderly should be examined. These provide extra benefits that make their health care seeking behavior more attractive.

Endnotes

- 1 Following the terms used in the Madrid Statement on gender mainstreaming in health policy: "gender equity means fairness and justice in the distribution of benefits, power, resources and responsibilities between women and men. The concept recognizes that women and men have different needs, power and access to resources, and that these differences should be identified and addressed in a manner that rectifies the imbalance between the sexes." (WHO, 2002, p.3)
- 2 Socially constructed roles, behaviours, activities, and attributes that a given society considers appropriate for men and women.
- 3 UNDP, 2016.
- 4 UNDP, 2015.
- 5 UNICEF Statistics.
- 6 UNDP, 2016.
- 7 Hausmann, 2014.
- 8 ILO, 2012.
- 9 WHO, 2015a.

- 10 Nandi et al. 2014, Draft of National Health Policy, 2015.
- 11 Cerceau, 2012.
- 12 Holmes et al, 2010.
- 13 Kalavar & Jamuna, 2011.; Sen & Oestlin, 2009.
- 14 Joshi, Kumar, & Avasthi, 2003; Sinha, Shrivastava, & Ramasamy, 2013; Wu et al., 2015.
- 15 Press Information Bureau India, 2011.
- 16 Local women leaders.
- 17 Friends - volunteers, selected by their communities.
- 18 ILO, 2012.

References

- Cerceau, S. (2012). Gender equality in access to health care: The role of social health Protection. A case study on India's national health insurance scheme RSBY. Working paper, GIZ.
- Hausmann, R. (2014) "Gender Gap Report 2014." World Economic Forum, November 2014.
- National Health Policy 2015. Draft, Ministry of Health and Family Welfare Government of India. 2015. Accessed 20 April, 2016. Available: <http://www.mohfw.nic.in/showfile.php?lid=3014>
- Press Information Bureau India (2011) Available at : <http://pib.nic.in/newsite/efeatures.aspx?relid=69262>
- UNICEF Statistics. Available at: http://www.unicef.org/infobycountry/india_statistics.html
- United Nations Development Programme. Human Development Report 2015: Work for Human Development. Available at: <http://hdr.undp.org/en/composite/GII>
- World Health Organization (2015) World Health Statistics. Geneva: WHO. Available at: http://www.who.int/gho/publications/world_health_statistics/2015/en/
- World Health Organization (2015b). Trends in maternal mortality: 1990 to 2015. Available at: <http://data.unicef.org/resources/trends-in-maternal-mortality-1990-to-2015.html>

DRAFT



Women's World Banking

Inclusive Microinsurance for Women: Jordan

Kathryn Glynn-Broderick, Women's World Banking

Introduction

Serious illness is the number one risk faced by poor households around the world.¹ Drawing down savings, borrowing, and selling productive assets are coping strategies most often used by low-income households to address health shocks – but these are usually inadequate and can lead households to fall into poverty (Cohen and Sebstad. 2003). Access to formal risk management products may enable poor people to better cope with the financial shocks resulting from ill health, but access to health insurance products remains low in the developing world (Roth, McCord and Liber. 2007). In fact, globally, research suggests that health insurance is the most highly desired microinsurance product (Roth, McCord and Liber. 2007).

Women comprise 70% of the world's poor. They typically have a lower income than men and have less ownership and control of property, yet they tend to be the primary caretaker for their families and utilize their earnings to improve the care and standard of living in their household.

These factors contribute to women's need to manage health-related risk, making them ideal clients for companies trying to tap into the low-income market.

In 2010 Women's World Banking partnered with Microfund for Women (MFW) to create Jordan's first health microinsurance product to directly address the costs associated with clients' hospitalization. "Caregiver" (or Ri'aya in Arabic), an insurance policy that provides a cash benefit after hospitalization, is designed for a client's range of needs: from transportation to the hospital or replacement of lost revenue while their businesses have been closed.

This case study provides insights into MFW's decision to develop a health microinsurance product, the design and development of Caregiver, and effect that this cash benefit has had on clients over the last the five years. Further, it highlights lessons learned by Women's World Banking about women's health and health insurance needs and how the experience of Caregiver can be applied to similar markets.

The Context

The development of a health insurance product that meets the needs of clients, especially women, requires an understanding of the healthcare environment. This includes the extent of coverage, quality, points of healthcare access, and gaps in health insurance products being offered.

Jordan is a middle income country with a population of almost 6.5 million people. The health system is a complex consisting of both private and public programmes. It is estimated that 70 percent of the population is insured, of which 8.2 percent are enrolled under more than one health insurance scheme. The two major public programmes that finance, and deliver medical care are the Ministry of Health (MOH) and Royal Medical Services (RMS). The MOH "Civil Insurance Program" CIP offers affordable healthcare, focusing on the poor, disabled and other high-risk categories. Among the uninsured population, the majority have full access to health care through the Royal Court if they have a national identification number and are classified as "unable to pay." All other uninsured Jordanians and non-Jordanians have access to subsidized health care services provided by MOH facilities, which are distributed across the country.² Despite widespread healthcare and insurance options, expenditure on health-related illnesses and care is still pronounced, with nearly 69 percent of the private expenditure on health in Jordan being out-of-pocket.³

Since its inception in 1994, MFW has played a significant role in microfinance in Jordan, and has expanded to over 125,000 clients, of whom 96 percent are women.⁴ MFW recognized the need among clients to access affordable health microinsurance to cover the income shocks during health emergencies. With experience in microinsurance and a trusted history in Jordan, MFW was poised to create an offering that fulfilled the needs of women clients, and Women's World Banking stepped in to help.

Importance to Women

In late 2009, Women's World Banking co-authored a paper regarding gender-sensitive microinsurance for women clients based on extensive in-house research in more than 15 countries. The findings indicated the importance of gender to health outcomes. Women's vulnerable health status is driven both by nature (heightened risks associated with pregnancy and childbirth and greater susceptibility to infection) and by custom (gender-based discrimination, lower economic status that leads to lower health-seeking behaviours). Yet, the majority of microinsurance available in Jordan precluded care for many of women's health concerns.

Women are both in need and a highly relevant market segment. Women's World Banking research has shown that women are more immediately concerned about their families and extended communities than men, so access to a microinsurance policy is likely to benefit not only the client herself, but also her community. This builds a very compelling case for financial service providers—including insurers, intermediaries (such as MFIs and others) and development organizations—to invest in microinsurance for women.

Health microinsurance is an urgent need for low-income women entrepreneurs because:

- As self-employed entrepreneurs, usually in the informal economy, they are not covered by public social security schemes;
- Their own labour is effectively their biggest asset;
- They often live in conditions that leave them more vulnerable to illness and injury due to poor sanitary conditions, hazardous work environments, and primitive infrastructure; and
- They lack the financial resources to respond quickly to health emergencies.

Traditional risk management strategies that women use to cope with crises can involve long-term sacrifices that perpetuate the cycle of poverty. Women may use business profits to offset emergency needs instead of using them for long-term growth or investment in their business. Any health episode can quickly exhaust savings and, force a family to sell off assets, often for a fraction of their worth, destroying future earning potential to meet current needs. The need to provide women with healthcare and the means to pay for it is therefore acute.

Healthcare costs can be disastrous to the business and family. Through more than 35 years of market research with women around the world, Women's World Banking has learned that healthcare costs often exert the most financial pressure on low-income families. Meeting the costs of an unexpected health emergency is the most common reason women give for having to liquidate or de-capitalize their businesses. These circumstances only serve as a catalyst for moving further into poverty, depriving families of the tools they once had to generate revenue. Given the negative impact a health emergency can have, microinsurance has tremendous potential to provide security and stability to a low-income household.

In 2007, Women's World Banking conducted a series of comprehensive qualitative analysis in Jordan that showed that poor women have specific needs that make it difficult to design profitable insurance products. **One clear message emerging from original focus group discussions concerned the importance of maternity care to those women.** However, many health microinsurance products exclude pregnancy, citing the high costs caused by adverse selection.

Developing Caregiver

Social protection schemes are not sufficient. Through the research, Women's World Banking found that even clients covered under some form of social insurance scheme were incurring high out-of-pocket expenses in transportation, medicines, and bribes at government hospitals. In any health emergency, the clients were missing days from work resulting in loss of income as an indirect cost of health emergencies.

As a result of the research findings, Women's World Banking and MFW learned two things:

- 1) **as resource managers and caregivers, women present a strong business case for insurance companies; and**
- 2) **microinsurance could offer a promising alternative for poor women to manage risk and use their assets more productively.**

The challenge, however, would be creating a microinsurance product that meets the needs of low-income women, minimizing operating costs, and keeping premiums affordable. The idea of Caregiver was conceived as a product to supplement existing government insurance, as well as an income replacement tool. Therefore, a critical feature of the product was to pay a fixed compensation for each night that the client was hospitalized. It was a simple, yet compelling proposition aimed at encouraging women to prioritize their own health and seek medical care when required.

The process of finding partners. Women's World Banking and MFW started discussions with local insurers to identify partners. As private microinsurance was a new concept in the market, insurers had no knowledge or experience of working with the target segment. Although a few insurers expressed interest, it was challenging to find the right insurance partner. MFW had to break ties with the first insurer and reach out to another insurance company to underwrite the product. This second insurance company, Jordan Insurance Company, which has now proven to be a successful partner for the Caregiver mission.

Initial Pilot Success

Simple and focused. MFW and Women's World Banking decided to start small and simple. Operating processes, policy terms and conditions, and claims procedures were all designed to be easy to understand, both for field staff and clients. Ease of implementation was a critical consideration. The challenge for selecting the pilot site was that it should be one site rather than multiple sites (to allow for intensive, ongoing monitoring without having to field multiple research teams) but that site should be large enough to yield significant data.

One important factor in Caregiver's start-up success was to make the insurance product mandatory with all new loans. This solved several problems, including allowing the product to reach scale (important for insurance products to reach solvency and sustainability) and reduce anti-selection risk. By making the product mandatory, it also increased the pressure to demonstrate the value of insurance by responding to clearly stated customer priorities such as the maternity coverage.

Client response and performance was monitored. Once the Caregiver product launched, client feedback was immediately positive, especially about the inclusion of pregnancy coverage. This would ultimately account for half of all claims filed during Caregiver's first two years. But in general, clients reported that they found the Caregiver programme both beneficial and easy to use. MFW and Women's World Banking designed the Pilot Protocol monitoring framework and briefed staff on its key features well before Caregiver launched.

Performance evaluation is important as it provides insight into how the new product is performing and helps shape that performance. For MFW, using simple metrics helped advance the internal organizational cultural change already underway within the institution.

Implications and Learnings

Five Years Later: Outcomes for women clients

MFW grew steadily between 2010 and 2015, reaching 125,000 clients. Currently, MFW disburses group loans of under 500 JOD (about US\$700) to over 80 percent of its clients, as well as a much smaller number of individual loans of over 1,000 JOD; most loans average 12–16 months in duration. The client base is 96 percent female, and all group loan clients are women.

Five years after the successful launch of the Caregiver product, after thousands of clients renewed loans and made claims, Women's World Banking investigated the effect that the Caregiver product has had on women's livelihoods. The product was established to specifically address costs and reduce burden associated with hospitalizations, specifically for women entrepreneurs. Women's World Banking conducted a mixed methods study to understand if initial intent had been realized. Employing rigorous quantitative and qualitative data, the specific research questions were formed to directly measure the outcomes associated with the Caregiver product:

Analysis of both quantitative and qualitative data sources revealed claims behaviors and patterns among women⁵ who had their own income-generating business and both (a) took out a loan for business investment purposes and (b) submitted claims against the Caregiver. Women's World Banking was able to investigate the effect of specific outcomes on women's livelihoods, many of which demonstrated a positive effect. Women who utilized or accessed the Caregiver product:

- Made loan payments on time and avoided additional debt. Once clients receive their insurance claim check, they applied funds towards loan repayments.
- Maintained overall consumption. The Caregiver claim was useful to pay for food for some women and their families, as well as transportation costs while she was hospitalized.
"I have military insurance but didn't have money when I was hospitalized, there was nobody to cook so I needed to buy readymade food for kids and transportation."
- Used the product for health-related expenses. Some women used the Caregiver claims benefits to purchase medicine or comply with medical dietary requirements.
"I would not have been able to pay. Would have gone without medicine. Very important to get that medicine, need to buy from outside (of hospital) which is expensive."
- Had greater financial literacy and skills. Some women understand insurance as a concept, as well as the product terms and conditions. Other women understood the costs and benefits associated with the product and loan.
- Had an enhanced perception of themselves. A majority of women with income-generating activities who have accessed credit and Caregiver have a strong sense of self-confidence as well as vision of their future.
"When you have money, you can use your own money and not depend on husband. I can go to hospital for treatment. Not wait for his money."
- Made more decisions for herself and her family. Majority of women with income-generating activities who have accessed credit and Caregiver have an increased perception of her decision-making within their household.
"When a woman has money, she's strong in everything. If you have an opinion and your husband has an opinion, you can talk to him. 'Money is strength.'"

Implication of Findings through a Women's Empowerment Framework

The empowerment of women and the improvement of their political, social, economic, and health status is an important end in itself. Bringing private, public and NGO sector attention to this interest and investment can contribute to increasing social and economic returns for all. Women's World Banking research seeks to understand how financial and non-financial services contribute to the empowerment of women. Women's World Banking has adapted Kabeer's⁶ framework and definition of empowerment as "the process by which women take control and ownership of their lives through expansion of their choices." This analysis was grounded using Martha Chen's four dimensions of women's empowerment:⁷

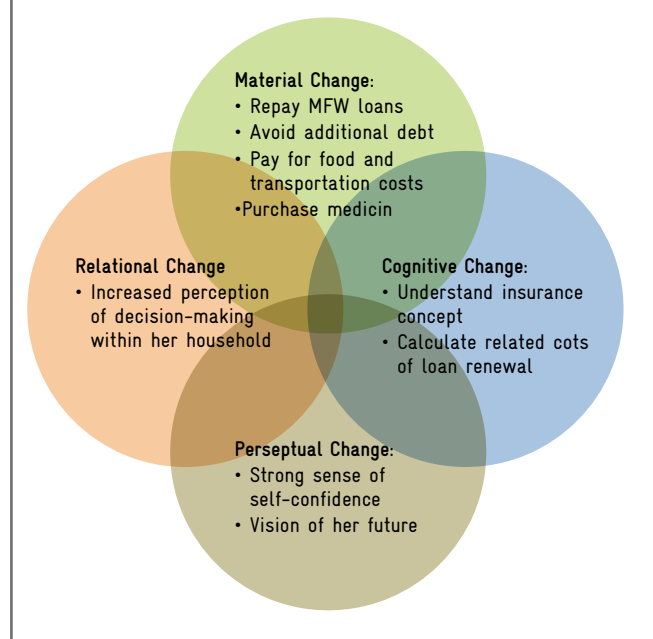
The findings from this research clearly demonstrate alignment along the four key dimensions of empowerment, with positive results in women's livelihoods a result of their own income-generating business as well as access to MFWs suite of financial and non-financial services, including Caregiver, as shown in Figure 1.

Demonstration of effect. The lessons from this outcomes research, focused through the lens of women's empowerment, has illuminated not only the business case for offering specialized products to women, but also the significant implications and effect an affordable and obtainable product can have for individual women, their families, and their community.

Implications for Women's World Banking Investment in Microinsurance

As a result of the success of Caregiver, Women's World Banking has been working with network partners to launch both individual and family health insurance products bundled with loans in several institutions around the world, including both Egypt (launched November, 2015) and Uganda (launched February, 2016). Moreover, in Jordan, MFW has expanded the individual health insurance products to include family members (payments for nightly hospital stays for spouses and children as well as the woman client) and has also begun piloting individual policies. The lessons from this, and related, outcomes research will help inform future product design and innovative evaluation techniques.

Figure 1: Outcomes related to the four dimensions of Chen's Empowerment Framework



Endnotes

- 1 Cohen and Sebstad, 2003; Perveen and Khuwaja, 2016.
- 2 See World Health Organization, 2016.
- 3 World Bank Data, 2015.
- 4 Microfund for Women's website.
- 5 Quantitative analysis based on 5 years of administrative data from MFW; qualitative analysis based on individual interviews and focus groups (totaling 78 respondents; all women).
- 6 Kabeer, 1999.
- 7 Chen and Mamud, 1995.

References

- Cohen & Sebstad. 2003. Reducing Vulnerability: The Demand for Microinsurance.
- Cohen, Minique, Michael J. McCord, and Jennefer Sebstad. 2003. "Reducing Vulnerability: Demand for Supply of Microinsurance in East Africa." MicroSave. Available at: http://staging.microsave.net/files/pdf/Reducing_Vulnerability_Demand_for_and_Supply_of_Microinsurance_in_East_Africa.pdf
- Perveen, S., & Khuwaja, H. M. A. 2016. 'The role of micro health insurance in providing financial risk protection in developing countries- a systematic review.' BMC Public Health 16: 281. Available at: <http://doi.org/10.1186/s12889-016-2937-9>
- Roth, Jim, and Michael J. McCord, and Dominic Liber. 2007. 'The Landscape of Microinsurance in the World's 100 Poorest Countries.' MicroInsurance Centre. Available at: <https://www.google.com/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=Roth%2C+McCord%2C+%26+Liber%2C+2007>

Web Links

http://microfund.org/jo/Public/English.aspx?Site_Id=1&Page_Id=491&M=5

DRAFT



Women in Inclusive Insurance Markets: The Case of Mutuals in the Philippines

Antonis Malagardis, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

The content of this paper represents the opinion of the author(s) and does not necessarily reflect the position of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

Introduction

Addressing the risk-protections needs of Microfinance Institutions (MFI) clients' have served as the catalyst for the growth of the micro-insurance industry in the Philippines today. Recognizing these needs, a number of Microfinance Institutions (MFIs) have begun to provide micro-insurance to their clients. They have done this by entering into partner-agent arrangements with commercial insurance companies, and/or by organizing mutual benefit associations (MBAs) for their clients. Moreover, several savings and credit co-operatives have entered into partnership arrangements with cooperative insurance societies.

Just as women comprise a sizable proportion of micro-finance clients in the Philippines, they also currently represent a large majority of the micro-insurance clients in general, and specifically, a large proportion of MBA members. Furthermore, cooperative insurers (CIS), another type of mutual insurer, also cater to significantly high numbers of female clients in the market.

These focus notes explore the importance of mutual organizations in meeting the risk protection needs of women. They also identify specific challenges in meeting gender-specific risk protection needs, based on a mutual approach. They also provide challenges and recommendations for ensuring that the risk protection needs are appropriately addressed.

Gender Approaches used by Mutual Organizations in the Philippine Insurance Market

Women comprise the main client base of MBAs and play a significant leadership role in MBAs¹ in the Philippines. As an organization that is comprised mainly of women, MBAs meet the risk protection needs of women, particularly those in the rural and semi-urban areas. MBAs are formal insurance organizations that are regulated and supervised by the Insurance Commission. They are required to obtain a license before beginning operations and to renew this annually, depending on the results of the annual examination conducted by the Insurance Commission.

As of 2014, there were 34 licensed and operating MBAs in the country. Of these, 22 were specifically dedicated to micro-insurance serving about 3.1 million members and covering some 13.6 million lives, which includes the family members of policyholders. Seventeen of the micro-insurance MBAs are members of the RIMANSI network, an association of MBAs wholly engaged in micro-insurance. The network is now comprised of 17 Micro-insurance (MI) MBAs that cater to 2.5 million members covering about 10 million insured lives, compared to only one MI-MBA consisting of 28,000 members in 1999. MI-MBA licenses are reduced, as they are only allowed to sell life micro-insurance and to operate within the micro-insurance space (i.e., their products are limited to the definition of MI as per the definition of micro-insurance in the insurance law 2013). While it is observed that members of the MI-MBAs are mostly women, there is no specific data available on this at the level of the Insurance Commission. The Insurance Commission does not currently collect sex-disaggregated information on insurance statistics. However, in 2014, RIMANSI reported that nine out of 10 members of their partner MBAs are female.² This confirms the results of some studies that have shown that women as homemakers and household finance managers decide on the allocation of household resources, to protect themselves and their families against risks by using the services offered to them.

Since MBAs are member-based organizations, women play an active role in the management and operations them. Further, the Board of Trustees is mainly comprised of women-members. Micro-insurance MBAs, particularly those that are members of the RIMANSI MBA association, assign women-members to act as center leaders. Center leaders are responsible for the collection of monthly contributions from members. These leaders also vouch for the veracity of claims and deliver benefits to members on behalf of the MBA when a contingent event happens. Center leaders also recruit new members into the MBA. Those recruited by women-members promote the value of being a member of an MBA in their neighborhood.

Cooperative Insurance Societies (CISs)³ serve the insurance needs of women. There are two CISs in the country, both of which have obtained commercial insurance licenses.⁴ Cooperative Insurance System of the Philippines (ICISP) has a commercial life insurance license, while Coop Life Mutual Benefit Services (CLIMBS) has a composite insurance license that allows it to engage in the provision of both life and non-life insurance products. Both organizations pride themselves on the fact they provided grassroots insurance, a type of insurance that catered to the low-income sector long before the concept of micro-insurance was conceived.

As of 2014, there were 103 primary cooperatives that are considered member-owners of CISP and of CLIMBS. Unlike MBAs, the board of directors and management of these two insurance cooperatives are mostly male. The technical and support staff however, are mostly female.

Table 1. Data on Cooperative Insurance Societies, as of December, 2014

	Women	Men
CLIMBS		
Board of Directors	5	6
Management	1	8
CISP*		
Board of Directors	2	7
Management	0	2
Staff members	27	20
No. of insured lives under Group insurance for credit life only	15,029	8,084

*Data as of 2015 of Insurance Commission

To market and distribute its services, both CLIMBS and CISP use primary cooperatives as distribution centers. The primary cooperative markets and distributes insurance products and services to its members. As a result, CISP insured more than 23,000 lives in 2014 for credit life, with almost two-thirds being women.

Addressing Women's Needs for Risk Protection through Mutual Organizations in the Philippines

Confronted with similar needs for risk protection, women, particularly those in the lower income segment, collaborate to address their needs. The following section explains how MBAs and CISs in the Philippines meet the risk protection needs of women and how women can become drivers of inclusive insurance.

MBA and CISs provide a structure that is readily accessible and favorable for women. Women comprise the majority of MFI clients. As such, women are comfortable dealing with MBAs⁵ because the organizing MFIs have already gained the trust of women in meeting their savings and credit needs. In view of this, women appreciate and are easily convinced of their roles and responsibilities as members of an MBA or a cooperative (e.g., monthly contributions, monthly meetings, etc.). Also, as owners and managers of the MBA, women are empowered to participate in the governance and operations of the MBA.

In the case of a CIS, membership in a primary cooperative facilitates women's access to insurance. Considering the multiple roles of women as caregiver, homemaker, and household resource manager, proximity to a financial service provider that meets her various needs for financial services is very important. As rural and semi-urban grassroots and member-based organizations, cooperatives provide an accessible and affordable source of financial services for women. Since cooperatives are close to where women reside, they are aware of the specific financial needs of women (e.g., loan products for women-owned enterprises in the area). Similar to MBAs, familiarity of women with the savings and credit services of a primary cooperative facilitate easy acceptance of insurance as an additional financial service that meets their risk protection needs.

Micro-insurance MBAs customize products according to their members' needs. As member-based organizations comprised mostly of women entrepreneurs, micro-insurance MBAs are owned and managed by the members. As such, women have a voice in the design of products that are relevant to their needs. At present, micro-insurance MBAs, particularly those that are a member of the RIMANSI group, offer the following products: basic life insurance plan, credit life insurance plan, retirement savings fund, burial, hospitalization, and medical reimbursement.⁶

Membership in an MBA is family- or household-based, with dependents registering and provided with specific benefits. This is particularly helpful for women in as the MBA is able to take care of a woman's financial needs when contingent events occur, in particular when the spouse as primary earner dies. Since MBAs are only allowed to provide life insurance products, CARD, the biggest MI-MBA in the country, entered into partnership with PIONEER, a non-life insurance company, to meet the non-life insurance needs of their members (e.g., fire, accident, earthquake, typhoon, and flood). CLIMBS as a composite insurance company, provides both life and non-life products to members of primary cooperatives. As household managers, protection from risks against non-life perils is also important for women so that there is minimal disruption for their families when calamities occur.

Box 1: Example of CLIMBS Product: COOP Family Plan

Face Amount: The face amount of insurance is P 15,000 up to the maximum of P 100,000 insurance covers

BENEFITS	AMOUNT OF INSURANCE		
	Principal	Spouse	3 Children
Life insurance	P 15,000	P 15,000	Ex P 15,000
Accidental death & dismemberment	P 15,000	P 15,000	NONE
Cash burial benefits	P 5,000	P 5,000	P 5,000/ child
Hospital confinement daily benefit	P 200/day for 5 days of the current policy	P 200/day for 5 days of the current policy	P 200/day of the current
Weekly indemnity for loss of income due to accident	P 5/1000 of coverage for one week of the current policy	P 5/1000 of coverage for one week of the current policy	NONE

CLIMBS provides a product that covers the whole family. As shown in Box 1, CLIMBS sells an insurance product that provides benefits to the whole family. Considering that women have a longer life expectancy than men, products that only insure women (as MFI or co-op client) put them at a disadvantage if the husband dies without insurance. However, in the case of the co-op family plan, the wife receives benefits when a risk event happens to any member of her family (e.g., spouse or children).

Low premiums or contributions for products offered by micro-insurance MBAs, as well as by CISP and CLIMBS, meet women's needs. With relatively lower income, women, particularly those in the rural and semi-urban areas, prefer insurance products that meet their risk protection needs while considering their financial capacity. Several studies have shown that women's income is mostly spent on fulfilling the needs of her family and children, such as on food and education. Women will likely only spend money on insurance provided it is within her financial capacity. The relatively low premium on products offered by CIS and the low contribution required by MBAs address the needs of women for risk protection.

Women as owners and managers of MBAs play an important role in promoting the value of insurance for risk protection. Women in the Philippines have higher literacy rates than men.⁷ As household finance managers, women tend to be more critical and concerned about the “value for money” of any purchase. Therefore, when a woman understands the value and importance of insurance, they are likely to become clients of insurance. When satisfied with the services, women will renew their policies or remain in the mutual, or even become agents or promoters of insurance among their peers. Recognizing this, MBAs in the Philippines have designated women as center leaders who among other things are responsible for recruiting new members of the MBA.

The Way Forward: Challenges and Recommendations

While mutual organizations in the Philippines have undoubtedly served the risk protection needs of women, challenges still remain that can be addressed through focusing on the following recommendations:

- Conduct market research on the risk protection needs of women to address the gap in market research that is gender-sensitive to inform the development of innovative insurance products that are tailor-made to the specific needs of women. Women have different needs for risk protection.⁸ In view of this, it is important to know the needs of women to be able to design relevant targeted products and use appropriate delivery channels.
- Broaden product offerings of mutuals to meet both life and non-life insurance needs of members. This is to provide insurance products that meet both the life and non-life insurance needs of women. MBAs in the Philippines are only allowed to provide life insurance products. Since women and their families are also exposed to perils such as typhoons, calamities and accident, mutuals should be allowed to broaden product offerings to include non-life products.
- Regulatory authorities should require the submission of insurance information broken down by sex to respond to the lack of sex-disaggregated data and information. The information required by the Insurance Commission does not currently disaggregate data by gender. Consequently, most insurance providers do not have gender-disaggregated data and information as a part of their insurance operations. Monitoring gender-disaggregated data and information on insurance operations is relevant to determining the insurance experience by gender. By collecting this type of information, premiums and contributions may be adjusted appropriately.
- Implement a financial literacy program tailor-made to the specific needs of women for risk protection. With higher literacy rates and as de-facto household resource managers, women have a high appreciation of the risks confronting the household. As a result of this, financial literacy programs that emphasize the importance of managing household risks and that teach women the importance of insurance can further broaden insurance up-take. As leaders of mutual insurance organizations, women can serve as strong “word of mouth” advocates for inclusive insurance particularly among their peers.

Endnotes

- 1 According to the Insurance Law of 2013, (Republic Act 10607, section 403) MBAs are member-owned and member-based non-stock, non-profit organizations (e.g., society, associations) engaged in the provision of risk protection products and services to their members. An MBA is comprised of members that regularly contribute a fixed amount of money to a pooled fund, which is then used to provide benefits to members in case of death; sickness; and/or loss of employment due to old age, illness, and/or accident. MBAs are allowed to offer optional policies or other voluntary products (e.g., pension products or retirement plans).
- 2 Rimansi, 2015.
- 3 In principle, CIS or insurance cooperatives are cooperatives engaged in the business of insuring life and property of the constituting cooperatives and their members. CIS are prohibited to serve the insurance needs of cooperatives that are not member-owners of the CIS.
- 4 Cooperative insurers that opt to also serve the non-member cooperatives and the general public are required to get a commercial insurance license from the Insurance Commission. Therefore, CISP and CLIMBS are allowed to serve the insurance needs of cooperatives that are not necessarily their members or investors.
- 5 All 17 MBA members of RIMANSI are micro-insurance MBAs and were organized to serve the insurance needs of partner MFIs.
- 6 Rimansi, 2015.
- 7 Compared to men in the Philippines, women have higher literacy rates. As of 2015, the basic literacy rate of women is 96.1 percent compared to and 95.1 percent for men.
- 8 For instance, specific health risk concerns of women such as those related to pregnancy, delivery, and other gynaecological diseases vary across income classes.

References

Rimansi, 2015. RIMANSI at 10, Transformation to Greater Financial Inclusion. Available at: www.insurance.gov.ph

DRAFT



Published by:

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

Friedrich-Ebert-Allee 36 + 40	Dag-Hammarskjöld-Weg 1 - 5
53113 Bonn, Germany	65760 Eschborn, Germany
T +49 228 4460-0	T +49 6196 79-0
F +49 228 4460-1766	F +49 6196 79-1115

E info@giz.de
I www.giz.de

On behalf of:

German Federal Ministry for Economic Cooperation
and Development (BMZ)
Division 114 – Cooperation with the private sector; sustainable economic policy
Division 304 – Health, population policy and social protection

BMZ Bonn	BMZ Berlin
Dahlmannstraße 4	Stresemannstraße 94
53113 Bonn, Germany	10963 Berlin, Germany
T +49 (0)228 99 535-0	T +49 (0)30 18 535-0
F +49 (0)228 99 535-350	F +49 (0)30 18 535-2501

E poststelle@bmz.bund.de
I www.bmz.de