

# THE LANDSCAPE OF MICROINSURANCE in Latin America and the Caribbean

A study by the Microinsurance Network and Munich Re Foundation  
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## Outline

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- Methodology
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  - Coverage/number of lives covered
  - Distribution
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## Key Figures

- 52.1 million lives covered in 2017
- 8.2% of total population covered in 2016
- USD 420 million in gross written premiums

## Definitions

- Developed specifically for low-income population
- Managed based on risk principles
- Affordability



## Methodology

- Data collection
  - . Self-reported data, primary data sources
  - . Secondary research
  - . Regulator's data where available
  - . Follow-up by emails, phone calls and in-person visits
- 58 companies reported data
  - . 41 were identified as MI providers
  - . 27 MI providers facilitated data
- Comparable data refers to companies reporting in both periods

## Coverage by Product Type –Growth

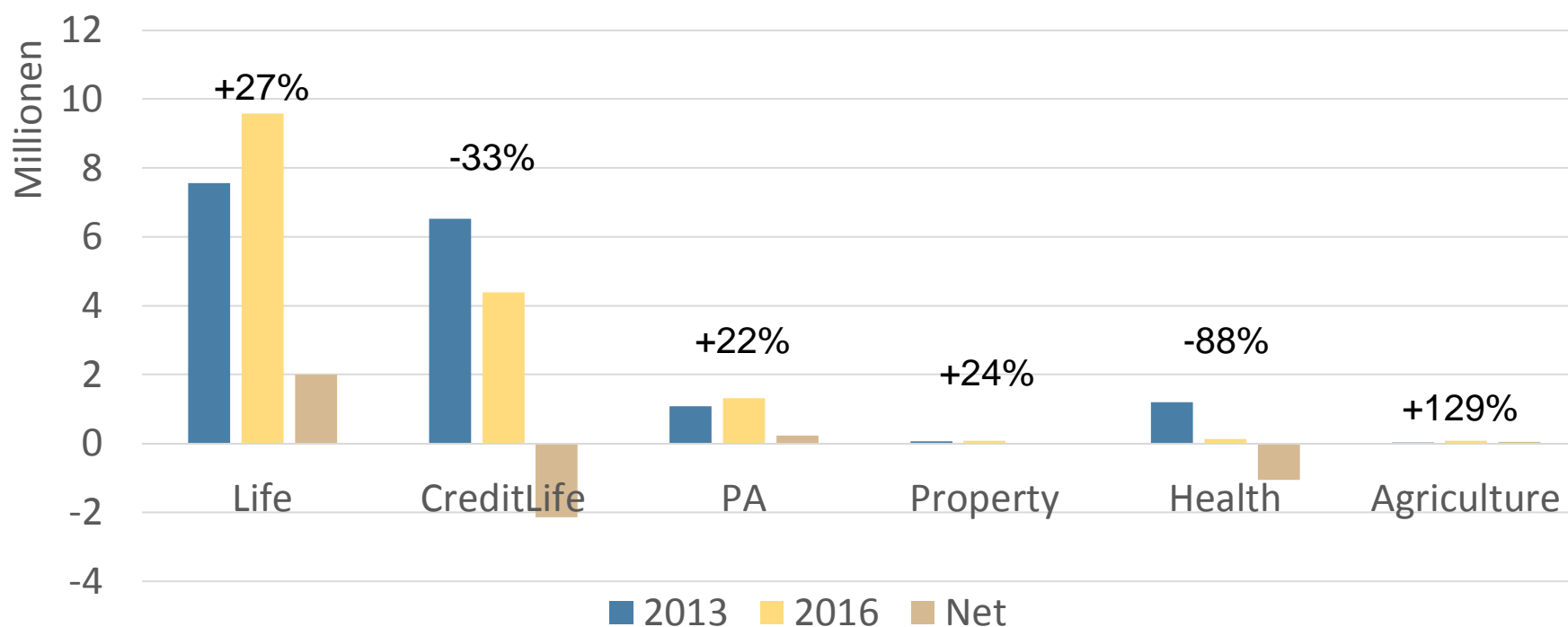
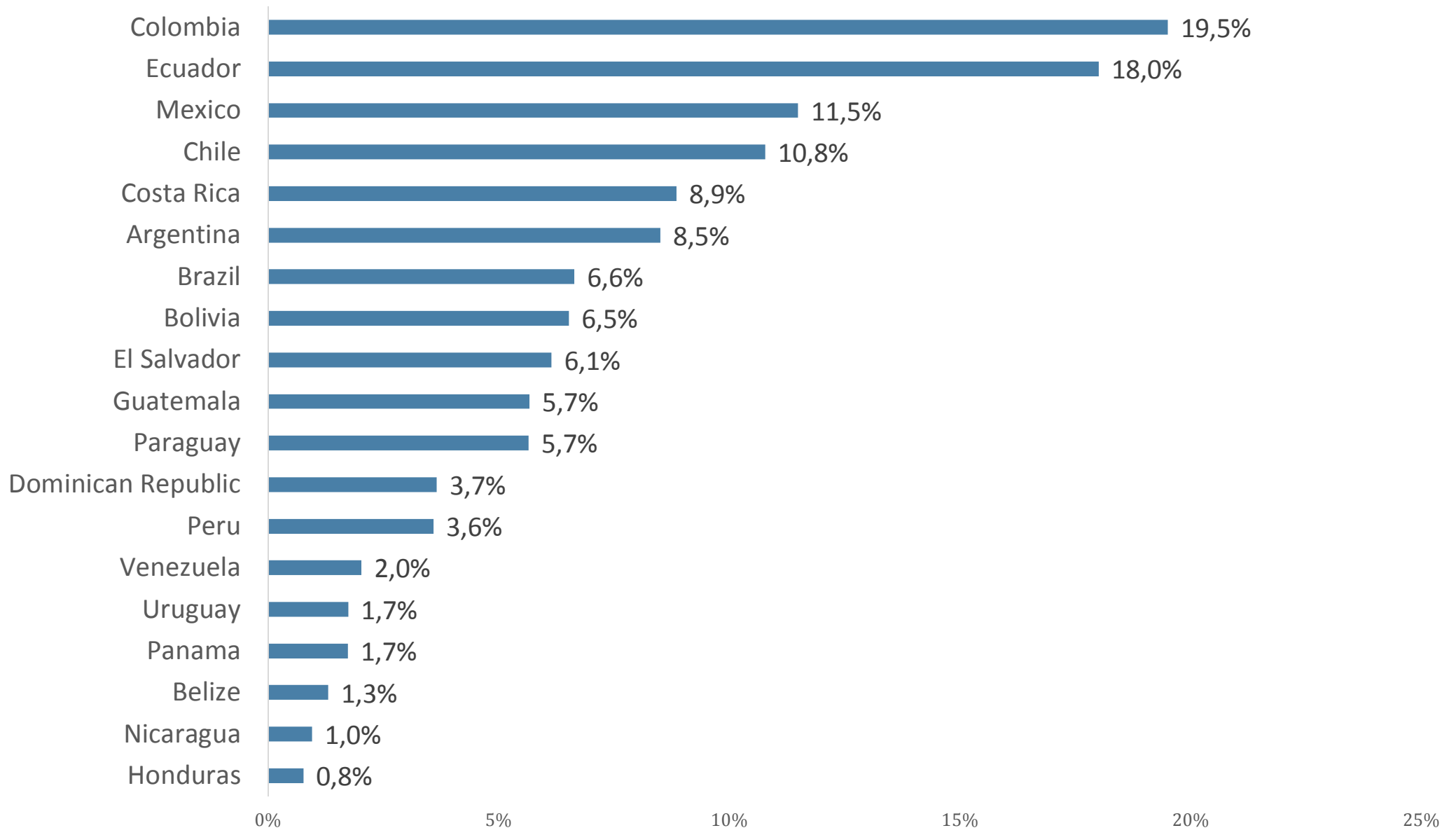
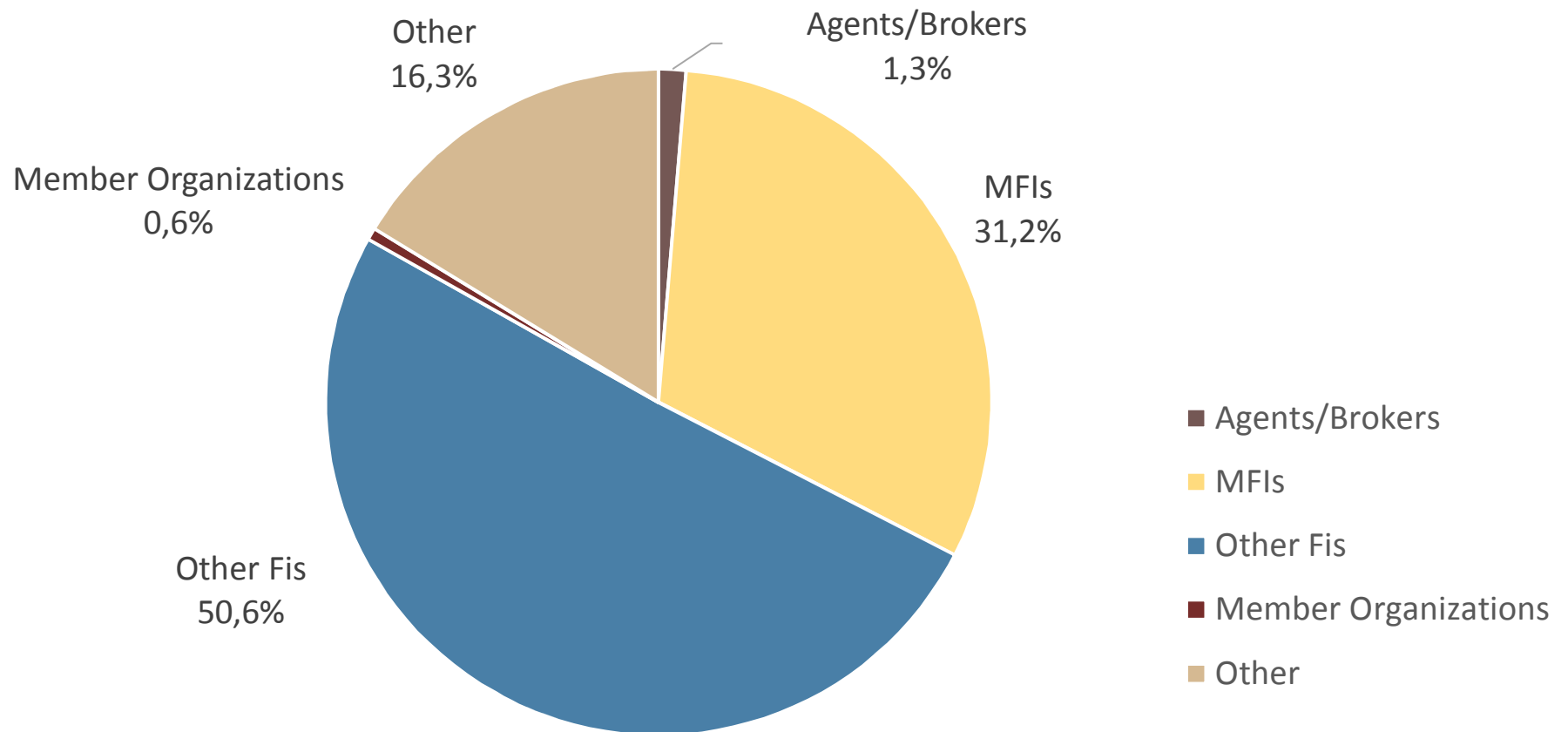


Figure represents comparable data only (companies reporting in both the 2014 and 2017 studies, plus new market entrants). This includes 27 reporting companies

## Microinsurance Coverage Ratio – Lives



## Distribution Channels – Lives Covered

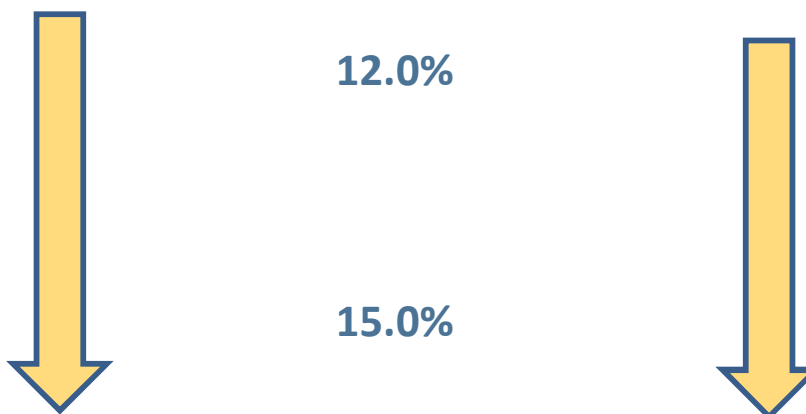


## Distribution Channels – Product Diversity

	Life	Credit Life	PA	Property	Health	Agriculture
MFI	27%	58%	8%	0%	7%	0%
Other financial inst. (non-MFI)	87%	7%	3%	1%	2%	1 %
Agents / brokers	9%	0%	58%	8%	25%	0%
Member orgs	55%	0%	45%	0%	0%	0%
Other (retail, utility, MNO)	35%	21%	30%	1%	13%	0%

## Key Performance Indicators

	Claims Ratio	Commission
Median	20.6%	12.0%
Average	46.0%	15.0%





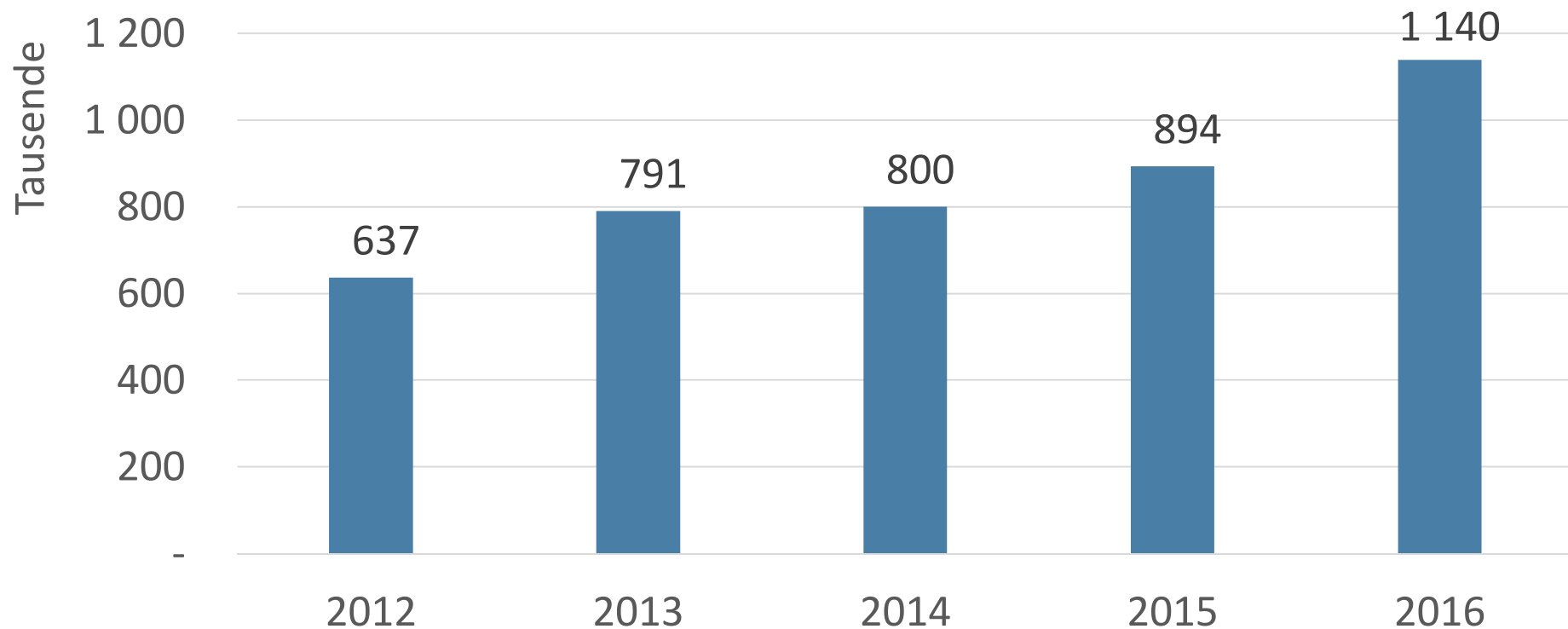
## Microinsurance Reported by Regulators

Nicaragua	284% increase in microinsurance premiums between 2013 and 2016 (from USD 218,093 in December 2013 to USD 837,238 in December 2016). Moreover, the regulator reported 36%, 78% and 84% annual growth in premiums in 2014, 2015 and 2016, respectively, showing that growth has been accelerating.
Mexico	36% average annual year-on-year percentage increase in microinsurance premiums between 2007 and 2017. The regulatory framework for microinsurance was established in 2007.
Peru	95% increase in microinsurance premiums between 2013 and 2016 (from USD 2.9 million in December 2013 to USD 5.7 million in December 2016).
Brazil	1,799% increase in premiums registered in the 2013-2016 period (from USD 3.5 million in December 2013 to USD 65.7 million in December 2016).

Source: Superintendencia de Bancos y de Otras Instituciones Financieras, A2ii interview with Comisión Nacional de Seguros y Fianzas, México, Nicaragua, Superintendencia de Banca, Seguros y AFP, Superintendencia de Seguros Privados (SUSEP), Brazil



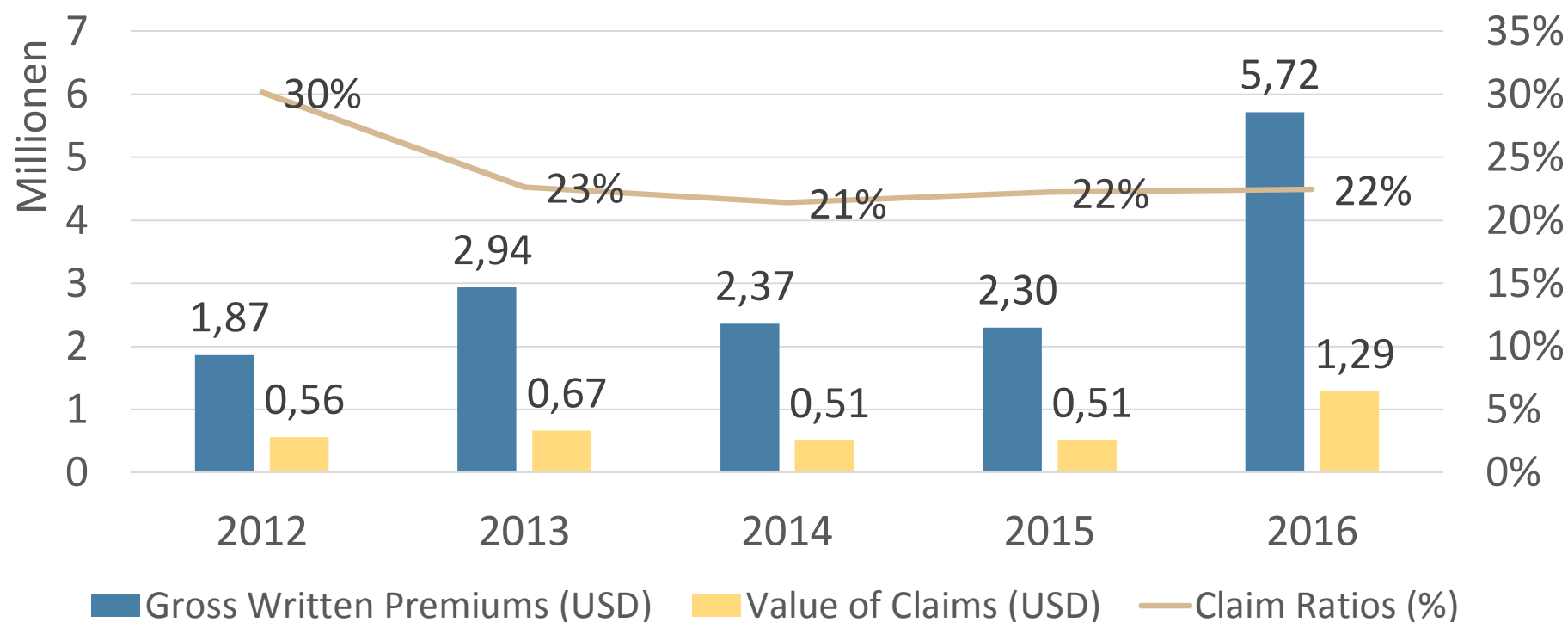
## Microinsurance in Peru – Number of Insured People



Source: Superintendencia de Banca, Seguros y AFP

\*The 2016 numbers of insured people have been updated by the regulator SBS to be nearly 5 million. The data first became available after finalizing the briefing note. These new numbers will be reflected in the final report.

## Microinsurance in Peru – Premiums and Claims



Source: Superintendencia de Banca, Seguros y AFP

\*The 2016 numbers for premiums and claims paid have been updated by the regulator SBS to be approximately USD 19.5 million and USD 8 million. The data first became available after finalizing the briefing note. These new numbers will be reflected in the final report.

## Call to Action

- Good progress but still a long way to go. Increasing involvement of regulators. It is encouraged that regulators do this exercise on a regular basis (i.e. Brazil)
- Need for more transparency and analytics to design policy and monitor market penetration. Insurance companies need to be actively involved in these kind of initiatives
- Need for more diversification of new products (e.g. Index-based agricultural microinsurance) and distribution channels (e.g. mobile platforms)

# Thank you!