



# Agenda

1. Background
2. Achievements of the insurance financial inclusion agenda
3. Plan to develop the inclusive insurance market

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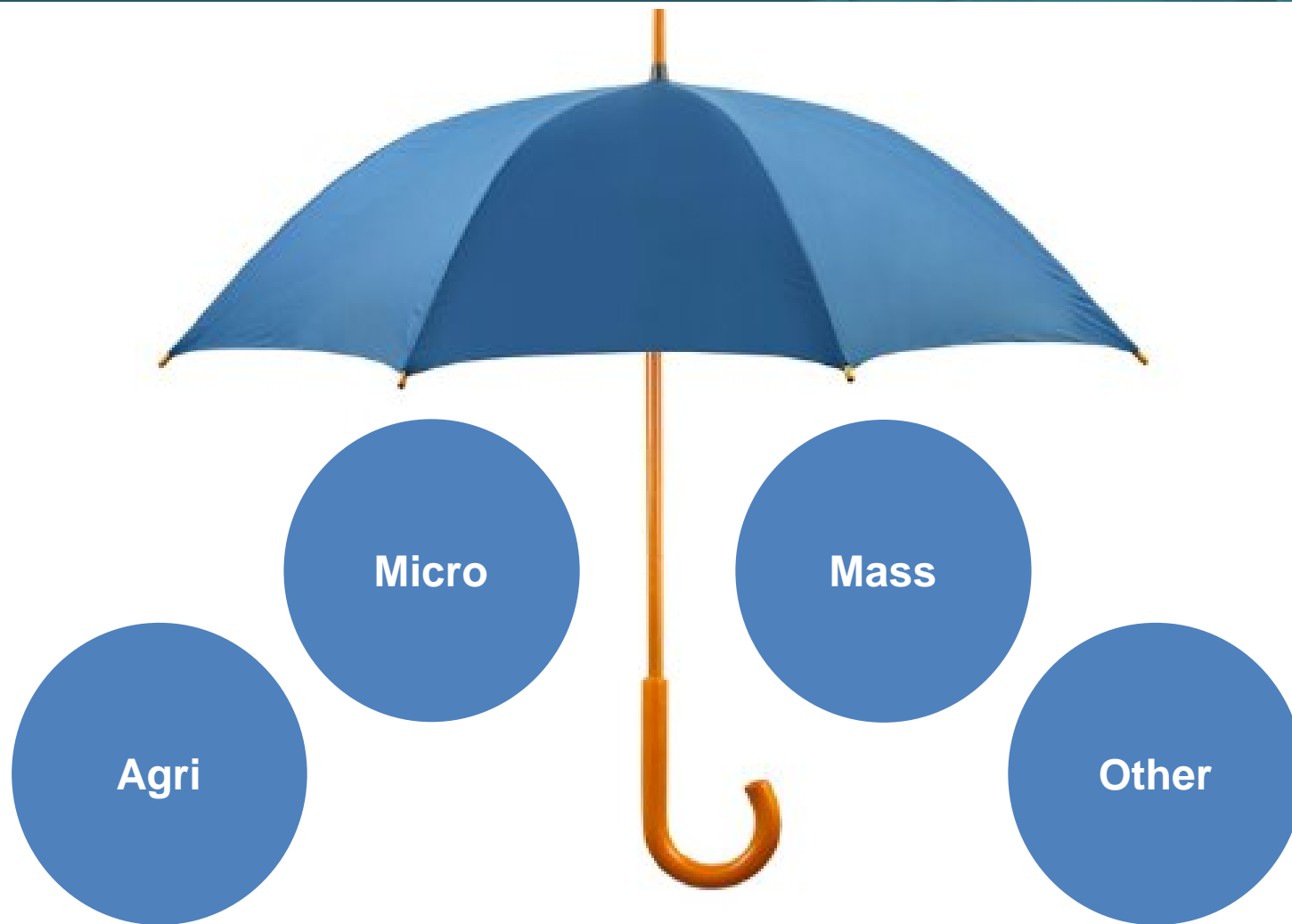
# Sustainable development agenda for the Colombian insurance sector

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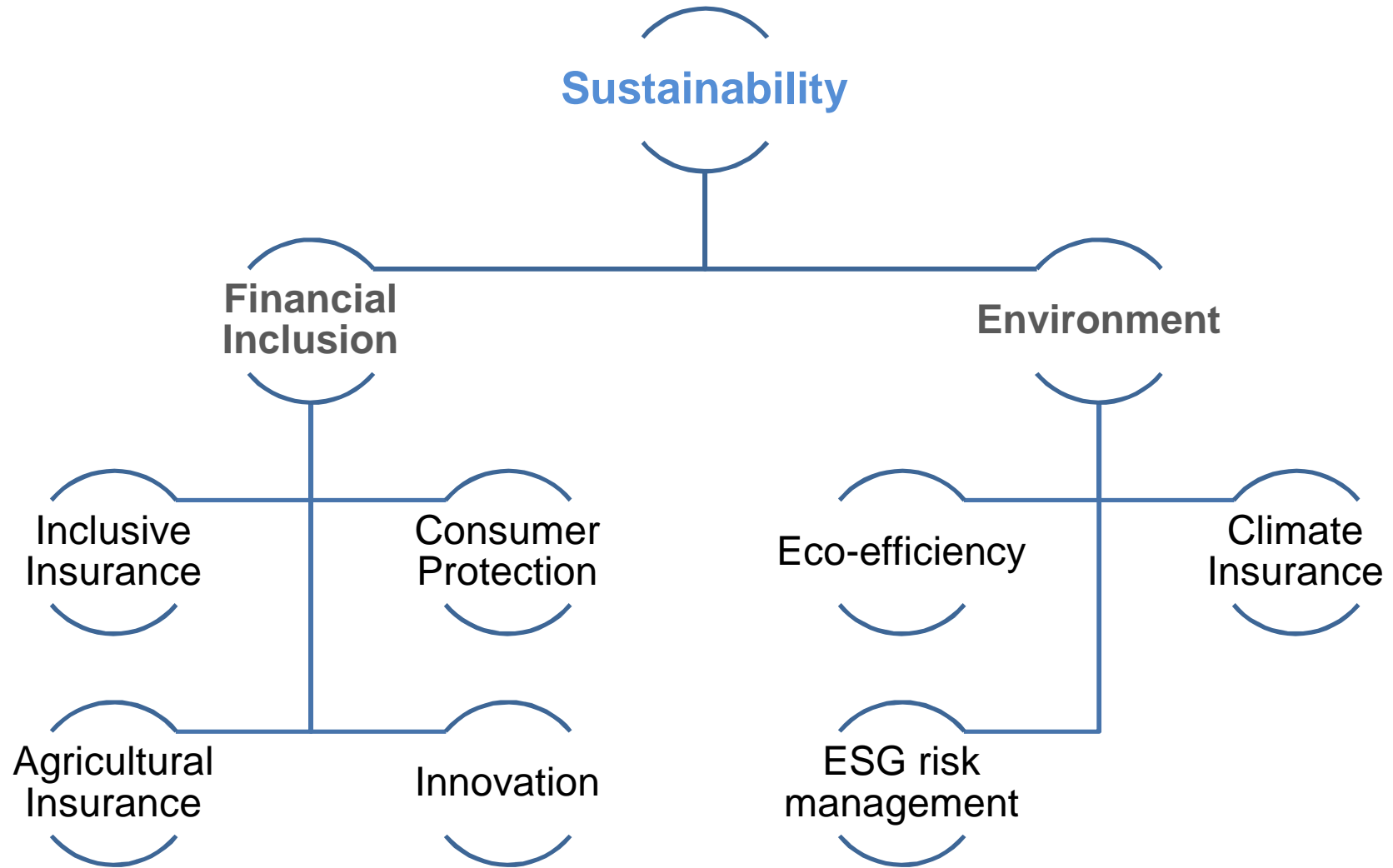
Foster inclusive, low carbon and resilient economic growth for the insurance sector, through the promotion of inclusive insurance, climate insurance, eco-efficiency and ESG risk management.

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# Inclusive insurance



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# Pillars of the financial inclusion agenda

<b>Regulatory framework</b>	Promote <u>appropriate regulatory and public policy conditions</u> to encourage the development of inclusive insurance in Colombia.
<b>Supply Encouragement</b>	Encouragement, <u>through technical training and knowledge and information provision</u> , the supply of valuable products for new consumers.
<b>Demand Stimulation</b>	Stimulate the demand by empowering the consumer and promoting confidence in the industry through <u>financial education</u> and enhancing <u>consumer protection practices</u> .

## **2. Achievements of the insurance financial inclusion agenda**

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# Facts about the Colombian inclusive insurance market

Neither microinsurance nor inclusive insurance are insurance lines, they are products that are marketed through traditional lines.

1

Inclusive insurance has been motivated to expand the market and not by a regulatory incentive.

2

There is no special regulation for microinsurance or inclusive insurance.

3

Some barriers to foster financial inclusion on insurance have been removed without the need of a special regulation.

4

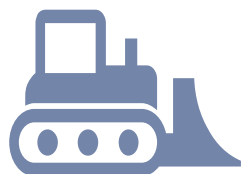
# Achievements on regulatory framework and public policy



**Money Laundering:** Simplification of known - customer requirements for low-premium and low insured value.



**Use of correspondents:** Authorization for insurance companies to use this channel to commercialize simple products, collect premiums and pay claims of any insurance.



**Catastrophic insurance for small agriculture:** Partnership with the World Bank to the design a catastrophic policy that will be taken by the government.

# Achievements on supply encouragement

## Supply-side Survey

Regularly micro-insurance survey submitted by insurance companies.  
It will be replaced by the Financial Inclusion on Insurance Survey.

## Demand-side Survey

Two microinsurance surveys from the demand side.

## Capacity Building

Technical training to insurance companies through workshops, conferences and courses.

# Achievements on demand stimulation: trust and empowerment

## Best Practices Code

Development of a voluntary adoption code that defines the best practices regarding consumer protection on mass insurance contracts.

## Financial Education Program

Yearly program which seeks to promote informed decisions about risk management and the purchase of insurance products.

# Achievements on demand stimulation

## Workshops

**24K**

Trained people.  
3.000 / year.

## Booklets

**15K**

Distributed booklets.  
19 copies explain  
each insurance.

## Newsletter

**6K**

People registered to  
our monthly basis  
newsletter.

## Videos

**19K**

Downloads of our 30  
videos that explain  
insurance.

## Web

**70K**

Visits (page views) to  
our website in 3  
years.

## Social Media

**4K**

Followers on  
Facebook & Twitter.

## Flyers

**5K** flyers distributed (29 volumes)

Note: The materials and interventions are created for the companies later dissemination.

# Achievements on demand stimulation

## Press

1.8M

of potential readers of free press.

## Radio (1)

290K

Listeners of the show. Broadcasted in 6 channels during 2 months.

## Radio (2)

1.5M

Listeners of the radio capsules transmitted in 21 stations on 6 cities.

## Impact evaluation of the workshops and radio

1.6K Evaluated people

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# Other actions related to the previous results

## Diagnostic Evaluation

Applied to 6.193 people to identify behavioural change triggers.

## İDUgU'Y'GY[ i fcĐ

Project that seeks to foster behavioural change and promote reading, due to the positive correlation among reading and insurance satisfaction..

## İGi YñcgWtd]cĐ

Project that seeks to foster behavioral change and promote financial planning, due to the positive correlation between planning and insurance purchase.

## Agreement with the Ministry of Education

We seek to design an educational model that develops risks management capabilities in children.

## **3. Plan to develop the inclusive insurance market**

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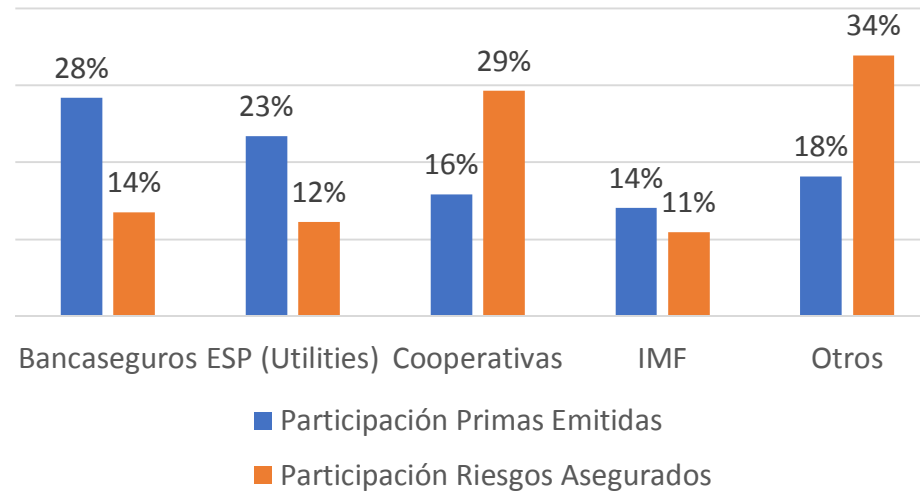
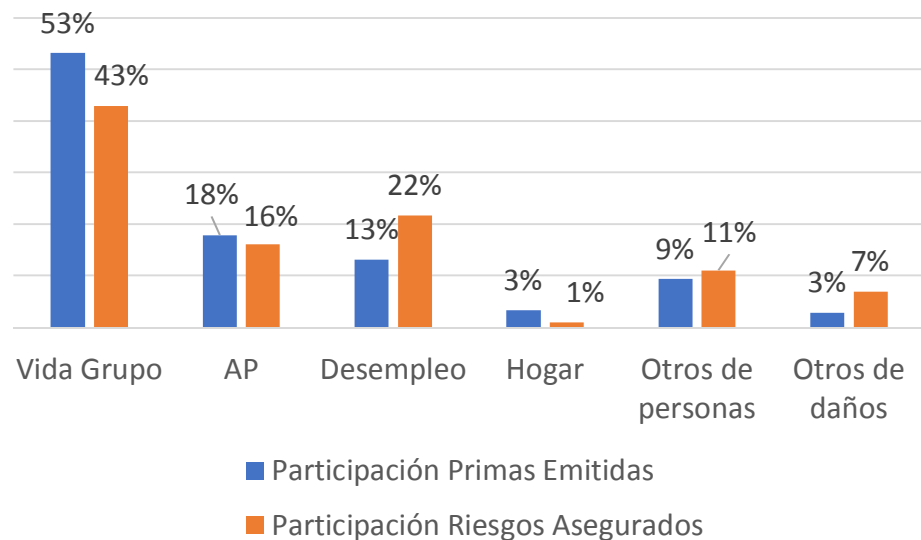


# Some Colombian microinsurance market figures

Concepto	2015 (USD)	2016 (USD)	Change
Written Premiums(\$)	\$73.200.572	\$77.829.848	6,3%
Number of insured risks	5.133.950	5.218.080	1,6%
Average monthly premium	\$1,19	\$1,24	4,6%
Total insured value (USD billions)	\$11.3	\$12.4	8,7%
Average insured value	\$2.276	\$2.435	7,0%
Claims paid (\$)	\$16.755.860	\$21.655.501	29,2%
Number of claims paid	38.345	78.458	104,6%
Average value of claims paid	\$437	\$276	-36,8%
Claims ratio	23%	28%	4,9%

<sup>a</sup> Includes the data of the following companies: Alfa, Allianz, Equidad, Mapfre, MetLife, Mundial, Solidaria and Sura.

# Written premiums and risks insured share per lines and channels, 2016



No incluye los datos del ramo de Vida Grupo Deudores  
 Incluye los datos de Alfa, Allianz, Equidad, Mapfre, MetLife, Mundial, Solidaria, Sura.

# Some signs on the need to stimulate the market

**2,7%**

Penetration of insurance measured as written premiums on GDP.

**0,9%**

Share of microinsurance premiums over the total premiums.

**115,5%**

Penetration of mobilephone measured as the total subscribers on population.

# Inputs to identify how to develop the inclusive insurance market

**Microinsurance  
Country  
Diagnosis**

**Workshops to  
identify  
barriers**  
(Developed with  
@Caja dUW  
Insurance Facility)

**Supply-side  
surveys**

# Some results

## 1. Remove

Regulatory barriers.

## 2. Promote

The offer and distribution of valuable products for the consumer and the insurer.

## 3. Encourage

The demand, access and use of inclusive insurance in Colombia.

## 4. Protect

The consumer of inclusive insurance.

# Main goal of the plan

## Promote

Financial inclusion through actions that develop inclusive insurance in the country and boost the supply.

## Scope

National



## Responsibles

Fasecolda  
Superintendencia Financiera  
Banca de las Oportunidades (BDO)\*

## Lenght

Years

3

\*Government program wich seeks to promote financial

# Components of the Plan

1

## Training and capacity strengthening

- . Workshops on new methodologies to study demand and design products.
- . Seminars
- . Field trips to successful experiences and training.

2

## Knowledge and Information

- . Survey of financial inclusion in insurance to measure access, use, quality and welfare.
- . Development of prototype clauses for inclusive insurance.
- . Strengthening of agricultural insurance.

# Components of the Plan

3

## Consumer Protection

- . Develop an information system for consumer complaints, This will help us to better understand the reasons for dissatisfaction.
- . Develop a Financial Education program for consumers of inclusive insurance.

4

## Support to insurance companies

- . Government grants to finance innovative and disruptive inclusive insurance projects.
- . Promote regulatory conditions that encourage inclusive insurance.



# Amount of the Plan and financing

<b>Component</b>	<b>Total Budget</b>	<b>Government contribution</b>	<b>Fasecolda contribution</b>
1. Capacity building	\$ 182	\$ 477	\$ 105
2. Knowledge and information	\$ 357	\$ 177	\$ 180
3. Consumer protection	\$ 389	-	\$ 389
4. Support to insurance companies	\$ 667	\$ 667	-
<b>Total Amount</b>	<b>\$ 1.595</b>	<b>\$ 921</b>	<b>\$ 674</b>

# Thank You

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