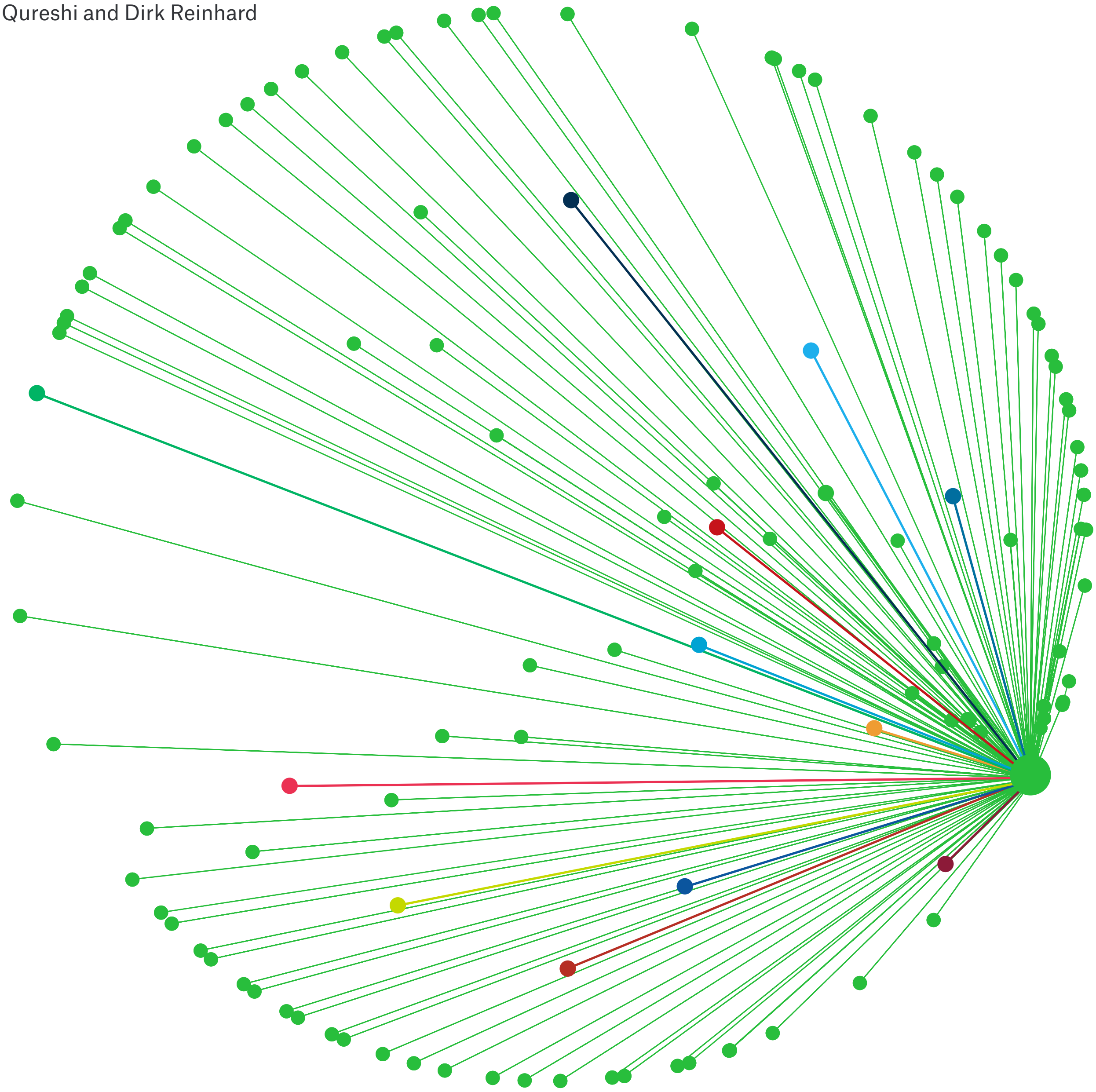
Report

International Conference on Inclusive Insurance 2020 Digital Edition

Edited by
Zahid Qureshi and Dirk Reinhard



Munich Re Foundation
From Knowledge to Action

micro insurance network

Conference documents and presentations are available online:

→ www.inclusiveinsurance.org

This report is the summary of the International Conference on Inclusive Insurance — Digital Edition, which took place from 2 to 6 November 2020. Individual summaries, in various styles, were contributed by a team of international rapporteurs. Readers, authors and organisers might not share all opinions expressed or agree with the recommendations given. These, however, reflect the rich diversity of the discussions.

Over 70 speakers participated in the conference.

Contents

Foreword

In November 2020, the world was reeling from the havoc wreaked by the Covid-19 pandemic. Half the world lacks access to healthcare or social protection and global human development would see a reversal for the first time in a generation due to the pandemic's impact on health and incomes, noted Achim Steiner, Administrator of the United Nations Development Programme, in his opening remarks.

Meanwhile, devastation from extreme climate events and natural disasters doggedly continued. Super Typhoon Goni swept across the Philippines, impacting two million people caught in its path. Flooding due to excessive rain affected six million people in east Africa, nearly a million of whose homes were destroyed just months after a plague of locusts had wiped out crops throughout the region, threatening food security and livelihoods. In Central America, hurricanes Eta and Iota damaged infrastructure and crops, exacerbating already strained food security and taking lives.

The findings of the Microinsurance Network's 2020 Landscape of Inclusive Insurance report, which was launched at the opening session of the conference, served as a stark call to action that was echoed throughout the 18 sessions that took place over the five days of the virtual event.

Effective and responsible insurance — including both risk transfer and risk management — is critical if we are to achieve the UN Sustainable Development Goals. Dirk Reinhard, Vice Chair of the Munich Re Foundation, reminded us all that we desperately need increased cooperation between stakeholders to deliver the sustainable solutions that are urgently required. Value for the customer, which begins by understanding what clients need, is the starting point for designing such solutions. Deploying digitisation and efficient payment systems are both critical for these solutions to add this value to customers while remaining economically viable.

The acceleration of digitisation around the world has certainly been one silver lining on the pandemic cloud. Households, industry and governments have embraced digital solutions at an unprecedented rate. The pandemic has been a grim reminder that we are, indeed, all in this together and that survival depends on innovation, cooperation and partnership. As in previous editions of the conferences, these were key themes that emerged during the week.

This sense of urgency, awareness of the increasing complexity of risk and the sheer size of the problem that confronts us are all driving determination and new partnerships to find solutions for the billions of vulnerable people and small businesses around the world for whom insurance could and should provide shelter from the storm.

The inclusive insurance community is strong and growing. The digital edition of the 2020 Conference bore testament to the solidarity of more than 2,000 registrations from 126 countries who are committed to ensuring that no one is left without the protection and resilience that good insurance can bring.

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

Luxembourg, March 2021

Katharine Pulvermacher
Executive Director, Microinsurance Network,
Luxembourg

Acknowledgements

The International Conference on Inclusive Insurance (ICII) 2020 — Digital Edition was the first fully online conference in the history of the ICII. The Covid-19 pandemic had made all plans to host in-person events obsolete. At the same time, the pandemic has had a strong negative impact on the economic situation of the poor, and has highlighted the urgent need for more affordable risk management solutions. It was therefore clear for all parties involved that cancelling the International Conference on Inclusive Insurance during the pandemic was not an option because affordable risk management solutions have never been more important.

We would like to thank all those who helped to make this conference with its over 2,000 registrations from 126 countries a genuine success. Switching from in-person to online mode with such a diverse event was certainly an adventure. But it was worth the effort since it allowed an unprecedented number and diversity of participants to access first-hand experience in inclusive insurance.

The great success of the conference would not have been possible without the hard work of the conference steering committee and I would like to thank all members of the steering committee for their guidance. I would also like to express my sincere gratitude to the 77 speakers and facilitators who volunteered to present their knowledge and lead the sessions.

A special thank-you goes to Doubell Chamberlain, former Chairman of the Board of the Microinsurance Network, and its new chairman Lorenzo Chan, CEO of Pioneer Insurance, for the long-term cooperation and support of the Microinsurance Network. We would like to thank the Executive Director of the Microinsurance Network Katharine Pulvermacher and her team. They have worked long hours to technically host the event and were the core and heart of this first digital ICII.

I would also like to thank all content partners and supporting organisations of the ICII 2020 — A2ii, CEAR, Cenfri, EA Consultants, GIZ on behalf of BMZ, GSMA, ILO's Impact Insurance Facility, the IAA's Microinsurance Working Group, UNDP, MCII, the Microinsurance Centre at Milliman, and the World Bank Group.

Furthermore, I would like to make special mention of the team of rapporteurs and authors — José Miguel Flores Contró, Hugo Fulco, Ulf König, Maria V. Sáenz and Kira Henshaw — led by Zahid Qureshi — who volunteered and summarised the key messages and lessons from the various sessions of the 2020 conference. In addition, I would like to extend my thanks to the Munich Re Foundation conference team — Thomas Loster, Julia Martinez, Nora Fingado and Melissa Merle as well as the new Chair of the Munich Re Foundation, Renate Bleich.

At the same time, I would like to welcome the participants to the International Conference on Inclusive Insurance 2021 which hopefully can take place in Jamaica. Together with the Insurance Association of Jamaica, we are looking forward to the next event, set to take place from 26 to 28 October in Kingston.

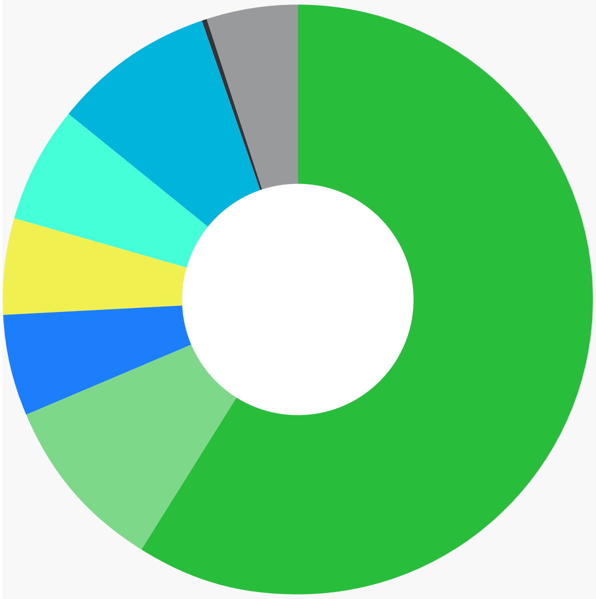
Dirk Reinhard, Vice Chairman
Munich Re Foundation, Germany,
Chairman of the Conference
Steering Committee

Munich, January 2021

Dirk Reinhard
Vice Chairman, Munich Re Foundation, Germany

Participant overview

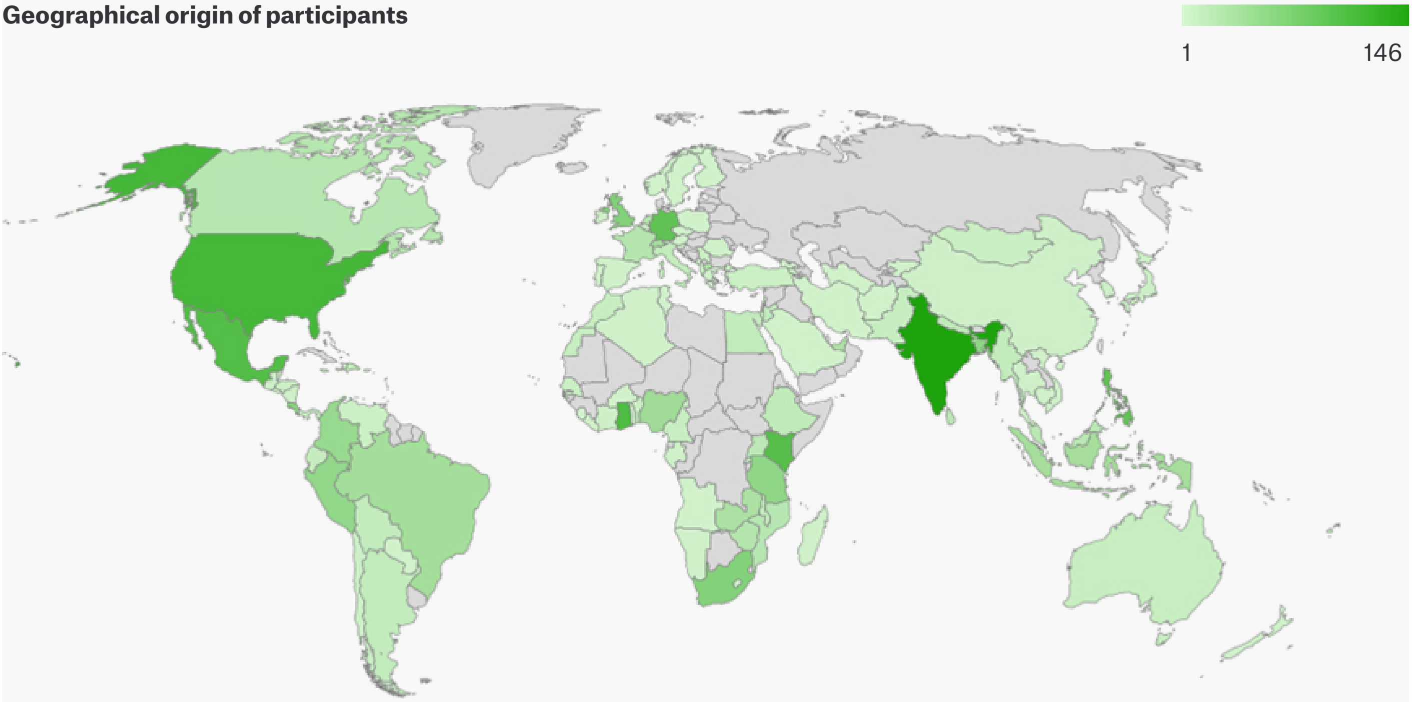
Type of participant by category



Insurance and finance industry	59.0 %
Donor agencies, development and international organisations	9.9 %
Microfinance and microinsurance providers	5.5 %
Government and regulatory bodies	5.2 %
Academics	6.3 %
Consultants	8.9 %
Media	0.4 %
Other	4.8 %

Source: Munich Re Foundation

Geographical origin of participants



Source: Munich Re Foundation
Powered by Bing, Copyright GeoNames, Microsoft, Navinfo, OpenStreetMap, TomTom, Wikipedia

Agenda

Day 1—2 November 2020
Inclusive insurance amidst a pandemic

Session 1
Opening of the conference — The landscape of inclusive insurance 2020

Welcome

Dirk Reinhard
Vice Chairman, Munich Re Foundation, Germany

Keynote

Achim Steiner
Administrator of the United Nations Development Programme (UNDP), USA

Panellists

Alice Merry
Financial Inclusion Consultant, Peru

Garance Wattez-Richard
Head of AXA Emerging Customers, GIE AXA, France

Craig Churchill
Chief, ILO's Social Finance Programme & Team Leader, Impact Insurance Facility, Switzerland

Facilitator

Katharine Pulvermacher
Executive Director, Microinsurance Network, Luxembourg

Session 2
Inclusive Insurance responses to Covid-19

Speakers

Gilles Renouil
Global Head of Insurance products, Women's World Banking, Switzerland

Shilpi Shastri
Strategic Advisory — Insurance, Women's World Banking, USA

Jordon Tait
Assistant General Manager — Commercial Lines, GK General Insurance, Jamaica

Rehan Butt
Chief Commercial Officer, MicroEnsure, Pakistan

Syed Nayyar Hussain
Director — Head of Department, Securities and Exchange Commission, Pakistan

Facilitator

Craig Thorburn
Lead Financial Sector Specialist, The World Bank, USA

Session 3
Pricing inclusive insurance in the midst of a pandemic

Hosted by
IAA's Microinsurance Working Group

Speakers

Denis Garand
Denis Garand and Associates, Canada

Jeff Blacker
Independent Consulting Actuary, USA

Facilitator

Nigel Bowman
Co-founder, Inclusivity Solutions, South Africa

Session 1

Opening of the conference — The landscape of inclusive insurance 2020

The first-ever digital ICII opened with the launch of the Landscape of Microinsurance 2019 study, setting the scene for five days of discussions and insights. Welcoming some 2,000 registered participants, Dirk Reinhard, Vice Chairman of the Munich Re Foundation, noted that the conference comes at a very difficult time both on a personal level for millions of people, and for the insurance industry as a whole.

“Post-pandemic, we will still face the much bigger challenge of climate change,” said Dirk Reinhard. “Insurance can and should help vulnerable populations to manage climate risk, educate them about the benefits and limitations of insurance, and encourage an enabling regulatory environment to create more efficient distribution channels. Collecting and sharing reliable data is also key.”

Keynote speaker Achim Steiner, Administrator of the United Nations Development Programme (UNDP), also focused on the dual challenges of Covid-19 and climate change. Global human development, he said, is set to decline this year for the first time in a generation. However, inclusive insurance can play a vital role in getting the Sustainable Development Goals (SDGs) back on track by protecting lives and livelihoods, reducing poverty, increasing financial inclusion, and empowering women.

Katharine Pulvermacher, Executive Director of the Microinsurance Network, introduced the Landscape of Microinsurance 2019 study, which provides much-needed insight into developing markets. She said the findings make for sobering reading — only one person in four has insurance, and out of the 5.4 billion emerging consumers worldwide, only about 500 million have any kind of insurance to protect them against daily and catastrophic risks (see Figure 1).

The landscape studies date back to 2010. For the first time, this year the study collected data on the gender of customers. Asia has the highest percentage of female clients, followed by Latin America and the Caribbean, and then Africa, Katharine Pulvermacher noted.

Author of the report Alice Merry said that these figures probably reflect broader levels of economic and financial inclusion in each region (see Figure 2). “To better serve women, a vital first step for insurers is to collect and monitor gender-disaggregated data. Microinsurers were able to provide this information for 45% of the products in the study.”

Reaching women clients

Alice Merry added that four trends were emerging:

- The continuing rise in low-cost health products;
- Combining digitisation and the human touch;
- Concerns around customer value, highlighted by low claims ratios for low-cost personal insurance products; and
- Shifting perspectives on climate risks.

The study detected an increasing recognition that climate and natural disaster risks affect not only agriculture but also a wide range of economic activities and people themselves. Index covers and natural disaster insurance are increasingly being used to protect livelihoods outside of agriculture. Climate change is bringing about new and frequent natural disasters, while gradual changes in climate are posing threats to food security and increased health risks. Climate has a bearing on all classes of inclusive insurance, and they have a role to play in improving resilience.

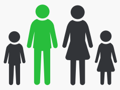
Dirk Reinhard
Vice Chairman, Munich Re Foundation, Germany

Achim Steiner
Administrator of the United Nations Development Programme (UNDP), USA

Alice Merry
Financial Inclusion Consultant, Peru

Figure 1
The people protection gap

No more than one person out of every four has access to insurance.



World daily income distribution*

> US$ 50	7 %
US$ 20—50	9 %
US$ 10—20	13 %
US$ 2—10	56 %
< US$ 2	15 %

* Pew Research Center — 2011 estimates.

Emerging consumers represent an estimated 69 % of the world's population.

That's around 5.4 billion people, of whom only about 500 million have any kind of insurance to protect them against daily and catastrophic risks.

Source: Pulvermacher, Katharine. Presentation "The Landscape of Microinsurance 2019." International Conference on Inclusive Insurance — Digital Edition 2020.

Figure 2
Reaching women clients

For the first time, this year's Microinsurance Landscape study has collected data on the gender of microinsurance customers.

Insurance providers were able to provide this information for **45 % of products** in the study.

The median percentage of female clients in each region

Region	Median percentage of female clients
Africa	40 %
Asia	60 %
Latin America and the Caribbean	52 %
All regions	50 %

Source: Merry, Alice. Presentation "The Landscape of Microinsurance 2019." International Conference on Inclusive Insurance — Digital Edition 2020.

Session 1
Opening of the conference — The landscape of inclusive insurance 2020

Panellists Garance Wattez-Richard, Head of AXA Emerging Customers, and Craig Churchill, Chief of the ILO's Social Finance Programme & Team Leader of its Impact Insurance Facility, both commented on the significance of the Landscape study and the importance of robust data.

Garance Wattez-Richard said she had been positively surprised by how the "essential building blocks" already in place have helped countries cope with Covid-19 — for example in India, where 200 million women received emergency subsidies through existing channels. "The world has taken a crash course on life and health insurance," she said. "How can we turn all this into a silver lining?"

"Climate change and Covid-19 demonstrate how vulnerable we all are, and insurers should be able to respond to those opportunities," said Craig Churchill. "However, on the flip side there are huge challenges — it's deeply troubling to see the data on claims. It's definitely not a pretty picture."

In simple terms, an insurer is usually expected to have a claims ratio of 60 to 70 % and an expense ratio of 20 to 30 %. A combined ratio of less than 100 leaves a margin for a before-tax profit; if it is more than 100, the excess produces an underwriting loss, which needs to be offset by investment income.

In this global study of inclusive insurance across the three regions, claims ratios are at a low median rate of 23 %. The average claims ratio is particularly low in Latin America and the Caribbean at just 10 %, and highest in Africa at 28 %. Although many products do offer good value to clients, a significant proportion of products (33 % across all regions) have single-digit claims ratios, and in Latin America and the Caribbean over half of the products recorded had single-digit claims ratios.

The claims ratios are impacted by the high expense ratios of many insurers, particularly in Africa, and by high commissions for distribution partners, particularly in Latin America and the Caribbean. These costs raise the price of insurance products while squeezing the amount available to pay claims.

The study's research focuses on 30 countries in Africa, Asia and Latin America. Combining extensive in-country primary research with analysis of the context for market development, the landscape study provides a unique benchmark for all stakeholders in inclusive insurance, said Dirk Reinhard as the session concluded. "The research is fundamental to improving the supply of insurance products and services designed to meet the needs of vulnerable, low-income households and MSMEs, and to increasing uptake. The results of the study not only enable cross-country comparison to identify factors critical to creating a fertile environment for inclusive insurance, but also provide insurers and distribution partners with much-needed insight into the potential market size."

→ Microinsurance Network

Garance Wattez-Richard
Head of AXA Emerging Customers, GIE AXA, France

Craig Churchill
Chief, ILO's Social Finance Programme & Team Leader, Impact Insurance Facility, Switzerland

Katharine Pulvermacher
Executive Director, Microinsurance Network, Luxembourg

Keynote

By Achim Steiner — Administrator UNDP

Excellencies, Ladies and Gentlemen, Dear Colleagues,

It is with great pleasure that I welcome you to the 16th International Conference on Inclusive Insurance. This digital edition of the conference comes as countries across the globe tackle the unprecedented consequences of the Covid-19 pandemic. Global human development, a combination of the world's education, health and income, is set to decline in 2020 for the first time in a generation.

At this critical moment, inclusive insurance is playing a vital role in getting the Sustainable Development Goals back on track — particularly in terms of protecting lives and livelihoods. It is also contributing to a range of critical areas including poverty reduction, financial inclusion and women's empowerment.

Indeed, the pandemic has shown us that expanding access to insurance is vital. That includes areas like health at a time when **50% of the world lacks healthcare or social protection.**[1] Inclusive insurance is also key to protecting micro, small and medium-sized enterprises which generate 70% of employment worldwide.[2] Those businesses will be critical to driving forward the global socio-economic recovery.

We are also aware of the increasingly critical role that inclusive insurance will play in mitigating the many impacts of our changing climate. At the UN Climate Action Summit in 2019, the insurance and development community recommitted itself to delivering on the ambitious target of 500 million more beneficiaries of climate risk insurance by 2025 — 150 million through inclusive insurance.

This is an incredible challenge — but one we can achieve if we work together. So, please allow me to share with you four fundamental reflections on how I see the work of the conference:

Firstly, in light of the increasing complexity of risk that communities face — the inclusive insurance industry must design and develop solutions that are not only about the transfer of risk. The **solutions must also focus on the long-term management of risk** — and they must aim to build broad family financial resilience.

Secondly, **governments should recognise the crucial importance of access to financial services** — including insurance — for economic development, and develop concrete strategies to address critical inclusion gaps.

Thirdly, **the insurance industry must make digitisation** central to its work. This is not only because of the realities of the Covid-19 pandemic, but also because of its ability to **improve the products, tools and services** it provides to those who need it most.

Achim Steiner
Administrator of the United Nations Development Programme (UNDP), USA

1
→ ILO

2
→ ILO

Take a look at a new report by the UN Secretary-General's Task Force on the Digital Financing of the Sustainable Development Goals. It points out how digital finance holds extraordinary potential to **expand financial inclusion** by empowering citizens as savers, investors, borrowers, lenders and taxpayers. And if we give people a choice, they will invest in critical areas like the green economy — boosting job creation and inclusion.

Finally, **partnerships are everything** — that includes those between the private and public sectors, within government, between ministries of finance and insurance regulators and supervisors — and beyond. So, please see the United Nations Development Programme as your critical partner — wherever you are. On the ground in 170 countries, we work with governments on legislation and regulation. And we construct new initiatives with partners from the private sector — all **built on the specific needs and realities of people and their communities.**

As the UN's technical lead in the socio-economic response to Covid-19, UNDP is well aware of the critical need for inclusive insurance. **We will therefore work on promoting inclusive insurance in a minimum of 20 countries over the next 6 years** — thanks largely to support from the Federal Government of Germany, a global leader in this space. And to help UNDP's Country Offices, programme countries and our partners to take advantage of the myriad of benefits associated with inclusive insurance, we will launch a "one-stop shop" for them later this year, called the **Insurance and Risk Finance Facility.**

Finally, **I am incredibly impressed with the level of engagement with this conference** — it has attracted some 2,000 people from 126 countries. This is quite remarkable for a virtual event. I would like to express my gratitude to all of you for your efforts to move inclusive insurance forward at this critical moment — and I wish you a productive week ahead.

Thank you.

→ UNDP

Session 2

Inclusive insurance responses to Covid-19

By Ulf König

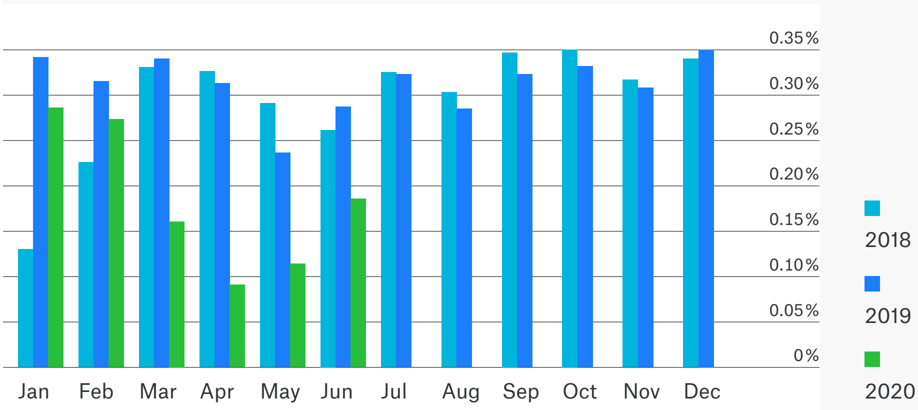
This session addressed the impact of Covid-19 on the inclusive insurance community in different parts of the world. Panellists discussed their reactions to short-term implications of the pandemic as well as the long-term changes it has triggered.

How Covid-19 affects policyholders

Women's World Banking presented early findings from a study of six health microinsurance schemes, one each in Egypt, India, Jordan, Morocco, Pakistan and Uganda. It shows that the pandemic has had three distinct effects on policyholders and potential customers. First, unemployment increased in industries such as manufacturing and hospitality, where a majority of the workforce is women, causing major insecurity and spending cuts. Second, access to healthcare has narrowed as many hospitals are overwhelmed by Covid-19 cases, forcing them to concentrate their resources on those cases and refuse admissions for other services. This is reflected in Figure 3, which depicts low occurrence of hospitalisation (% of claims) observed in three microinsurance schemes over the years 2018—20, dropping significantly in 2020 compared to previous years.

Third and last, a number of factors hampered access to and utilisation of insurance. Banking and microfinance operations came almost to a standstill for lack of physical contact. Branches remained closed for many weeks in most countries, preventing customers from filing claims. On top of that, insurers had to send their employees home, leaving them with insufficient capacity to handle the outstanding claims. In practice, this translated into major delays in reimbursement or even no cover at all. At the same time, while customers became more aware of the benefits of insurance, their declining incomes made cover unaffordable and many defaulted on their premiums.

Figure 3
Total monthly hospitalisation incidence by admission date



The possible causes of the lower incidence rates could be due to factors such as:

1. low reporting of claims (branch shutdown or customers' movement restricted),

2. customers not going to hospitals for non-Covid cases, or

3. delay by the FSP and insurers in approving the claims as they are also working with limited capacity.

Source: Renouil, Gilles. Presentation "Inclusive Insurance Response to Covid-19." International Conference on Inclusive Insurance — Digital Edition 2020.

Box 1
Bearing the brunt

Although in many countries more men have reportedly died from Covid-19 than women, women are facing more challenges because of the prevalent social and economic gender gaps now exposed by the pandemic. These include loss of livelihood, reduced food security, access to essential healthcare services (e.g. maternity, gynaecological), more cases of gender-based violence and mental health.

Covid-19 has forced the low-income population, especially women, to mobilise their savings for basic sustenance rather than investing in their long-term goal of children's education. As men in households succumb to the pandemic, it's the women left behind who are feeling the pressure of having no safety net or inheritance and they are at a greater risk of being pushed into poverty.

Source: Shastri, Shilpi. Presentation "How Covid-19 widens the gender equality gap in low income countries." International Conference on Inclusive Insurance — Digital Edition 2020.

How the industry reacted

Insurers acted fast on these new challenges and made major efforts to digitise both their delivery models and internal processes, especially claims-handling routines. This consensus of panellists from Jamaica and Pakistan was echoed in the session's Q&A round. The pandemic created an unprecedented sense of urgency in the industry, triggering a wave of innovation that may well persist beyond the immediate crisis. Some of these projects were carried out with the help of external consultants, which contributed to their speed of implementation. Regulators, on the other hand, issued a number of guidelines providing insurers with relief on reporting duties, flexibility for deadlines and recommendations on solvency issues.

Beyond the immediate crisis

Covid-19 has shown that digital distribution and digital operations will be of crucial importance in narrowing the gap of financial inclusion further — in particular, mobile technology, which enjoys broad penetration in most countries and represents a good means of reaching potential customers. As women in low-income communities are less likely to own and use a mobile phone and the internet, they will require special attention. Importantly, insurers do not have to wait for regulators' permission to digitise their processes and may embark upon this journey on their own. Once they are running fully digitally, insurers can even pass on their cost savings to customers in the form of lower premiums, which would accelerate adoption even further.

Gilles Renouil
Global Head of Insurance products, Women's World Banking, Switzerland

Shilpi Shastri
Strategic Advisory — Insurance, Women's World Banking, USA

Jordon Tait
Assistant General Manager — Commercial Lines, GK General Insurance, Jamaica

In addition, filing a claim has proved to be the moment of truth for policyholders. For many, it is the first contact with their insurance provider since purchasing cover — and it is often not a satisfactory experience, fraught with cumbersome steps required to report a claim and get it processed. Insurers are well advised to think about ways to win back their customers' goodwill, e.g. by accepting late premium payments and late claim filings.

In this context, hospital cash insurance needs to be mentioned explicitly. Many Covid-19 patients ended up recuperating at home due to limited capacity at hospitals. The claims of those who had hospital cash insurance were declined because they were not hospitalised. However, they were not able to generate any income during this time either. A critical value proposition of hospital cash insurance is that it acts as an income replacement tool in the event of the hospitalisation of the breadwinner. These customers expressed their frustration and felt that the insurance providers failed to adapt the product to these exceptional circumstances.

Hospital cash insurance has gained momentum in microinsurance in the last few years because of its simplicity and effectiveness in providing critical financial support during health emergencies, and there is a separate session dedicated to it in the conference.

→ Women's World Banking
→ Micro Insurance Company
→ Securities and Exchange Commission of Pakistan

Lessons learnt

- Covid-19 has slowed down progress in financial inclusion and inclusive insurance all over the globe.
- Distribution/delivery and customer coverage represent the biggest challenges brought up by the pandemic.
- Women are impacted more severely than men by the pandemic.
- Switching to digital delivery models and to digital operations is turning out to be key for insurers to cope with the crisis. Covid-19 has fuelled innovation in unexpected ways. New approaches call for technical education and training of customers in low-income communities.
- Governments can contribute to easing the regulatory burden on insurers, during the Covid-19 pandemic and beyond.

Rehan Butt
Chief Commercial Officer,
MicroEnsure, Pakistan

Syed Nayyar Hussain
Director — Head of Department,
Securities and Exchange Commission,
Pakistan

Craig Thorburn
Lead Financial Sector Specialist,
The World Bank, USA

Session 3

Pricing insurance in the midst of a pandemic

By Maria V. Sáenz

Pricing insurance products can be a challenge. Pricing microinsurance is even more challenging. And trying to do it during an unexpected pandemic is something that was until now unthinkable. This session went from a recap on insurance pricing to the lessons from catastrophe insurance applicable to a pandemic.

Pricing insurance without data

The process of pricing insurance, and microinsurance under normal or abnormal circumstances, is the same: gather data, set assumptions, define a model, validate model output, monitor experience against assumptions, and repeat as required. The price is the gross premium, which equals the risk premium (incidence rate or likelihood of the insured event x expected amount of insurance claims) + expenses + profit margin.

The pricing process was explained using a hypothetical health insurance product and both deterministic and stochastic models. The result of the deterministic approach is the weighted average of the incidence rate (based on the claims frequency distribution) multiplied by the weighted average of the expected amount of insurance claims (distribution of the amount filed by those who had a claim). In this example, the risk premium is 0.54 (the expected number of claims filed per person per year) multiplied by an average claim of US$ 40, that is US$ 21.60 per person per year. If the pool insured is 500 people, the gross premium would be US$ 21.60 x 500 insureds = US$ 10,800 (see Figure 4). However, given that usually the data to set assumptions is not perfect, the insurer needs to add a margin to increase confidence that the risk premium will be sufficient. To add this extra layer of certainty to imperfect data, insurers may use stochastic methods, like the Monte Carlo simulation.[3]

After running a Monte Carlo simulation 1,000 times with the same basic assumptions plus a 90 % desired confidence that the risk premium will be sufficient, the result was very close to the deterministic result: US$ 11,232. This simulation gives an idea of the outcomes and of how much margin is needed for a desired level of confidence. If higher confidence is desired, more margin goes to the premium. With fewer people in the model or higher volatility in the data, higher margins are added to the premium.

To explain the stochastic model, a Monte Carlo simulation of the hypothetical product was run online, using fixed assumptions such as deductibles, coinsurance and costs, among others. The responses of the audience determined the incidence rate and the expected amount of insurance.[4]

Figure 4
Deterministic or stochastic models?

Distribution	Frequency of claims
60 %	0
30 %	1
6 %	2
4 %	3

Distribution	Amount of claims
50 %	US$ 10
40 %	US$ 50
10 %	US$ 150

— Stochastic processes have random variables
— Monte Carlo is a way of simulating stochastic processes

Expected numbers of insured	500	
Desired confidence	90 %	
Run 1000 simulations producing a range of results		
Aggregate claims, average	US$ 10,800	
Aggregate claims, 90 % confidence	US$ 11,232	
Risk premium per person with margin	US$ 22.46	**= US$ 11,232 / 500**

Source: Blacker, Jeff. "Pricing Insurance without Data." International Conference on Inclusive Insurance — Digital Edition 2020.

3
IBM.com defines Monte Carlo simulation as a mathematical technique used to estimate the possible outcomes of an uncertain event. It was invented by John von Neumann and Stanislaw Ulam during World War II to improve decision-making under uncertain conditions.

4
The Excel file with the Monte Carlo simulation can be downloaded from Global Insurance Consulting.

The stochastic model has many advantages. It gives a good idea of the risk premium and the margin needed for a desired level of confidence, while allowing hypothetical scenarios with different plans and designs. However, there are some disadvantages: it can give a false sense of confidence if the input is not correct, and it has difficulty simulating 100-year events, making it incapable of pricing insurance for Covid-19.

In the face of data problems, pricing specialists may use incomplete data or data from other similar sectors, adjusting for various actuarial factors. Any subjective valuation can then be addressed through market research. Pricing requires a holistic view of the status and trends, plus frequent monitoring against assumptions to measure results.

Dealing with the impact of major perils

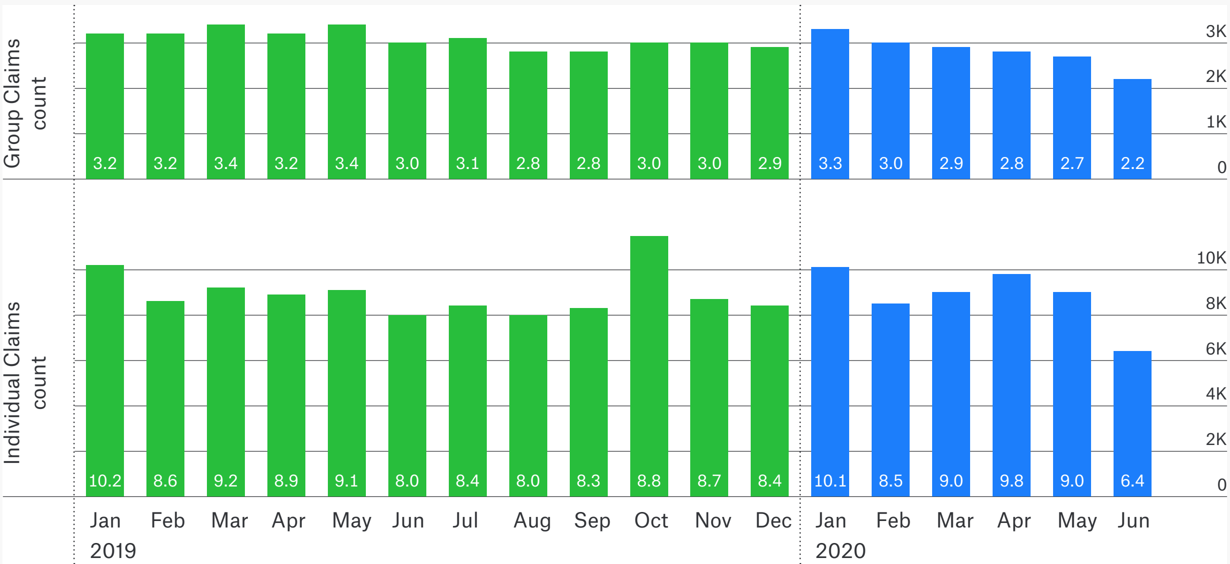
Studies show that survivors of extreme weather events experience adverse mental health outcomes that can have significant social and political consequences. Only the immediate impact, such as deaths during a hurricane, makes the news, but there are likely long-term effects.

A Swiss Re study of Ebola's consequences showed that 18 months after its peak, the population affected developed mental health issues. In the case of Covid-19, a likely consequence, besides mental health, is long-term organ damage.

Women's World Banking's preliminary findings from the microinsurance schemes operated by three different financial service providers during the pandemic show that the percentage of hospitalisations is lower than in previous years and maternity and gynecology claims show a sharp decline. Reasons for the declines may be low reporting of claims because of branch shutdowns or restrictions on customers' movements, fewer visits to hospitals for non-Covid-19 cases, and delays in approval of claims as providers face working and capacity restrictions.

Statistics of the Canadian Institute of Actuaries show the same trend (see Figure 5).

Figure 5
Canadian Institute of Actuaries COVID Study
Total Individual and Group Life Insurance Monthly Claims count
Jan 2019—June 2020



Source: Garand, Denis. "Pricing insurance in the midst of a pandemic." International Conference on Inclusive Insurance — Digital Edition 2020.

Session 3
Pricing insurance in the midst of a pandemic

The pandemic serves as a reminder that low-income people are hit hardest by systemic shocks such as natural disasters or pandemics. Regulators, insurers and intermediaries together have to increase access to inclusive insurance supplemented by risk mitigation.

→ IAA

Lessons learnt

— The pandemic seems to have changed everything. But the pricing process in insurance remains the same, except for the calculation of tail risks, which can be present to a significant extent.

— Inclusive insurance is learning from the experience with natural catastrophes and their long-lasting consequences. The lessons call for special attention to mental health issues. The product's pricing and added value should be good enough to guarantee a normal rate of claims, paid rapidly.

— Lack of data should be offset by research and a holistic view of the market, plus frequent monitoring to measure results.

— Many studies are expected to help regulators, industry, distributors and clients understand the post-pandemic ecosystem. A focus on inclusive insurance to protect the poor should be a priority.

— Understanding the context of the target population is critical.

Denis Garand
Denis Garand and Associates, Canada

Jeff Blacker
Independent Consulting Actuary, USA

Nigel Bowman
Co-founder, Inclusivity Solutions, South Africa

Agenda

Day 2—3 November 2020
Inclusive insurance against climate risks

Session 4
Public-private partnerships for inclusive insurance against climate risks:
What works and what does not?

Hosted by the ILO's Impact Insurance Facility

Speakers

Srinivasan Iyer
Programme Manager, Ford Foundation, India

Mario Wilhelm
Head Middle East & Africa, Swiss Re, Switzerland

Munyaradzi Daka
Consultant, Agro Insurance Consortium, Uganda

Emily Coleman
Agricultural Insurance Lead, INSURED, PARM, IFAD, Italy

Facilitator

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

Session 5
The role of mobile in scaling index insurance

Hosted by GSMA — Mobile for development

Speakers

Simon Schwall
CEO, OKO, Israel

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

Facilitator

Rishi Raithatha
Senior Advocacy Manager, GSMA Mobile Money Programme, UK

Session 6
Macro, meso, micro: Practical experiences at all levels of parametric insurance

Hosted by the Microinsurance Centre at Milliman

Speakers

Matt Chamberlain
Principal and Consulting Actuary, Milliman, USA

Iker Llabres
Business Manager for El Salvador and Actuarial Officer, MiCRO, USA

Isaac Anthony
CEO, CCRIF SPC, Cayman Islands

Facilitator

Indira Gopalakrishna
Microinsurance Specialist, MicroInsurance Centre at Milliman, Singapore

Session 7
Quality Index Insurance Certification (QUIIC)

Hosted by CEAR

Speakers

Michael Carter
Professor, University of California, MRR Innovation Lab, USA

Lilian Ndungu
Thematic Lead — Agriculture and Food Security, Regional Centre for Mapping of Resources for Development (RCMRD), Kenya

Munyaradzi Daka
Consultant, Agro Insurance Consortium, Uganda

Facilitator

Glenn Harrison
C.V. Starr Chair of Risk Management & Insurance, Robinson College of Business, Georgia State University, USA

Session 4

Public-private partnerships for inclusive insurance against climate risks: What works and what does not?

By Kira Henshaw

The session highlighted the necessity of public-private partnerships (PPPs) in building sustainable inclusive insurance programmes addressing climate risks.

Assisting smallholder farmers

Smallholder farmers are highly vulnerable to shocks. Farm yields depend on unpredictable seasonal rainfall, and low income from other sources makes it difficult to purchase insurance to absorb losses. A PPP, engaging the government, private insurers and intermediaries, can help farmers pay premiums while creating a scalable platform.

Box 2
Pradhan Mantri Fasal Bima Yojana

Number of people insured:
55 million per year
Insured risks:
Crop (pre-sowing to post-harvest)
Premium:
Farmers' share ranges from 1.5 to 5 % of the sum insured, with the rest subsidised by government

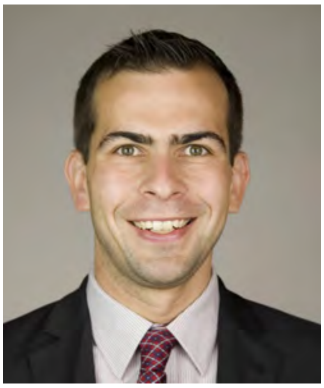
Pradhan Mantri Fasal Bima Yojana (PMFBY) is a government-sponsored weather-based crop insurance PPP in India. It was launched in 2016 after rolling back two earlier national agriculture insurance schemes. Premiums are subsidy-based, with a nominal share paid by farmers. The premium cost over and above the farmer share is equally subsidised by states and the central government.

Implementation challenges in covering smallholdings and large crop varieties include high transaction costs, inconsistent and arbitrary loss assessment and inefficient claims payments. To increase effectiveness, sustainability and the impact of government support, PMFBY focuses on improving inclusion, damage assessment, credibility, education, simplification and innovation.

Key features of the scheme include:

- integration of land records with the PMFBY portal;
- crop insurance mobile app for easy enrolment of farmers; and
- use of technology such as satellite imagery, remote-sensing, drones, artificial intelligence and machine learning to assess crop losses.

Srinivasan Iyer
Programme Manager,
Ford Foundation, India



Mario Wilhelm
Head Middle East & Africa, Swiss Re,
Switzerland

Munyaradzi Daka
Consultant, Agro Insurance Consortium,
Uganda

The features make it easier for the farmer to report crop loss within 72 hours of occurrence of any event through the crop insurance app, a common service centre (CSC) or the nearest agriculture officer.

As an end-to-end risk mitigation mechanism for farmers, the scheme extends cover for the entire cropping cycle from pre-sowing to post-harvest, including cover for losses arising out of prevented sowing and mid-season adversities. Also covered are individual farm-level losses arising out of localised calamities due to perils such as inundation, cloudburst and natural fire.

With 290 million farmers enrolled in five years, PMFBY serves as an example of a PPP, supported by public sector subsidies, achieving scale while keeping premiums affordable.

Box 3
The Uganda Agriculture Insurance Scheme

Number of people insured:
174,800, smallholder and large-scale farmers
Insured risks:
Natural calamities for crops and livestock
Premium:
Average US$ 41.05 per year

The Uganda Agriculture Insurance Scheme (UAIS) is a PPP insured by the Agro Consortium (a group of 11 insurance companies). Through the co-insurance structure of the consortium, agricultural risks underwritten are shared throughout the risk pool, spreading the financial burden of claims and unifying standards, procedures and products.

Subsidised by the Government of Uganda, farmers purchasing agriculture insurance products directly or through financial institutions pay reduced premiums. Subsidies of approximately US$ 1.5m are provided per year, with a view to increasing provision with increasing demand (see Figure 6).

Figure 6
UAIS 3-year performance
174,800 insured are 5.8 % of 3,000,000 active farmers in Uganda

Year	2017	2018	2019	Total
Farmers insured	45,701	47,305	81,794	174,800
Premium	1,450,000	2,300,000	3,500,000	7,250,000
Claims	490,000	460,000	520,000	1,470,000
Loss Ratio	34 %	20 %	14 %	20 %

Source: Daka, Munyaradzi. Presentation "Uganda Agriculture Insurance Scheme", International Conference on Inclusive Insurance — Digital Edition 2020.

Session 4
Public private partnerships for inclusive insurance against climate risks:
What works and what does not?

Ensuring stakeholders' input

Stakeholder responsibilities should be specified, ensuring their full support of the PPP. In Uganda, while the government increases financial sustainability of UAIS, government agencies provide data support, financial institutions increase access to credit, and the consortium undertakes sensitisation and awareness activities with government agencies and development partners to encourage uptake.

A PPP must acknowledge potential effects of political pressure on products, premiums and claims. Financial support should be ring-fenced from day-to-day political interference and insurance principles should form the basis of schemes. Nevertheless, the PPP needs to embrace new national priorities that may affect its mission and operations — particularly ones such as climate change that are clearly connected to its business.

A PPP's contribution to such priorities is mutually beneficial to partners in the public and private sectors. Governments have the capacity and incentive to reach people at scale as they are required to fulfil a social role, creating safety nets for people and businesses. The PPP's focus on enhancing the safety nets though products protecting the vulnerable against climate risks will help it achieve scale and make its own business sustainable. Schemes beginning as private sector initiatives in India (PMFBY) and Northern Kenya (livestock insurance) have been scaled successfully by broadening the scope of operations as part of larger public programmes. In a complementary role, private players continue to drive innovation and competition for the expansion and improvement of products and services.

Box 4
Three PPP learnings

1. Think Big — climate change is a global and long-term challenge. PPPs should articulate their goals and maintain a long-term vision, gearing pilot studies towards achieving scale and using public resources efficiently to create widespread solutions.

2. Start Small — fail small and fast. Use pilots to test and refine products and claims processes. Models and data availability evolve over time.

3. Scale Fast — reach scale quickly to show traction and keep stakeholders engaged. Few schemes have succeeded without scaling fast.

Source: Wilhelm, Mario. Presentation "Public Private Partnerships for Inclusive Insurance against Climate Risk." International Conference on Inclusive Insurance — Digital Edition 2020.

Emily Coleman
Agricultural Insurance Lead, INSURED, PARM, IFAD, Italy

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

Creating an enabling environment

To build a sustainable national agricultural insurance programme, there are common demand and supply challenges that government-led schemes can help overcome.

Food security became particularly important when pandemic trade restrictions arose. This has encouraged interest in helping to create and test new insurance products for high value agricultural value chains, such as for vegetables, rather than only for rice, which has so far been a focus in countries like Cambodia and Indonesia. However, sometimes insurance for high-value crops can bring other challenges, for example finding solutions to permit timely loss-and-damage assessment. Also on the product side, demand research in Vietnam suggested that crops should be diversified on the basis of proximity to various target groups and their local risk exposure, rather than following uniform product design decisions taken at state level.

Another challenge of state-led subsidised schemes can be that farmers have agricultural insurance without understanding the cover they have or how claims can be made. In some countries, distribution models are commonly used in social village structures, with village leaders purchasing insurance without individual farmers' full understanding. In addition to alternative delivery channels, awareness-raising and capacity development can therefore help governments and PPPs create strategies with a long-term view of market development.

Helping to collect and provide access to good quality weather and yield data is a widespread challenge and a fundamental area for government to support, particularly in the face of climate change, in order to develop, operate, and validate accurate products.

→ PMFBY
→ UAIS

Lessons learnt

- Long-term sustainability and efficiency of PPPs remains challenging. Multi-stakeholder approaches are critical with public and private sectors as equal players.
- Governments and donors can help overcome market development challenges. Private players should be able to benefit from public goods, levelling playing fields and incentivising insurer involvement.
- Governments should improve participation of private insurers to enable competition for subsidised products. Some countries have subsidised programmes with only one or two state-backed insurers able to access subsidies.
- Risk pooling improves capacity for skills development and product consistency, and provides robust product research and development opportunities — standardisation is useful for achieving scale.

Session 5

The role of mobile in scaling index insurance

By José Miguel Flores Contró

The session focused on how mobile and satellite technology can digitise delivery and service, and can continue to make insurance more accessible and acceptable to smallholder farmers. The panel represented: OKO[5], a crop insurance start-up using satellite imagery and weather forecasting to simplify claim management; ILO's Impact Insurance Facility, which is dedicated to enhancing insurance capacity to reduce vulnerability and protect the poor; and the GSMA, an association of mobile network operators worldwide.

Index insurance enables access but has failed to generate uptake

In May 2020, the GSMA, which represents mobile operators worldwide, published the report "Agricultural insurance for smallholder farmers,"[6] covering index insurance trends, challenges and opportunities (see Figure 7). The GSMA brings together some 750 operators with almost 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors.

Among the study's key findings were that

- index insurance enables first-time access for many smallholder farmers, but uptake remains limited;
- partnerships are fundamental for scaling-up and education;
- mobile technology enables service delivery across the agricultural insurance value chain;
- MNOs and mobile money providers can expand index insurance services; and
- insurance should be bundled with loans.

5
In the Yoruba religious system Oko is a deity protective of agriculture.

6
GSMA report, "Agricultural insurance for smallholder farmers", published by the GSMA AgriTech programme, 2020.

Figure 7
GSMA Mobile for Development: reducing inequalities in our world

Source: Raithatha, Rishi. Presentation "The role of mobile in scaling index insurance," International Conference on Inclusive Insurance — Digital Edition 2020.

Digitisation has changed the index insurance landscape

In agricultural insurance, digitisation of payments has been a gamechanger.

Without mobile payments, the only option would have been to have a dense network of points of sale to serve customers, a costly solution. Mobile money services, such as M-PESA and Orange Money, have enabled farmers who lack bank accounts to enrol in index insurance schemes. Digitisation has also enabled precise data collection, improving risk computation. Capturing the data has led to yet another significant change: digitisation of distribution tools.

The ILO's Impact Insurance Facility has been studying digitisation's effects on agricultural insurance for a few years. In fact, its first encounter in this field was when index insurance was introduced in India in 2003. In those days, digitisation was considered an important tool for creating automated weather stations. The use of technology has since brought multiple players into the insurance value chain. It has helped enhance insurance awareness and financial education among target customers, improving their understanding and familiarity of the loss assessment and verification processes.

OKO, an Israel-based start-up, is a new player in crop insurance. It uses emerging technologies as the pillar of its crop insurance business, building interfaces and platforms for different stakeholders of its fully automated parametric products. Serving smallholder farmers in Africa in partnership with Allianz, OKO uses mobile for distribution and, with satellite data monitoring and automatically triggering the weather index, it processes claims and pays them via mobile money. To improve the value proposition, OKO bundles insurance with added services such as weather alerts, farming tips and access to affordable micro-credit.

Covid-19 has made the case for technology in insurance

The pandemic has partially affected the sale of crop insurance, given the restrictions on in-person meetings with farmers. However, Covid-19 has had little impact on operations that are mainly technology-driven (e.g. claims are verified by satellite data).

Overall, by forcing insurers and intermediaries to adapt, the pandemic has established a meaningful case for the use of technology in insurance.

By its very nature, selling agricultural index insurance is more challenging than selling life and hospi-cash insurance services. Agricultural index insurance targets smallholder farmers, who are harder to reach and are usually less familiar with insurance.

Simon Schwall
CEO, OKO, Israel

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

Rishi Raithatha
Senior Advocacy Manager,
GSMA Mobile Money Programme, UK

Partnerships with MNOs that can deliver

Partnerships that use mobile money and bundle index insurance with products of a mobile network operator (MNO) have shown positive outcomes. This involves providing insurance cover to MNOs' customers every time they recharge their airtime balance or send airtime credit to a friend or family member. BIMA and MicroEnsure are good examples of technical service providers that have successful partnerships with MNOs. Their business model allows deducting monthly premium payments from customers' airtime balances.

MNOs need to be involved in the agricultural index insurance process in some way. They can provide the right tools for insurers and suppliers to gather weather data, which can be used to determine whether indices might have been triggered. Using MNOs as a distribution channel without their buy-in has proved less successful than when they are co-opted.

Generally, successful business models work across various points of the insurance value chain. Partnerships where MNOs are enablers for some customer touch points can certainly help index insurance schemes.

Apart from distribution and payments, mobile technology can also be used to train sales staff, perform photo-based claims settlement, reduce fraud, set up weather stations and develop Internet of Things (IoT) devices. Some livestock insurance schemes have drastically reduced fraud by implementing photo-based claims settlements, which agricultural index insurance can also employ.

→ GSMA

Lessons learnt

— Digitisation has been instrumental in various parts of the agricultural index insurance value chain — and so has mobile technology.

— Mobile technology can improve insurance awareness and financial education.

— Covid-19 restrictions have compelled insurers to increase their use of technology to maintain operations.

— The use of satellite imagery and sophisticated weather forecasting is bringing a variety of new players, such as data science experts, into the agricultural index insurance value chain.

— Insurance value chains can best be held together through a partnership that combines expertise in product design, distribution in emerging markets, claim processing and value-added risk management.

Session 6

Macro, meso, micro: Practical experiences at all levels of parametric insurance

By Maria V. Sáenz

The session featured two parametric catastrophe insurance schemes and an indemnity product for flood insurance, drawing lessons from their experience with different beneficiaries.

Micro and meso levels

In the aftermath of the 2010 Haiti earthquake, Fonkoze, the country's largest MFI, and global NGO Mercy Corps founded the Microinsurance Catastrophe Risk Organisation (MiCRO). MiCRO acts as a facilitator between aggregators (banks, MFIs, utility companies, etc.), regulators, insurance companies and reinsurers to develop and implement index-based inclusive insurance that helps vulnerable people recover from the consequences of natural disasters, including reductions in income and additional expenses. What MiCRO offers is a business interruption product that benefits farmers and microentrepreneurs and all those affected by the consequences of natural disasters.

MiCRO designs its risk transfer products according to the beneficiaries' needs and each intervention's ecosystem (the type of prevalent risks, geographic areas, etc.). To this end, MiCRO's products "protect against business interruption losses and the decline in well-being caused by natural disasters".[7] It uses a proprietary calculation platform based on satellite information and other sources to detect covered events' occurrence and severity. Cash payments are made after calculating the severity of the event. All of MiCRO's products have the backing of premium reinsurance. MiCRO's products and processes are straightforward (see Figure 8).

Figure 8
Product characteristics

Source: Llabres, Iker. Presentation "Macro, meso, micro: practical experiences at all levels of parametric insurance." International Conference on Inclusive Insurance — Digital Edition 2020.

7
→ MiCRO

MiCRO's learning curve has been long and arduous. However, good planning, the stakeholders' involvement and the right pricing are beginning to show good results. During the first quarter of 2017, MICRO sold 94 policies. By the third quarter of 2020, MICRO had 41,341 outstanding policies (cumulative), showing a compound annual growth of 50 %.[8] The total payouts over time are nearly US$ 2.0 million, 51% of policyholders are women, and 69 % of the policies sold are linked to agriculture loans. Today MiCRO has operations in four countries, working with 6 insurers and 9 aggregators.

Macro level

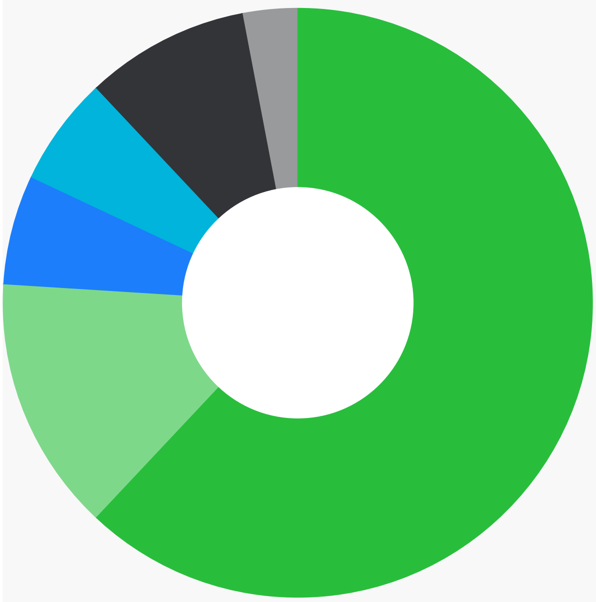
CCRIF SPC (formerly the Caribbean Catastrophe Risk Insurance Facility) was formed in 2007 as the world's first multi-country risk pool. The impacts of Hurricane Ivan in 2004 brought into sharp focus at political level the need for quick liquidity following a natural disaster to meet immediate needs of the population even before consideration of reconstruction and redevelopment. CCRIF and the introduction of parametric insurance in the Caribbean were therefore born out of Hurricane Ivan. CCRIF is a regional catastrophe fund for Caribbean and Central American governments to limit the financial impact of devastating hurricanes, earthquakes and excess rainfall events by providing quick financial liquidity when a policy is triggered. The Facility also provides parametric insurance cover for the electric utilities and fisheries sectors.

In 2014, the Facility was restructured using a segregated portfolio company to facilitate expansion into new geographical regions and to provide new products for additional perils.

Since its inception, CCRIF has made 49 payouts totaling US$ 197 million to 15 member governments, within 14 days of the event. Payouts have benefited about 2.5 million persons and have been used by governments to meet the immediate needs of their populations (see Figure 9).

8
Growth (%) = $[(\frac{41341}{94})^{\frac{1}{15}}] - 1$
Calculation by MV Sáenz

Figure 9
Use of CCRIF payouts since 2007



Immediate post-event activities	62 %
Long-term infrastructure work	14 %
Risk mitigation activities to reduce vulnerability to future natural hazard events	6 %
Economic sectors, e.g. agriculture	6 %
Unallocated contribution to the national budget	9 %
Capitalisation of Recovery Fund	3 %

While these payments are relatively small compared to the overwhelming cost of rebuilidng, all recipient governments have expressed appreciation for rapid infusion of liquidity, which they are able to use to address immediate priorities.

Approximately 2.5 million persons have benefited from CCRIF payouts since 2007.

Source: Anthony, Isaac. Presentation "Macro, meso, micro: practical experiences at all levels of parametric insurance." International Conference on Inclusive Insurance — Digital Edition 2020.

On microinsurance, CCRIF has since 2010 been engaged with the Munich Climate Insurance Initiative (MCII) and other partners such as the ILO's Impact Insurance Facility through the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC). The project addresses climate change, adaptation, and vulnerability by promoting weather-index-based (parametric) insurance. The project produced the Livelihood Protection Policy (LPP) specifically for vulnerable low-income groups.

Also, in 2019, CCRIF launched the COAST product for the fisheries sector in two member countries — Grenada and Saint Lucia. COAST is designed for individuals working in the fisheries industry. COAST is unique as it is purchased by governments, but payouts are distributed to registered fisherfolk, to protect their livelihoods. The COAST product provides coverage for losses suffered by fisherfolk due to bad weather and for direct damage caused by tropical cyclones (wind and storm surge) to fishing vessels, fishing equipment and fishing infrastructure. Through COAST, vulnerable fishing communities and those employed in the sector, including boat owners, fishers, market vendors many of whom are women, and boat boys among others have access to insurance developed specifically for their needs, protecting their livelihoods and playing a key role in closing the protection gap.

An alternative to a macro cover

Private flood insurance is emerging as an alternative to the National Flood Insurance Program (NFIP) in the USA. This case has lessons from developing a market in a developed economy for a peril that, until recently, was thought to be uninsurable: flood.

Over the past 15 years, the federal programme has survived catastrophic losses with increasing debt, now exceeding US$ 20bn. The take-up is low in designated flood zones, and far lower outside, causing adverse selection. Cover is perceived to be too expensive.

Many believe that if it is not required as a condition of a mortgage, they are not at risk of a flood. Others think flood cover is standard in their home insurance policy. Overall, between 50 % and 80 % of losses in recent catastrophes went uninsured, limiting and delaying disaster recovery.

Matt Chamberlain
Principal and Consulting Actuary, Milliman, USA

Iker Llabres
Business Manager for El Salvador and Actuarial Officer, MiCRO, USA

Isaac Anthony
CEO, CCRIF SPC, Cayman Islands

To fill the protection gap, market forces are moving towards increased private involvement. There is plenty of reinsurance capacity, legislation has become more favourable and more reliable risk models are available, and consumers have begun to understand insurance. More than 100 stand-alone programmes have been launched since 2013. Written premiums increased by 56 % in 2017 and 6 % in 2018 (see Figure 10).

→ MiCRO
→ CCRIF
→ Microinsurance Centre

Indira Gopalakrishna
Microinsurance Specialist,
MicroInsurance Centre at Milliman,
Singapore

Lessons learnt

— Pricing is key. It is a symbol that gives a better idea of the risk. There is a strong correlation between take-up and a mismatch in price related to the real risk.

— Parametric insurance has many benefits, but it is not a silver bullet. It requires high-quality models and its models need to be underpinned by continuous improvement and modified with new data from recent natural hazard events.

— Enhancing awareness and the use of advanced technology are key. However, lack of data is still a challenge.

— Insurance itself does not build resilience. Aggregators, communities, and countries in the case of sovereign programmes, must aim at building capacity in DRM and CCA as well as DRF, and pursue other training and means to build resilience.

Figure 10
Private flood premium growth

State	Private Written Premiums (Millions) 2016	2017	2018	2016—2017 % Change	2017—2018 % Change
California	48.8	72.0	83.6	48 %	16 %
Florida	47.8	84.5	79.7	77 %	-6 %
Texas	31.8	53.5	63.2	68 %	18 %
New York	27.4	47.7	47.2	74 %	-1 %
New Jersey	17.0	28.9	33.6	70 %	16 %
Pennsylvania	13.2	18.8	22.1	42 %	18 %
Louisiana	11.5	17.9	20.5	56 %	15 %
Massachusetts	9.0	15.3	17.0	70 %	11 %
Illinois	9.8	14.0	15.6	43 %	11 %
Ohio	5.6	14.2	15.4	154 %	8 %
All 50 States	**412.6**	**641.9**	**681.4**	**56%**	**6%**

Source: Chamberlain, Matt. Presentation "Macro, meso, micro: practical experiences at all levels of parametric insurance." International Conference on Inclusive Insurance — Digital Edition 2020.

Session 7

Quality Index Insurance Certification (QUIIC)

By Ulf König

How do we evaluate and "certify" the quality of index insurance contracts? The session dealt with this question, detailing the QUIIC process and implementation with a view to assisting governments and regulators that care about more than just solvency issues.

Why QUIIC?

When it comes to insuring the poor, who can only afford small premiums, insurers must have highly efficient operations to stay in business. In this context, index insurance represents a promising option, as payouts are triggered as soon as a given index falls below and/or surpasses a pre-set threshold. This saves insurers the trouble of assessing individual claims, as they simply need to monitor temperature, rainfall and other indices.

However, designing appropriate index insurance products requires enough (historical) data and expertise to calibrate the statistical models in such a way that customers benefit from buying insurance and are not left worse off. Suppose an insured farmer loses his crop due to lack of rain. If his insurance does not pay out because the rainfall threshold was set unrealistically high ("false negative"), he is worse off with insurance than without it — not only has he lost his crop, he also had to pay a premium on top.

Michael Carter
Professor, University of California, MRR Innovation Lab, USA

On the other hand, the threshold may be too low, triggering payouts when there have not been any losses ("false positive"). This might seem fortunate at first sight, but it will be factored into the insurer's pricing scheme, making premiums more expensive for everyone.

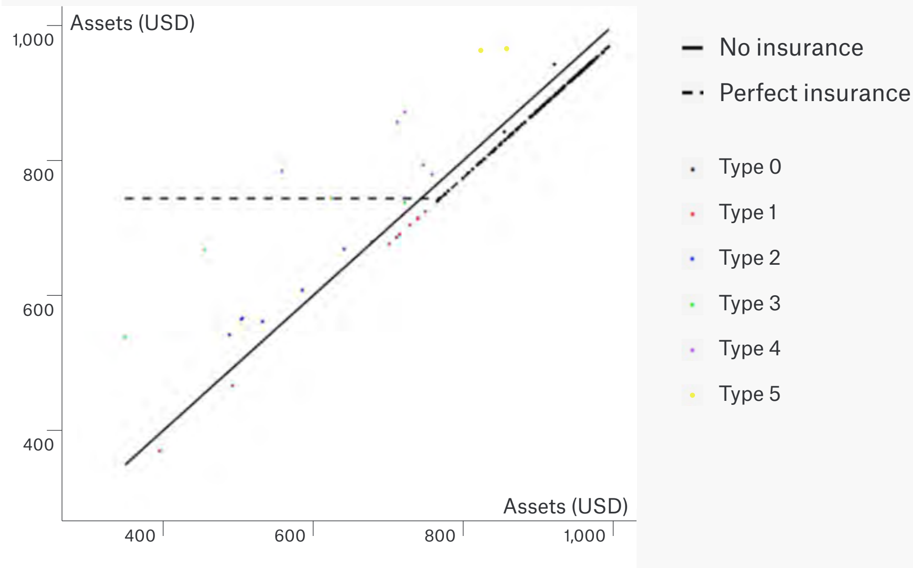
These scenarios are not just hypothetical; they transpired in Uganda. The Agro Consortium was set up as a public-private partnership between the government of Uganda and eleven insurers aiming to supply cost-efficient index insurance products to poor farmers. Lack of data and lack of expertise resulted in harmful policies. It took six years to rebuild farmers' trust in the product. Improvements proved possible only with the help of a so-called Quality Index Insurance Certification (QUIIC). Such an evaluation presents customers and regulators with a means of judging the quality of an insurance policy prior to purchase.

How does QUIIC work?

The idea of QUIIC is simple: an index insurance product should only be offered to the public if customers are "better off" with it than without it. Put into standard microeconomic notation, the expected utility of purchasing such a product must be higher than the expected utility of not purchasing it.

Figure 11 illustrates this graphically: an ideal insurance contract (dotted line) should put a floor under the farmers' feet so they make a small sacrifice by paying the premium in good years, to be protected from disastrous losses in bad years. If they had no insurance at all, their asset distribution would look like the solid line. The dots represent the different outcomes of an insurance contract under QUIIC's investigation: green dots symbolise desired outcomes, red dots stand for false negatives, and yellow dots represent false positives. As can be seen, the contract in this example delivers ~50 % of the quality of an ideal contract.

Figure 11
QUIIC assessment of an index insurance contract



Source: Carter, Michael. Presentation "The Why & How of Measuring Index Insurance Quality." International Conference on Inclusive Insurance — Digital Edition 2020.

How does QUIIC get implemented?

UC Davis is partnering with the Nairobi-based Regional Centre for Mapping of Resources for Development (RCMRD) to establish a technical lab that facilitates QUIIC's implementation in Southern and Eastern Africa member states. Insurers request assessment at the QUIIC certification board, which is composed of all relevant stakeholders such as regulators and reinsurers.

The assessment is conducted by the technical lab, whose employees estimate policyholders' income both with and without insurance based on historical data. Insurance-backed income is calculated as the expected crop size multiplied by its historical selling price, minus insurance premiums, and plus claims payments as triggered by historical rainfall, temperature, etc. Both types of income are adjusted by farmers' risk aversion.

This process takes about one week after all necessary data is collected. If the adjusted income with insurance is lower than that without it, the insurance scheme is not approved and needs adjustment such as reduced cost structures, another base index, etc. In order to scale this approach, RCMRD plans to strengthen its data collection capabilities through networks, build up capacity through training modules, and assess the effectiveness of QUIIC through a market-level study.

→ QUIIC
→ CEAR

Lessons learnt

- Customers, insurers, and regulators have a legitimate interest in knowing the quality of an index insurance product. QUIIC provides a simple yet effective methodology for answering this question by comparing the customers' expected income with and without insurance based on quantitative analyses.
- Quality certification is practically mandatory to establish trust in index insurance policies and foster penetration. Without certification, harmful products will most likely destroy the market and tear down beneficial products with them.
- Data availability on past index values represents the biggest challenge for implementing QUIIC at large scale. Ideally, the method requires 10 years of time series data.
- If sufficient data is not available, recreating data, using proxies, or running simulations can be an alternative. Also, drones can be a meaningful alternative in the absence of satellite imagery.

Lilian Ndungu
Thematic Lead — Agriculture and Food Security, Regional Centre for Mapping of Respurces for Development (RCMRD), Kenya

Munyaradzi Daka
Consultant, Agro Insurance Consortium, Uganda

Glenn Harrison
C.V. Starr Chair of Risk Management & Insurance, Robinson College of Business, Georgia State University, USA

Agenda

Day 3—4 November 2020
How to reach scale and develop inclusive insurance markets

Session 8
Integrated risk management solutions

Hosted by
ILO's Impact
Insurance Facility

Speakers

Floriano Hilot
CEO, Oro Integrated Cooperative, The Philippines

Nikhil AC
Head — Liability Products, Dvara KGFS, India

Sicco van Gelder
Director Demandside Financing, PharmAccess Foundation, Netherlands

Facilitator

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

Session 9
How digitisation can spur market growth

Hosted by GIZ

Speakers

Andrea Camargo
Risk Financing Consultant, Inspowering, UK

Mohamed Feriss
Head of Department, ACAPS, Morocco

Mathilda Ström
Deputy CEO, BIMA, UK

Kofi Andoh
Deputy Commissioner of Insurance, National Insurance Commission, Ghana

Wolfgang Buecker
Head of Sector Programmes/ Cluster Financial Systems Development and Global Initiative for Access to Insurance, GIZ, Germany

Facilitator

Hui Lin Chiew
Advisor, Access to Insurance Initiative , Germany

Session 10
Lessons learnt developing national strategies

Speakers

Dante Portula
Senior Advisor, GIZ, The Philippines

Kemibaro Omuteku
Head of Insurance, Financial Sector Deepening Trust (FSDT), Tanzania

Eduardo Morón
President, APESEG, Peru

Facilitator

Lemmy Manje
Founder and CEO, FinProbity Solutions, Zambia

Session 11
Leveraging sovereign insurance to build scale

Hosted by MCII

Speakers

Isaac Anthony
CEO, CCRIF SPC, Cayman Islands

Matthew Branford
Acting Accountant General, Department of Finance, Government of Saint Lucia, Saint Lucia

Dean Romany
President, Guardian General Insurance Limited, Trinidad and Tobago

Dirk Kohler
Insurance Advisor, MCII, Germany

Facilitator

Elizabeth Emanuel
Corporate Communications Manager/Technical Assistance Manager, CCRIF SPC, Cayman Islands

Jennifer Phillips
Associate Project Manager, Munich Climate Insurance Initiative, Germany

Session 8

Integrated risk management solutions

By José Miguel Flores Contró

The session addressed the importance of bundling insurance with other financial services for risk management. Panellists presented insurance products integrating with other financial services to create affordable risk management solutions for low-income people. A particular focus was leveraging digital tools to improve access and care.

Insurance is considered the principal mechanism for coping with risk. For the rural and urban poor, other ways of risk management and coping — such as using savings and assets and informal group-based risk-sharing — provide only limited protection, leaving them exposed to severe shocks. Insurance can help low-income people to get out or stay out of poverty by reducing the financial burden of shocks. Moreover, for overall risk management, insurance can be offered or integrated with other financial services such as credit, savings, money transfers and remittances.

Examples from the Philippines and India

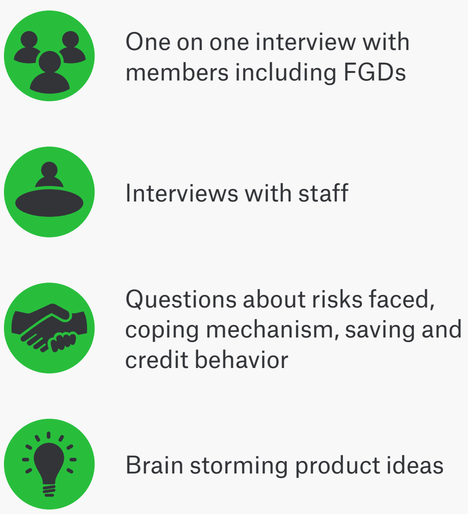
Oro Integrated Cooperative (OIC) was founded in 1966 as the first credit union in Mindanao, the second largest island of the Philippines. In the first week of March 2020, it launched two products in which insurance is integrated with savings, one for children's education, and one for health and disaster emergencies (see profile Box 5).

The products were designed after market research that included views of members and focus groups, interviews with staff, questions about risks faced, coping mechanisms, savings and credit behaviour and brainstorming sessions (see Figure 12).

Box 5
OIC's Health & Disaster Savings

Purpose:
Save for an emergency: health and calamities
Number of people insured:
420, with savings of PHP 430,000 (US$ 8,958)
Insured risks:
Free calamity insurance on accumulated balance of PHP 5,000 (US$ 103), 100 % property damage due to natural calamity for PHP 6,500 (US$ 130), health reimbursement due to peril for PHP 500 (US$ 10)
Savings and interest rates:
5 % on minimum of PHP 6,000 (US$ 120) and maximum of PHP 30,000 (US$ 600) per annum
Deposit term:
Minimum 5 years

Figure 12
OIC's product design methodology



Source: Hilot. Floriano R. Presentation "Integrated Risk Management Solutions", International Conference on Inclusive Insurance — Digital Edition 2020.

Floriano Hilot
CEO, Oro Integrated Cooperative, The Philippines

Dvara Kshetriya Gramin Financial Services (Dvara KGFS), based in Chennai, Tamil Nadu, has since 2008 operated in six states of India to maximise the well-being of individuals and enterprises through access to financial services in remote rural areas. Offering savings, credit and remittances, by 2019 the company was serving more than a million clients through 306 branches. In October that year it added investment and insurance products to its portfolio and piloted them through an integrated offering named Dvara Sampoorna Sampath Plan (DSSP).

Encouraging people to save some amount of their income, the company prepares and analyses a financial well-being report on clients. Then, using advance machine learning models, it offers products that best fit the clients' needs and characteristics, in particular the surplus income they can set aside. In addition to insurance (see profile Box 6), DSSP provides financial planning while helping to diversify investment. The product is structured in four stages: plan, grow, protect and diversify. This support for financially challenged rural households helps them cultivate a systematic savings habit.

Box 6
Dvara Sampoorna Sampath Plan (DSSP)

Number of people insured:
20,000
Insured risks:
Hospitalisation, personal accident, life
Premium range:
Personal accident Rs. 57 (US$ 1) to Rs. 572 (US$ 8) per annum; group term life Rs. 621 (US$ 8) to Rs. 1086 (US$ 15) per annum

The DSSP investment products include a liquid money market mutual fund and a Gold SIP (systematic investment plan). The first one is a simple investment tool that is low-risk and offers decent returns. The latter allows households to invest in gold in a convenient, secure and cost-effective manner. Gold SIP enables them to buy a fixed amount of gold on a regular basis on a specific date of every month, quarter or year.

Risk solutions for health

PharmAccess works to improve healthcare markets in sub-Saharan Africa so they can deliver affordable and better-quality healthcare for everyone. It does this by following a holistic approach with five core elements: access to finance with the Medical Credit Fund (MCF), social health insurance, digital health financing platforms, clinical innovations, quality assessments and improvement using the SafeCare methodology, and research and analysis.

Nikhil AC
Head — Liability Products, Dvara KGFS, India

Sicco van Gelder
Director Demandside Financing, PharmAccess Foundation, Netherlands

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

In addition, PharmAccess has been leveraging successful experiences of mobile money technologies such as M-PESA and the fact that 90 % of Africans now have a mobile phone. In 2015, it launched M-TIBA,[9] a mobile health platform that allows people to save, borrow money for healthcare and pay premiums for health insurance, while enabling payers (governments, donors and insurers) to offer products such as vouchers, managed funds and insurance. Its key feature is to connect payers, healthcare providers and users through mobile technology (see Figure 13).

More than 4.6 million people and 3,500 providers are now connected to the M-TIBA platform. While mobile health-care exchanges like M-TIBA make even the most vulnerable directly accessible, digital health solutions (e.g. telecon-sultations, online health information and applications for symptoms assess-ments) point the way to the future (see Figure 14).

Box 7
Financial products for health enabled by M-TIBA

— Health wallet post-paid (savings)

— Health wallet pre-paid (loans)

— Risk pooling through shared wallet (groups)

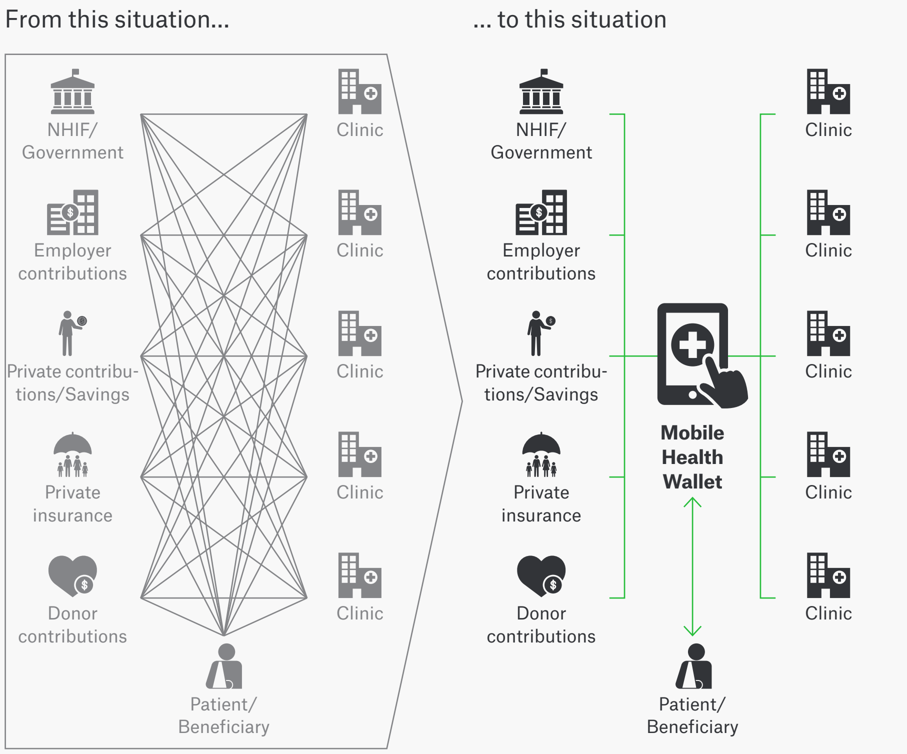
— Hybrid bundled products

— Insurance with premium financing (loans)

— Insurance prepaid (savings and remittances)

→ Oro Integrated Cooperative
→ Dvara KGFS
→ PharmAccess
→ M-TIBA
→ ILO's Impact Insurance Facility

Figure 13
M-TIBA mobile health exchange



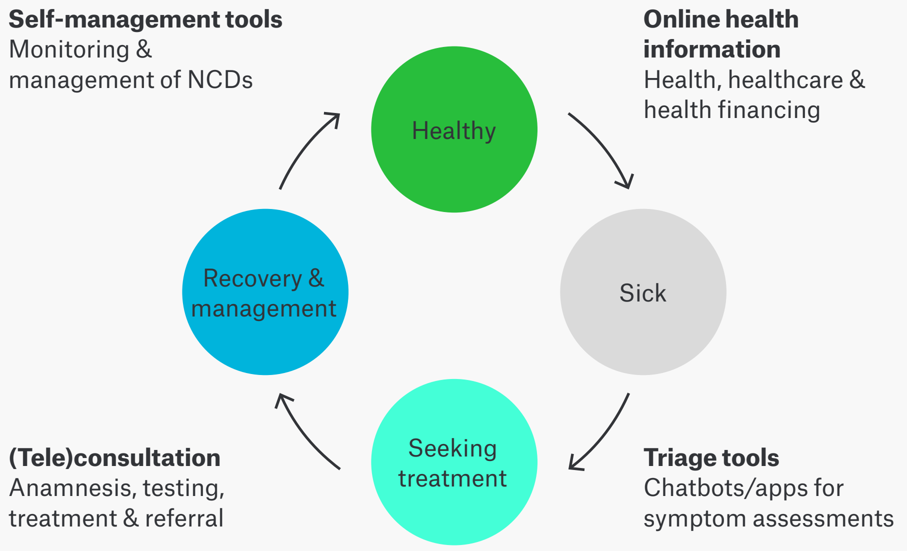
Source: Van Gelder, Sicco. Presentation "Risk solutions for health." International Conference on Inclusive Insurance — Digital Edition 2020.

9
Tiba means care in Swahili

Lessons learnt

- Mobile financial services enable new forms of health financing, closing a gap between out-of-pocket payments and health insurance.
- Risks in healthcare are not limited to financial ones, and integrated risk solutions therefore need to incorporate preventative, curative and promotional health services.
- Digitisation provides opportunities to combine financial and health risk solutions in an easily accessible way.
- Providing access to good quality healthcare is as important as providing financial risk solutions, such as health insurance. Therefore, health financing also needs to include a robust purchasing function.

Figure 14
The health journey



Source: Van Gelder, Sicco. Presentation "Risk solutions for health." International Conference on Inclusive Insurance — Digital Edition 2020.

Session 9

How digitisation can spur market growth

By Kira Henshaw

This session focused on key regulatory enablers for digitising insurance processes. It examined three cases at different stages of digital market development.

A tool for regulators

The Covid-19 restrictions on physical interaction spurred digitisation, pressing regulators to adopt proportionate approaches that facilitate digital product provision and service. An upcoming GIZ white paper "How can supervisors unlock responsible mobile insurance and promote access to insurance?" formed the basis for discussion. It will also provide a tool for regulators to self-assess the appropriateness of their frameworks.

Digitisation reduces friction throughout the value chain by increasing speed, security and transparency. It builds trust, permits scale, reduces product costs, and unlocks business opportunities, models and tailored products. Three dimensions of regulation need to be considered for digitisation:

1. The level of digitisation of the insurance value chain allowed by regulation.
2. The possibility to use innovative providers and business models.
3. The level of efficiency and collaboration of authorities involved.

Innovation requires an understanding of mobile and inclusive insurance market development levels, and penetration and usage of digital financial services (see Figure 15).

Supply, demand and policy factors

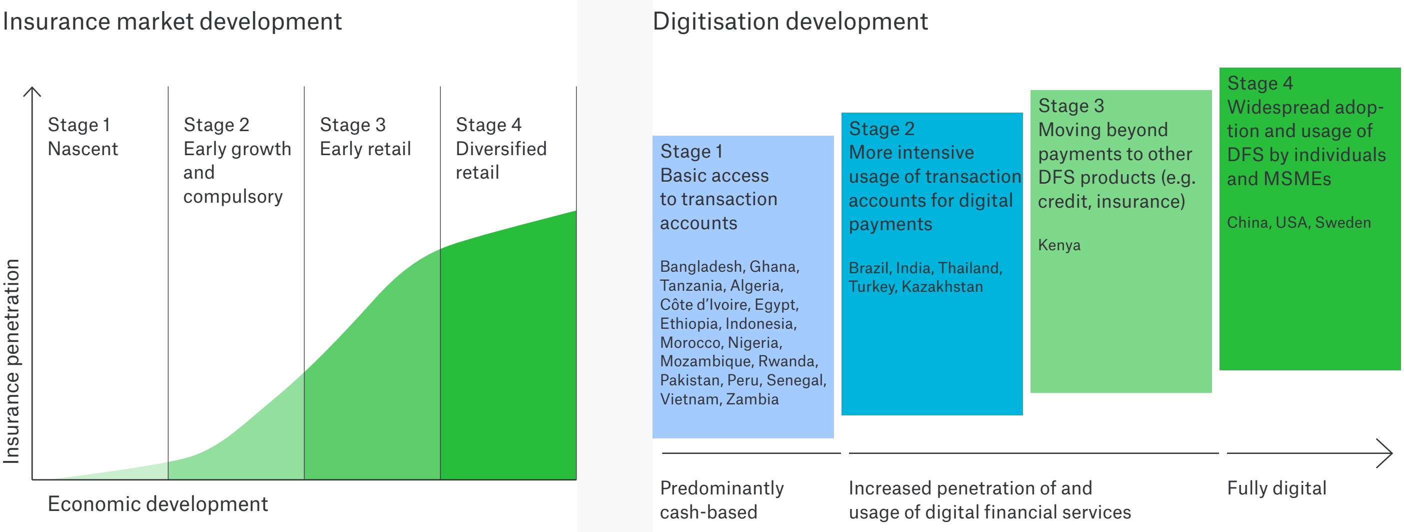
Supply-side challenges include limitations of digital information technology, mobile phone coverage and power supply reliability. Digitisation has not taken off uniformly. Strong digital infrastructures in Kenya, Ghana, Tanzania and India have become the backbone of payment systems, while infrastructures in Morocco and Egypt are still developing. The priority a country gives to digitisation drives supply.

On the demand side, digital culture, empowerment and consumer engagement play an important role. Cultural barriers such as attachment to cash-based methods, acceptance of dematerialisation and trust create obstacles to digitisation.

Policy considerations include accounting for unintended consequences of digital insurance. Digitisation may generate exclusion and discrimination, with inequalities in infrastructure access due to the availability and affordability of mobile devices and data plans — women are often disproportionately disadvantaged.

Many innovative industry and private sector players seek regulatory approval within a good time frame to bring products to the customer. Some countries may face difficulties in keeping up with quickly occurring reforms.

Figure 15
Development of digitisation



Source: Camargo, Andrea. Presentation "How supervisors can unlock responsible mobile insurance and promote access to insurance." International Conference on Inclusive Insurance — Digital Edition 2020.

Box 8
Digitisation trends in the market

1. Increased comfort and use of mobile money and new payment channels, particularly for subscribers.

2. Increased comfort and use of smart-phones, digital services and social media channels; increased product engagement, claims and picture/video contact.

3. Development of marketing and promotion methods; digital marketing — new ways of generating consumer trust and providing information on health services.

4. Development of new insurance selling channels.

Source: Ström, Mathilda. "How supervisors can unlock responsible mobile insurance and promote access to insurance." International Conference on Inclusive Insurance — Digital Edition 2020.

A conducive payments landscape and consumers' comfort with payment channels is what makes or breaks a business model — regulation often serves as a hygiene factor. Distribution and payment challenges should be prioritised, updating outdated laws and regulations prohibiting digitisation of distribution and payments. There should be clarity over the government entity owning decisions in the space.

Experience from Ghana

Mobile network operators play a pivotal role in providing access to insurance in Ghana, with government-approved interoperability smoothing digital processes — over 65 % of inclusive insurance is sold through mobile phones.

The Ghanaian National Insurance Commission (NIC) has no restrictions on the nature of players or on which parts of the value chain can be digitised. All proposals and associated risks are assessed, ensuring appropriate consumer protection measures while mitigating adverse effects on market stability. The NIC supports cross-governmental discussions and aims to avoid gaps and duplication in processes by collaborating with other regulatory authorities, thereby improving the efficiency of the market. It recommends that regulators:

— focus on principle-based regulations — strictly define what has to be done and why;

— build capacity for innovation — acknowledge and embrace digitisation in insurance; and

— review results — innovation changes risks.

Andrea Camargo
Risk Financing Consultant, Inspowering, UK

Mohamed Feriss
Head of Department, ACAPS, Morocco

Mathilda Ström
Deputy CEO, BIMA, UK

Experience from Morocco

Although interaction with digital tools and insurance is changing, mobile insurance remains a nascent market in Morocco. The Supervisory Authority of Insurance and Social Welfare (ACAPS) facilitates a digitally seamless insurance process, with a strong overarching financial inclusion strategy, while embracing alternative channels and partnerships with varying stakeholders.

Network coverage, dematerialisation and digital trust pose barriers for the Moroccan mobile insurance market — many fear digital solutions (although over 70 % have smartphone access). ACAPS acknowledges the internet and mobile technology evolution and aims to ease constraints jeopardising national access to insurance. Launch of an electronic national biometric ID and recognition of electronic documents and signatures will ease enrolment and claims processes.

→ A2ii
→ BIMA
→ ACAPS
→ NIC Ghana

Lessons learnt

— Regulation can play an important role in enabling digitisation throughout the insurance value chain — product design, data collection, distribution, premium payments, claim payouts, identity verification, dematerialisation and onboarding. Regulators need to understand how these new processes work, and update laws and regulations accordingly in order not to constrain new business models.

— The dynamic between regulators and industry partners needs to change — regulators and industry need to collaborate consultatively and transparently, supported by clear regulatory processes and fast approvals.

— Coordination and cooperation frameworks between different regulatory authorities are important to create synergies, exchange expertise, work on regulatory solutions and ensure clarity on which entities own which space.

— Stakeholders need to systematically consider enabling and hindering factors of mobile insurance development to know how to move forward in the market.

— Regulators play an important role in increasing financial literacy, creating industry legitimacy, building trust, and ensuring customer protection — all stakeholders should collaborate to improve customer education.

Kofi Andoh
Deputy Commissioner of Insurance, National Insurance Commission, Ghana

Wolfgang Buecker
Head of Sector Programmes/Cluster Financial Systems Development and Global Initiative for Access to Insurance, GIZ, Germany

Hui Lin Chiew
Advisor, Access to Insurance Initiative, Germany

Session 10

Lessons learnt from national strategies

By María V. Sáenz

National strategies for financial inclusion are a prerequisite for successful market development. Their aim is to address market failures by stimulating demand and supply, creating an enabling environment through specific regulation, providing incentives for business growth, and creating awareness and educating consumers. In this session, Tanzania, the Philippines and Peru shared their experience with national strategies for the development of inclusive insurance markets.

The Philippines

The Philippines case explains the importance of a systematic approach to implementing a national strategy. It reflects more than 10 years' work involving all of the stakeholders — public and private — as well as all the possible legal instruments.

Box 9
Microinsurance market highlights

Population	100 m
Microinsurance clients	45 m
Population served	45 %
Financial landscape	
— Banks	587
— Intermediaries and pawnshops	45,000
— Total insurance companies	122
Insurers participating in the microinsurance market	42
Insurers participating in the microinsurance market	34 %
Microinsurance premium 2019	US$ 178.40 m
% of total industry	3 %
Number of registered microinsurance products	215

Source: Sáenz, Maria V. Data compiled from the joint presentation of Session 10 of the International Conference on Inclusive Insurance — Digital Edition 2020, SBS Document 2020.

Initially, microinsurance was considered part of microfinance, and only part of the CSR (corporate social responsibility) of insurance entities. However, the growing market and opportunities meant that microinsurance needed to be tackled independently. With the help of GIZ of Germany and the ADB Japan Fund for Poverty Reduction, a multi-stakeholder working group, the process started by mapping the gaps and inefficiencies, which was followed by policy papers, which the industry and the public reviewed. The feedback received formed the basis of the National Strategy of 2010, which provided the market with a clear definition of microinsurance, the targeted market, and the players' roles. The legislation moved to formalise the situation of informal providers and created special agents and brokers, and other delivery channels. All of these actions facilitated the inclusion of other suppliers beyond the Mutual Benefit Associations (MBAs). In 2013, a dedicated section on microinsurance was incorporated into the Amended Insurance Code of the Philippines, which effectively institutionalised the various regulatory statements on microinsurance.

Dante Portula
Senior Advisor, GIZ, The Philippines

Kemibaro Omuteku
Head of Insurance, Financial Sector Deepening Trust (FSDT), Tanzania

Eduardo Morón
President, APESEG, Peru

Session 10
Lessons learnt from national strategies

To further promote a conducive environment for the development of the market, and with the information compiled from thorough market research, the working group developed prototypes of products and made them available to all stakeholders. At the same time, the regulator was working on a review of policy contracts, setting performance standards and defining an alternative dispute resolution mechanism.

The whole process is accompanied by a financial literacy strategy; training materials and modules were developed, and seminars delivered on a regular basis to different audiences, from lawmakers to low-income people.

Lemmy Manje
Founder and CEO,
FinProbity Solutions, Zambia

Tanzania

Tanzania has a population of 56.3 million. In 2017, some 65 % of adults had access to and used financial products, including about 8.45 million or 15 % covered by insurance. The market has one reinsurer, 30 insurers, 109 brokers, and 635 agents. According to the National Financial Inclusion Framework (NFIF) 2018—2022, the microinsurance market includes 12 providers offering 18 types of product, basically life, personal accident, credit, hospital cash, and crop and livestock.

The process of defining a national strategy started in 2012 with an insurance diagnostic survey, followed by the initial regulations and a draft microinsurance strategy in 2013. The approval of the final design of the strategy came in 2014. Since then and up to 2020, with the NFIF's approval, Tanzania has followed a path similar to the Philippines. The strategy and its implementation are based on four pillars:

1) Regulatory environment
2) Demand stimulation
3) Supply strengthening
4) Fundraising

With the active involvement of multi-stakeholders in the committees responsible for each pillar, the strategy lends significant weight to financial literacy and training among national priorities. The strategy's objective, embedded in the NFIF, is to cover 50 % of the population with at least one insurance product.

Peru

Nineteen insurance companies make up the insurance sector, of which eight participate in the microinsurance market. The potential market for microinsurance in Peru is 26.2 million people (82 % of the total population), defined as people who earn between US$ 2 and 20 per day. In 2019, microinsurance covered 5.2 million people (20 % of the potential market), and premiums amounted to US$ 35.7m (3 % of the US$ 1.3bn for the entire industry). The main products offered are individual life insurance (33 %), personal accident (20 %), and group life (14 %).

The process of developing a regulatory framework for microinsurance started in 2007, when the government, through the SBS (Superintendency of Banks and Insurance), decided to stimulate the microfinance sector. Today, microinsurance regulations are aligned with all the applicable laws and regulations for the financial sector. In 2015, the Multi-sector Commission of Financial Inclusion launched the National Financial Inclusion Strategy. Many of its general provisions can apply to insurance, and it contains eight different indicators related to inclusive insurance.

The roadmaps the three countries have followed for market development are shown in Figure 16.

The three countries followed similar paths of stakeholder consultation, leading to a set of initial regulations, followed by new sets of enhanced regulations or, as in Tanzania, the definition of a National Inclusive Insurance Strategy. All three countries received financial support from development agencies.

→ FSDT
→ NFIF
→ APESEG
→ MEFIN

Lessons learnt

- All the main stakeholders in the strategy need to be engaged through all the processes to achieve success.
- Regulators have a dual role: supervisory and enabling the market.
- It is essential to start with market research and study of regulatory barriers and gaps.
- Implementing national strategies and following up on their results is not easy, and it takes years.
- Define metrics for success.
- Capacity-building is an ongoing effort. Markets change, regulations change; the stakeholders should be able to adapt products and regulations.
- Reaching scale and sustainability is a goal to be set in stages with a long-term vision.
- Advocacy and awareness-raising are a continuous effort.
- Important to promote resilience while empowering customers through financial literacy and consumer protection.
- It is important to keep the end-users of the inclusive insurance products at the centre of the national strategies

Figure 16
Inclusive insurance roadmaps

	2007	2008	2009	2010—2012	2013	2014—2015	2016	2017	2018—2020
The Philippines				National Strategy and Regulatory Framework (2010) Roadmap to financial literacy in MI (2011)	Alternative dispute resolution mechanisms (2013)	Health and Agriculture MI frameworks (2015)	Enhanced regulatory framework (2016)		
Tanzania				Insurance Diagnostic Survey (2012)	MI regulations and draft of MI strategy (2013)	National MI coordinator Industry capacity building. MI strategy Creation of Steering Committee and Technical Working Group (2014)	MI Landscape survey Definition and application of Key Performance Indicators Capacity building	MI Strategy Fin Disrupt Insurance Regional Business Cases	Sustainability Training of trainers MI regulations revised (2018) Bancassurance Training of trainers (2019) National Inclusive Insurance Strategy (2020)
Peru	1st regulation. Arbitrary limits Government trying to regulate the MI activity in a very regulated microfinance environment and with the objective of facilitating the expansion of microfinance Massive products	Analysis of documents by CGAP, IAIS and the Protecting the Poor: a MI Compendium, Munich Re and MiN	Second version of MI Regulations No limits, focus on low-income population, simple language, minimal exclusions, payments in 10 days	New insurance for the whole sector, not just MI	General insurance contract law and related regulations on consumer protection, transparency, electronic policies, premium payments, claims payments, etc.	Associated initiatives: A2ii Country Diagnostic National Financial Inclusion Strategy (2015)		Revised regulations shifting to a qualitative approach with emphasis on easing the process for registration of products	

Source: Sáenz, Maria V. Flowchart compiled from the joint presentation of Session 10 of the International Conference on Inclusive Insurance — Digital Edition 2020. SBS Document "Caso de estudio: Desarrollo del mercado de microseguros en Perú," and A2ii Perú Country Diagnostic — 2014.

Session 11

Leveraging sovereign insurance to build scale

By Ulf König

This session addressed ways to scale up access to microinsurance through sovereign risk pools such as CCRIF SPC (formerly the Caribbean Catastrophe Risk Insurance Facility). The session also focused on the role of other sectors, private and public, including local government agencies and non-governmental organisations, in supporting the scaling-up of microinsurance products.

CCRIF's approach

CCRIF is a regional catastrophe fund for Caribbean and Central American governments to limit the financial impact of devastating hurricanes, earthquakes and excess rainfall events by quickly providing financial liquidity when a policy is triggered. The Facility offers 5 parametric insurance products — for tropical cyclones, earthquakes, excess rainfall, for the fisheries and electric utilities sector. Parametric insurance products are very different from indemnity insurance as they are insurance contracts that make payments based on the intensity of an event (e.g. wind speed, earth shaking, amount of rainfall, etc.) and the amount of loss calculated in a pre-agreed model caused by these events. CCRIF parametric insurance products are a key component of member countries' disaster-risk financing strategies.

CCRIF is a captive insurance company providing a bespoke insurance solution that enables it to provide unique and tailored insurance/cover that is not readily available in the commercial market. CCRIF has 23 members — 19 governments from the Caribbean, three governments from Central America and one Caribbean electric utility company.

Since its inception in 2007, CCRIF has made 49 payouts totalling US$ 197m to 15 member governments. An analysis by CCRIF in 2019 shows that about 2.2 million persons have been direct or indirect beneficiaries of CCRIF payouts. About 62 per cent of payouts have been used by governments to support immediate needs of the population, such as providing food, shelter and medicine for affected persons including women, children and the elderly, and providing building materials for persons to repair their homes (see Figure 9, Session 6).

"Climate change has no season"

Matthew Branford,
Acting Accountant General,
Department of Finance,
Government of Saint Lucia,
Saint Lucia

Isaac Anthony
CEO, CCRIF SPC, Cayman Islands

Matthew Branford
Acting Accountant General, Department of Finance, Government of Saint Lucia, Saint Lucia

Dean Romany
President, Guardian General Insurance Limited, Trinidad and Tobago

Participating governments benefit from:

— access to quick liquidity following a natural disaster, within 14 days of an event allowing them to address their immediate needs;

— lower premiums as a result of pooling risks;

— cost savings in the range of 25—50%;

— access to reinsurance and international capital markets;

— risk segregation; and

— improved collaboration with other member states in sharing best practices and lessons learnt.

Role of governments in scaling microinsurance and how CCRIF helps

If microinsurance is seen as a suitable path towards building more resilience in the population, governments can take several measures. First, they can incorporate microinsurance as a part of their social protection programmes — by purchasing the insurance policy and naming affected individuals as beneficiaries to receive claims payments. This would obviously require setting aside amounts for insurance premiums in the yearly budget. Second, if paying premiums centrally is not an option, subsidies or tax relief could be allocated. Third, governments can require proof of livelihood protection as part of farmers' or fishers' or even micro, small and medium-sized enterprises' (MSMEs) registration process. Lastly, governments can play a key role in sensitising the population to the value of livelihood protection and the role of insurance.

CCRIF helps governments make microinsurance more accessible with two products. One product is a livelihood protection policy for which CCRIF partners with the Climate Risk Adaptation and Insurance in the Caribbean (CRAIC) initiative and with Trinidad and Tobago-based Guardian General Insurance from the private sector.

The other is COAST for fisheries, which is a parametric insurance product designed for individuals working in the fisheries industry. COAST is unique as it is purchased by governments but payouts are distributed to registered fisherfolk as a means of protecting their livelihoods. The COAST product provides cover for losses suffered by fisherfolk due to "bad weather" and for direct damage caused by tropical cyclones (wind and storm surge) to fishing vessels, fishing equipment and fishing infrastructure. Through COAST, vulnerable fishing communities and those employed in the sector, including boat owners, fisherfolk, market vendors, and boat boys among others have access to insurance developed specifically for their needs, protecting their livelihoods and playing a key role in closing the protection gap. Since 2019, two Caribbean countries — Grenada and Saint Lucia — have purchased COAST policies, with other countries expected to follow in the near future.

Dirk Kohler
Insurance Advisor, MCII, Germany

Elizabeth Emanuel
Corporate Communications Manager/ Technical Assistance Manager, CCRIF SPC, Cayman Islands

Jennifer Phillips
Associate Project Manager, Munich Climate Insurance Initiative, Germany

Challenges in implementation

Among the biggest challenges in introducing government-supported microinsurance schemes is how to explain insurance to first-time buyers who are also low-income persons who are most probably not financially literate. It can be difficult for them to grasp the nuances of an insurance contract — for example, the difference between a policy that protects a farmer's crop and one that protects his livelihood but not his crop or farm.

Offering a parametric product without as many clauses and conditions as an indemnity product is an advantage that helps build customers' trust. However, insurers and regulators need to ensure that the design of parametric products minimises the likelihood of false negatives (no payout because the index was set too high) as well as false positives (payouts triggered when there were no losses). (See details in Session 9 on Quality Index Insurance Certification.)

Yet another challenge is how to scale up quick payments to individuals. Preliminary testing suggests that payments within days are possible, but can this approach work at scale? Blockchain technology could be a potential solution and first pilots are being conducted.

Last but not the least of challenges is keeping up with the changing landscape of risks. Does a parametric product continue to cover primarily wind and rain losses while there is increasing risk of drought?

→ CCRIF
→ MCII

Lessons learnt

— Microinsurance is not the only pillar, but one of the more important ones in sovereign risk financing as it provides faster relief than long-term rebuilding measures.

— Governments can play a pivotal role in promoting microinsurance schemes and can even take over the insurance premium in order to protect their citizens from loss.

— Partnerships are key to implementation, which requires an insurance carrier, regulatory support, agents and brokers to educate customers, and a technology partner underpinning everyone's contribution.

— NGOs, churches and cooperatives can be valuable partners that bring together and help educate large groups of customers.

— Harmonising regulatory requirements across countries would greatly contribute to the success of microinsurance schemes backed by governments.

Agenda

Day 4—5 November 2020
New products and solutions to increase insurance outreach

Session 12
Insurance from a distance: Using remittances to increase protection

Speakers

Michele Grosso
Founder and CEO, Democrance, UAE

Kate Rinehart-Smit
Senior Associate, Cenfri, South Africa

Michal Matul
Head of VAS, consumer insights and training, AXA Emerging Consumers, France

Facilitator

Craig Churchill
Chief, Social Finance Programme, ILO, Switzerland

Session 13
Developing insurance markets for SMEs

Hosted by the Microinsurance Network and GIZ

Speakers

Jeremy Gray
Resilience Team Lead, The Centre for Financial Regulation and Inclusion (Cenfri), South Africa

Monirul Hoque
Planning Manager, Microinsurance, BRAC, Bangladesh

Siani Malama
Head of Business Development & Inclusive Insurance, Hollard, Zambia

Facilitator

Gregor Sahler
Advisor, GIZ, Germany

Session 14
Innovative distribution models — High touch vs. low touch: Is face to face really necessary?

Hosted by EA Consultants

Speakers

Ashok Shah
Group CEO, Apollo Group/ APA Insurance, Kenya

Francisco Reyes
Co-founder & CEO, Mango Life, Mexico

Mauricio Osorio Sanchez
President, Crezcamos, Colombia

Facilitator

Barbara Magnoni
President, EA Consultants, USA

Session 15
Analysing the client value of hospital cash products

Hosted by the Microinsurance Network and ILO's Impact Insurance Facility

Speakers

Neto Ikpeme
Founder and CEO, Wellahealth, Nigeria

Erik Jarrin Peters
Head Latin America — Life Division, Barents Re, USA

Anne-Sophie Triboulet
Microinsurance Project Manager, Women's World Banking, Uganda

Facilitator

Lisa Morgan
Technical Officer, ILO's Impact Insurance Facility, Switzerland

Session 12

Insurance from a distance: Using remittances to increase protection

By Ulf König

Most migrant workers send part of their salary back home to support their families and relatives in their home countries. Such remittances may come with some embedded protection, which can be coupled with targeted insurance covers for senders and receivers. This session explored remittance-linked insurance products (RLIPs) while providing two real-life examples of how to overcome challenges of implementation.

How RLIPs work

RLIPs basically have four models, differing in the party whose risks are covered and where the underwriter is based. The most common model covers the remittance senders' risks with an underwriter in the sending country. Other models, in order of increasing regulatory complexity, cover: the senders' duty-of-support risk with an underwriter in the sending country; the receivers' risks with an underwriter in the receiving country; and the household unit risks with a single underwriter in either the sending or receiving country. In most cases, RLIPs are distributed to customers through remittance service providers (RSPs) such as money transfer operators (e.g., Western Union), banks, e-money service providers and post offices.

Box 10
Covid-19's effect on remittances

Remittance flows to low- and middle-income countries (LMICs) touched a record high of US$ 548bn in 2019, but are expected to decline by 7.2 percent to US$ 508bn in 2020, followed by a further decline of 7.5 percent to US$ 470bn in 2021.

Despite the projected decline, the importance of remittances as a source of external financing for LMICs is expected to increase further in 2020.

The top remittance recipient countries are India, China, Mexico, the Philippines and Egypt. Major migrant-hosting countries are in North America and Europe, plus the Arab states of the Gulf Cooperation Council (GCC).

Source: Migration and Development Brief 33: Covid-19 Crisis Through a Migration Lens, World Bank, October 2020.

Michele Grosso
Founder and CEO, Democrance, UAE

Kate Rinehart-Smit
Senior Associate, Cenfri, South Africa

Michal Matul
Head of VAS, consumer insights and training, AXA Emerging Consumers, France

The case for RLIPs

Among factors making the case for RLIPs, first and foremost is the demand for them in the large number of migrants already sending remittances (see Figure 17). Reasons for sending money home range from payment of health expenses (84 %), an insurable risk, to insurance premiums themselves (21 %). The latter is remarkable considering the low penetration of insurance in the home country markets.

RLIPs help build resilience by increasing insurance uptake and ensuring a sustained flow of money, especially where the sender works in the informal sector without access to other protection. With a multiplying effect, RLIPs penetrate each insured's community. Insurers have clear incentives for RLIPs as they can tap an easy-to-reach customer base. RSPs also benefit from diversifying their revenue streams and expanding their value proposition, translating into higher transaction frequency and enhanced customer loyalty.

However, no opportunity comes without its challenges, and this is also true of RLIPs. Regulatory barriers and the quest for suitable partners are two of the most pressing issues. The former may involve cross-border payments, data protection and sharing, or bundling of separate financial services. Also crucial are suitable alliances between insurers, RSPs and IT partners, as illustrated by two cases.

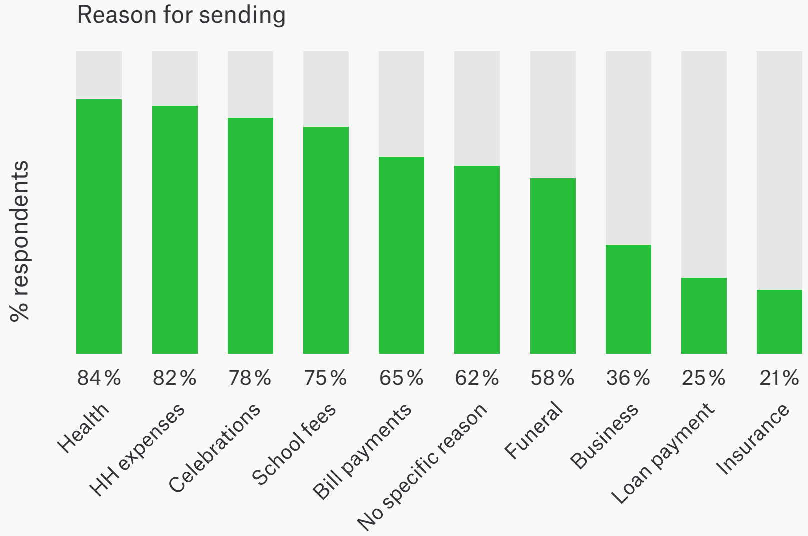
AXA's RLIP market entry in Malaysia

AXA insures more than 200,000 migrant workers globally. In May 2018, AXA launched its first Malaysian RLIP "Merchantrade Insure" in cooperation with local remittance service provider Merchantrade. Within six months the venture had issued more than 20,000 voluntary opt-in policies.

With ongoing product innovation, a temporary disability allowance of RM 100 (US$ 24.50), payable every five days, was added, followed by cover for sickness-related leave and hospitalisation, not just accidents. AXA also introduced free-of-charge telemedicine services for both remittance senders and receivers for a pilot period of three months. Offered in partnership with provider Connect and Heal, the benefit included care by doctors able to speak the patients' own language. Since its launch, Merchantrade Insure has paid 300 claims, two-thirds of which were for temporary disability.

Craig Churchill
Chief, ILO's Social Finance Programme & Team Leader, Impact Insurance Facility, Switzerland

Figure 17
Existing demand among senders for such products
Quantitative survey results of 1,146 digital RSP senders sending from UK to Cameroon, Kenya, Nigeria and Uganda



Source: Rinehart-Smit, Kate. Presentation "ICII: Remittance-Linked Insurance Products." International Conference on Inclusive Insurance — Digital Edition 2020.

Session 12
Insurance from a distance:
Using remittances to increase protection

Box 11
Merchantrade Insure (AXA), Malaysia

Number of people insured:
20,000+
Insured risks:
Personal accident, hospitalisation, temporary disability
Premium:
RM 60 (US$ 15) p.a.

Source: Matul, Michal. Presentation "Protection solutions for migrant workers." International Conference on Inclusive Insurance — Digital Edition 2020.

Partner with technology providers

In October 2019, AXA Gulf launched an insurance scheme for migrant workers, domestic helpers and their families in home countries in collaboration with RISE, a fintech dedicated to democratising access to financial services. The new offering is powered by a digital platform supported by AXA Emerging Customers. Called Software-as-a-Service (SaaS), it was developed by Democrance, an insurtech start-up. The tool enables insurers to build on a fully digitised customer journey along the whole value chain, from digital sales campaigns to policy administration and issuance to claims filing and payment. The front end is mobile-friendly and data is transmitted in real-time, fuelling powerful data analytics algorithms in the back end and providing meaningful customer insights.

The key to the success of RISE is the platform's ability to pair finance education with financial services. AXA Emerging Customers' advice to any insurer eyeing the RLIP market is, "Don't even start without a seamless customer journey and an agile tech partner."

As an IT partner specialising in remittances and insurance from a distance, Democrance is assisting insurers in 12 countries in the Middle East, Southeast Asia and Latin America.

→ Cenfri
→ AXA
→ Democrance

Lessons learnt

— The potential for RLIPs is huge for both leveraging resilience and tapping new customer segments.

— Having skilled partners, especially for IT implementation, is a major precondition for success.

— Insuring remittance senders is now the prevalent approach in the market, but covering receivers is also on the radar.

— Insurance schemes offering immediate client value such as a temporary disability cover and telemedicine services are attractive to customers.

— There remain many regulatory uncertainties, which need clarification and maybe even a coordinated lobbying approach in both the remittance-sending and receiving markets.

— Going beyond remittance-linked distribution, invest in multi-channel, ongoing, native marketing to drive behaviour change.

Session 13

Developing insurance markets for MSMEs

By Maria V. Sáenz

Micro, small and medium-sized enterprises (MSMEs), the backbone of economy in developing countries, face many risks, but most are unprotected by insurance. With larger businesses covered by mainstream insurers and low-income people by inclusive insurance, MSMEs are the "missing middle". Findings of a paper "Managing risks (more) effectively: Rethinking insurance for MSMEs"[10] published by the Microinsurance Network underpinned this session.

Challenges and opportunities

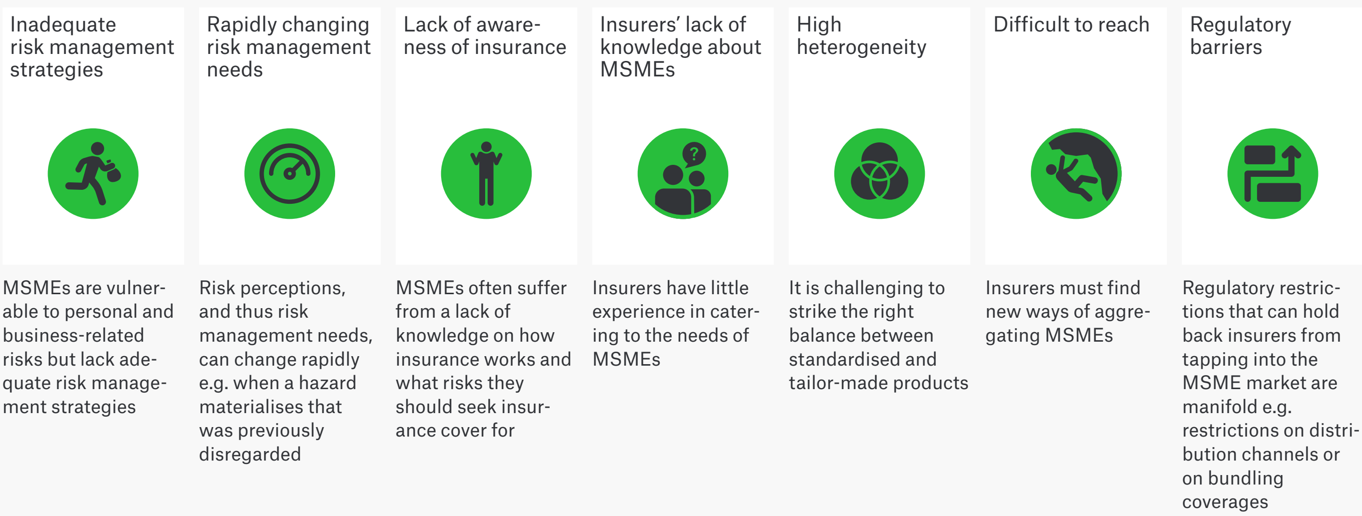
Challenges insurers face in serving MSMEs range from difficulty of access to their heterogeneity (see Figure 18).

A quick survey of participants showed that the more critical challenges are the lack of understanding and knowledge the insurers have of MSMEs and the MSMEs' lack of insurance awareness and risk management. It would be easier to solve the rest if these two challenges were solved.

The paper presented identified four emerging opportunities: learn from the microinsurance experience but do not take it at face value as not all of it applies to MSMEs; understand the sector and its risk management needs; become a risk manager partner rather than just an insurance provider; and align the incentives of aggregators/partners as the business environment changes. An example of changing circumstances and heterogeneity is the decrease of 85 % in Africa's tourism sector due to Covid-19. Agriculture MSMEs' business also decreased, but only by 20 %.

10
→ Microinsurance Network

Figure 18
Challenges to serve MSMEs with insurance



Source : Sahler, Gregor et al. "New products and solutions to increase insurance outreach. Developing insurance markets for SMEs." International Conference on Inclusive Insurance — Digital Edition 2020.

In Ghana, an analysis of insurance's role in the road and transport logistics value chain brought out the need for a partner rather than a provider. In effect, insurance was protecting the vehicle, goods, warehouse and exports. But the risk associated with the driver was not included. Adding a cover for the driver addressed a number of challenges.

The key is to adapt to new opportunities. Cases in point are Hollard Zambia, an authorised insurance provider, and BRAC Bangladesh — the largest MFI in the world and perhaps the oldest, having started operations in 1972.

Hollard Zambia

Hollard used a four-tier approach to develop products for the sector (see Figure 19), with active participation of regulators, distributors, clients, and institutions like Financial Sector Deepening Zambia.

The group of stakeholders identified MSMEs — which, where and how many — their main risks, how they were coping with them, their financial challenges and gaps in risk management, and how insurance could fill in the gaps. The result gave a good idea of the product needed by MSMEs. Furthermore, Hollard partnered with a mobile provider, which considerably reduced the distribution costs. The resulting product is described in Box 12.

BRAC — Bangladesh

BRAC, since its inception, has followed a holistic approach to poverty reduction. The main lines of action are: elimination of extreme poverty; creation of social enterprises to link producers and consumers across the value chain; social and financial development activities (healthcare, education, microfinance, etc.), and investments like BRAC Bank, IPDC, BRAC Net, BRAC Guardian Life Insurance and BRAC IT Services, among others.

Box 12
New MSMEs product from Hollard

Insured risks:
— Property assistance:
covers the damage to structure and stock caused by natural perils.

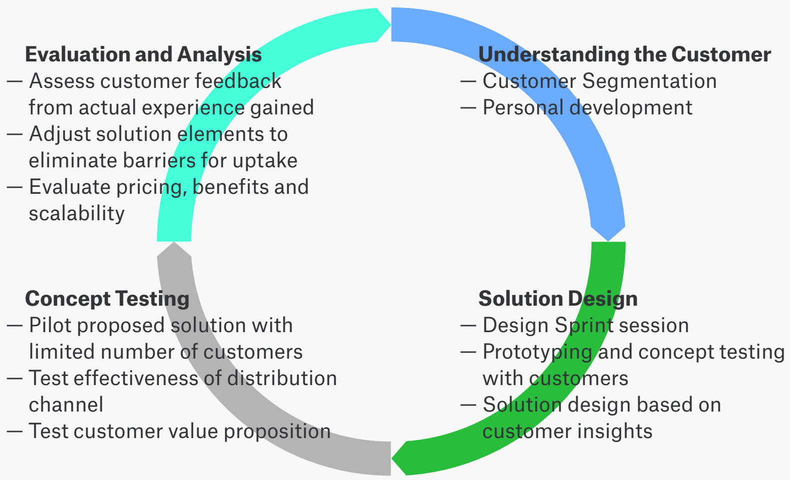
— Loss of income (business interruption): Zambia's regulation only allows this type of payment in the event of physical damage. Covid has shown that the loss does not always entail physical damage.

— Funeral assistance: covers the business owner plus spouse.
For cultural reasons, there is sometimes more than one spouse.

— Hospital cash: for hospitalisation of the owner, daily payouts for three days.

Premium:
US$ 2.00 to 2.50
Maximum payout:
US$ 2,000.

Figure 19
Hollard's four-tiered approach



Source: Sahler, Gregor et al. "Managing risks (more) effectively: Rethinking insurance for MSMEs." International Conference on Inclusive Insurance — Digital Edition 2020.

Jeremy Gray
Resilience Team Lead,
The Centre for Financial Regulation and Inclusion (Cenfri), South Africa

This approach enables BRAC to assume insurance for MSMEs holistically. It understands the financial needs of the potential clients as well as the risks they face. It overcomes challenges by deeply knowing the clients. BRAC is the distributor of financial solutions, which helps customers overcome the lack of trust in insurance, which is one of the major barriers to insurance growth and penetration in Bangladesh.

BRAC segments its clients into two baskets: SMEs and micro lenders. The regulation allows MFIs and NGOs to offer credit life insurance without a partner, but BRAC believes in partnership to introduce the right examples, insurance knowledge transfer and sustainable project development. Being a distributor, BRAC knows its clients well and can walk the blurred line between personal risk and business risk.

BRAC is continuously analysing the implications, cost ratio, scope of Insurtech, client value proposition and development of new solutions.

→ Cenfri
→ GIZ
→ Hollard
→ BRAC

Lessons learnt

- MSMEs are a vast untapped market that is heterogeneous with different financial realities; it requires innovative solutions.
- Trying to make a standard retail product affordable doesn't work.
- Start by understanding the risks faced by a specific set of MSMEs, and then develop solutions to meet those risks and build resilience.
- The use of value chains and other aggregators facilitates access to data, helps segment the market and eliminates part of the heterogeneity.
- Insurers should invest in a detailed design: market research, analysis of financial challenges (client and insurer), potential market risks, etc. It is a long-term investment.
- Financial literacy is a must. MSMEs already manage some risks, in many cases using informal risk transfer schemes. However, knowing the different opportunities and schemes offered by specialised insurance companies is very important. After all, financial literacy is what facilitates such decision-making.
- Take a leap and shift from provider to partners; offer a risk management solution and not merely a product.

Monirul Hoque
Planning Manager, Microinsurance, BRAC, Bangladesh

Siani Malama
Head of Business Development & Inclusive Insurance, Hollard, Zambia

Gregor Sahler
Advisor, GIZ, Germany

Session 14

Innovative distribution models — High touch vs. low touch: Is face to face really necessary?

By José Miguel Flores Contró

The session discussed the strengths and weaknesses of high- and low-touch business models, and which is most suitable for distributing inclusive insurance.

With the development of new technologies during the last decade, low-touch business models have gained popularity across different industries. Inclusive insurance clients are difficult to reach for various reasons (e.g. geographic and language barriers). Low-touch communication, where human interaction is minimised, helps reduce expenses and provide more affordable insurance products.

Lessons from a digital broker

Mango Life is an insurance broker that started in Mexico in September 2018, when it sensed a great business opportunity in the market: life insurance had a penetration of 15 % and private health insurance just 7 %. Mango Life realised that one of the main reasons for the low penetration was that life and health insurance were too complex to understand and acquire. So it designed an approach with three main features to overcome the complexity (see Box 13).

Box 13
Opportunity in Mexico's market

— Only 15 % of the working population have life insurance.

— Just 7 % of people have private health insurance; 40 % of total health care costs are borne directly by patients.

Mango Life's approach

— Flexible and simplified insurance.

— Least jargon possible.

— 100 % digital: no paperwork, appointments, signatures on documents

Before, when traditional channels were used, getting insurance could take up to 15 days. Now, with Mango Life it takes 5 minutes. The company's business-to-customer (B2C) model includes performance marketing, inbound marketing, product landing pages, website content, quotation apps and sales (see Figure 20).

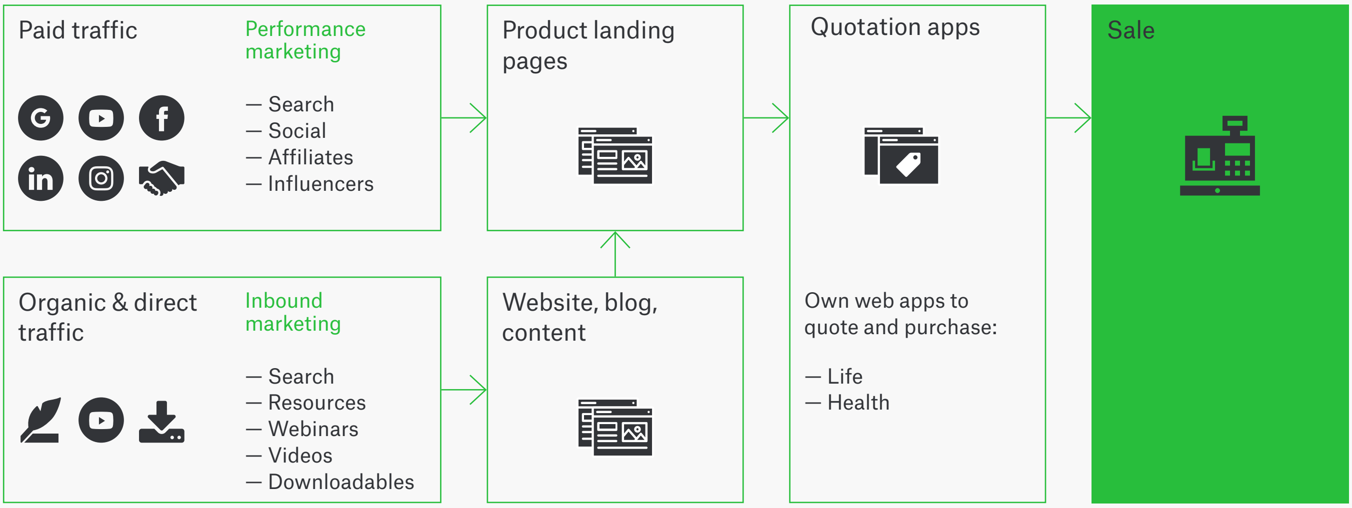
The sales process itself includes traffic sources, landing pages, quotation apps and checkout (see Figure 21). The company has found that most people (60 %) need human assistance to complete the purchasing process, while the rest (40 %) can use technology for the entire process. As a result of Covid-19, Mango Life has recorded a 30 % growth in sales of life and health insurance.

Ashokh Shah
Group CEO, Apollo Group/APA Insurance, Kenya

Francisco Reyes
Co-founder & CEO, Mango Life, Mexico

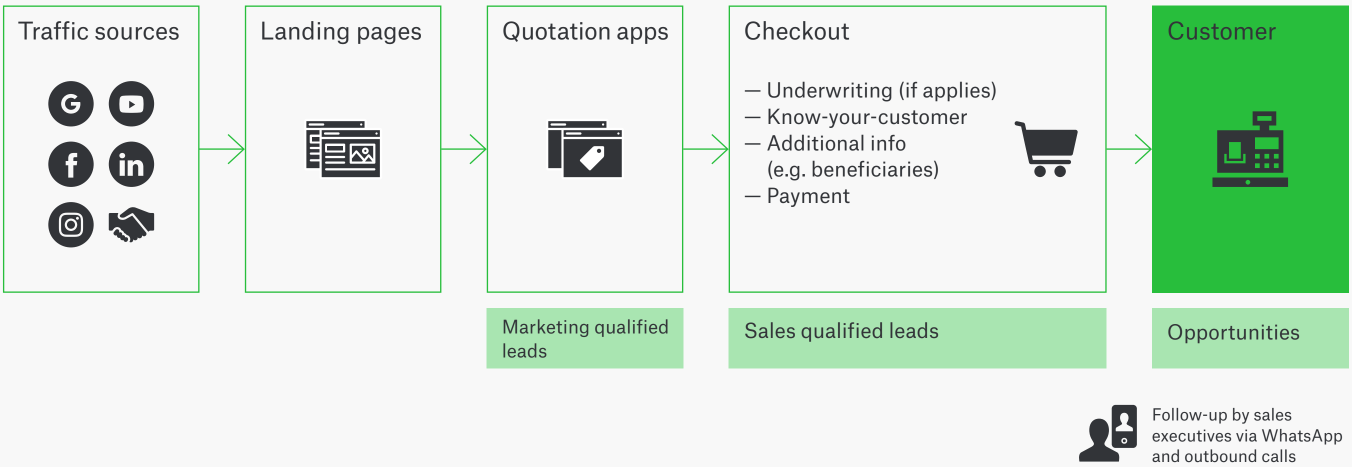
Mauricio Osorio Sanchez
President, Crezcamos, Colombia

Figure 20
Mango Life's B2C model



Source: Reyes, Francisco. Presentation "Mango Life: Human, Digital and Simple Life & Health Insurance — High touch vs. low touch." International Conference on Inclusive Insurance — Digital Edition 2020.

Figure 21
Mango Life's sales process



Source: Reyes, Francisco. Presentation "Mango Life: Human, Digital and Simple Life & Health Insurance — High touch vs. low touch." International Conference on Inclusive Insurance — Digital Edition 2020.

Session 14
Innovative distribution models — High touch vs. low touch:
Is face to face really necessary?

Box 14
Mango Life

Number of people insured:
35,000

Life insurance
Insured risks:
Basic death cover
Sum insured:
Flexible sum from US$ 5,000 up to US$ 16,000
Premium range:
From US$ 13 monthly

Health insurance
Insured risks:
Dread diseases, hospital cash, permanent disability, telemedicine, dental
Premium range:
From US$ 9 monthly

Partners with feet on street

APA Apollo is one of the largest insurance companies in Kenya. It leads a pool of six insurers working with the government on Kenya's agriculture and livestock insurance plans (see profile Box 15). Even more due to the pandemic, customers in the inclusive insurance market continue to require traditional touch points for marketing and communication (see Figure 22). But technology is increasingly helping to control costs and enhance distribution. In combination with partners with feet on the street, mobile-based solutions such as USSD[11] and SMS are helping to educate farmers in insurance and crop management. Both the agriculture and livestock insurance schemes are using M-Pesa for premium collection and claim payment.

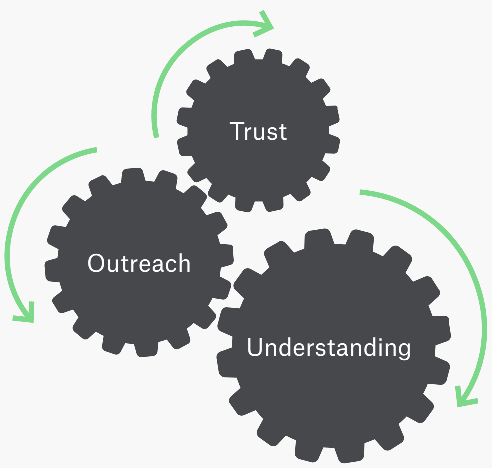
Box 15
Kenya Agriculture Insurance Programme (KAIP)

Number of people insured:
Cumulative 1 million smallholder farmers since 2016
Insured risks:
Area yield index insurance
Premium range:
KES 1,000 (US$ 9) per acre, 50 % subsidised by government

Kenya Livestock Insurance Programme (KLIP)

Number of people insured:
20,000 households since inception
Insured risks:
Drought-related livestock risks, including forage
Premium range:
KES 1,960 (US$ 18) per head of cattle, 50 % subsidised by government

Figure 22
Distribution: Has Covid-19 made any difference?



Despite Covid-19, MI and Agri still use very traditional touch points.

Insurance is invisible and the insurance sales person is a stranger, but premium is tangible — How can the customer have trust in the system?

Cost of reaching the customer is way higher than the premium itself and developing agents in rural/remote areas is difficult. Digitisation will be a great change.

Lack of customer understanding: Critical illness vs. critically ill, death vs. death due to accident, pest attack vs. uncontrollable pest attack — leads to mis-selling or misunderstanding.

Source: Shah, Ashok. Presentation "Innovation Distribution Models." International Conference on Inclusive Insurance — Digital Edition 2020.

11
Unstructured Supplementary Service Data (USSD), aka "Quick Codes" or "Feature codes", is a communications protocol used by GSM phones to communicate with the network operator's computers.

On the digital front, APA has developed a micro life product, which is distributed by USSD, mobile app and aggregators. It provides a modest sum insured of US$ 1,000 for a low premium of US$ 2, as well as a cash-back of 50 % of annual premium or US$ 12.

Multi-channel access

Crezcamos, growing out of a non-profit microfinance programme and incorporated in 2008, targets micro and small entrepreneurs, serving 70,000 clients through 49 branches in remote rural areas of north-eastern Colombia. It works in four areas: agricultural production, development for enterprises, habitat improvement and financial emergencies. The organisation provides services that try to help people overcome some of the most common problems: financing, protection, savings and financial education.

From Crezcamos' experience, people need to have access to different channels. Insurance services require use of both technology and human-driven channels to produce better outcomes. Colombia has farmers with good knowledge of and access to technology, but also those who lack this knowledge and access. Having just one digitised channel would not be inclusive.

An inclusive strategy

In conclusion, there was a reminder from EA Consultants, host and facilitator of the session, that understanding how low-income households cope with financial shocks and manage their financial lives is the key to designing effective strategies, products and distribution models. To increase insurance outreach, a provider needs to take four essential steps (see Figure 23).

→ Mango Life
→ Crezcamos
→ APA
→ EA Consultants

Lessons learnt

— There is not yet a formula that defines the balance between human interaction and technology in the inclusive insurance value chain.

— For customers without product understanding, the traditional way of marketing is still relevant. The inclusive insurance industry needs to learn where technology best fits into the value chain.

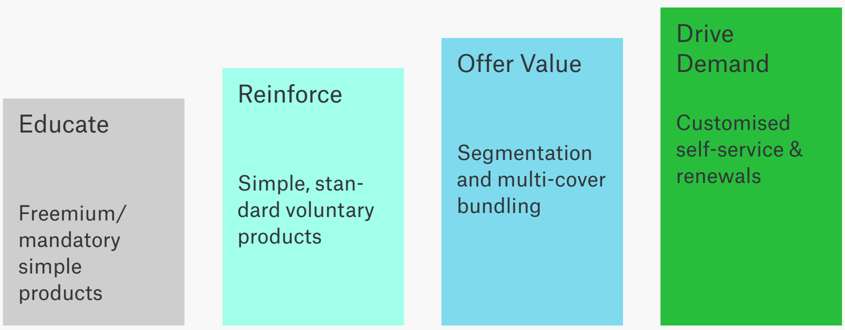
— Trust is built on the payment of claims. Trust is also inherent in a scheme backed by government.

— Reaching scale without government support could be difficult.

— Lack of reliable data usually results in high pricing of agricultural insurance compared to other lines, which smallholder farmers cannot afford without government subsidies.

Barbara Magnoni
President, EA Consultants, USA

Figure 23
Building a successful inclusive insurance strategy



Source: Magnoni, Barbara. Presentation "Innovative distribution models — High touch vs. low touch: Is face to face really necessary?" International Conference on Inclusive Insurance — Digital Edition 2020.

Session 15

Analysing the client value of hospital cash products

By Kira Henshaw

This session presented initial findings of a study by the ILO's Impact Insurance Facility and MiN. With a client value analysis of hospital cash products, the study covers three work streams across Latin America, Africa and Asia, presenting the PACE analysis results of six products. (The study does not name individual products, and refers to them generally while noting their distinguishing features.)

PACE is a four-dimensional tool developed by the ILO as an added-value analysis framework. The tool enables evaluation of an insurance scheme by exploring particulars of the **p**roduct, **a**ccess, **c**ost and **e**xperience. It points to best practices for improving client value and allows providers to identify, consolidate and prioritise changes in their procedures, recognising potential trade-offs between the four dimensions (see Figure 24).

Latin America: pandemic inclusion

The analysis from Latin America covered one product from each of Paraguay, Peru and Bolivia. All three products reacted to Covid-19, adapting programmes to provide pandemic cover and shortening waiting periods (see Figure 25). While the focus in Paraguay shifted from cancer diagnosis to Covid-19, regulators in Peru pushed insurers to remove pandemic exclusions and approved inclusion of future pandemics.

The products provide benefits up to a maximum of cumulative hospital stays per year. Benefit amounts are related to income level and cost of healthcare.

The product in Paraguay is purely digital and accessible to anyone with internet or a mobile phone (80 % and 97 % of the population respectively) — with 95 % of product interaction through mobile phones. Increased participation is observed immediately after the product's television advertisements. Purchase certification is issued digitally to customers and claims filed online via WhatsApp or Facebook. If a policyholder dies while hospitalised, the policy pays the maximum amount as a death benefit. One digital downside is the lack of physical agents, with only one accessible office.

In Bolivia, the product is bundled with a life cover and is available only in major cities and as a group policy, with a 10-member minimum. When a death benefit is claimed, the certification required creates a risk of delayed payment. The product in Peru has a three-day deductible. While this eliminates many potential claims, the payout is at the high end of the sum insured as claims filed are for serious conditions.

Existing value-added services include telemedicine, discounts, and nutritional and psychological consultation. Customers would also like to have medicine plans, annual check-ups and cover for their extended family.

Neto Ikpeme
Founder and CEO, Wellahealth, Nigeria

Erik Jarrin Peters
Head Latin America — Life Division, Barents Re, USA

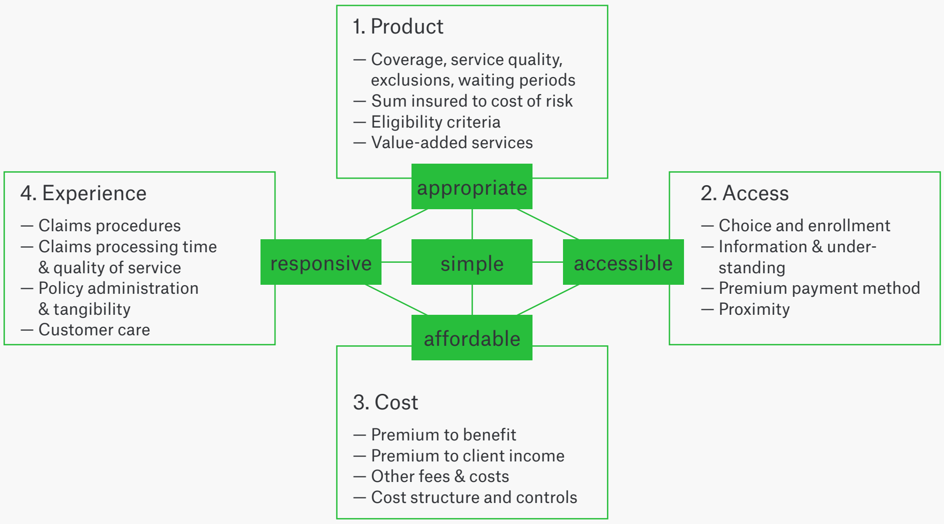
Figure 24
PACE added-value analysis framework

The ILO's PACE tool

— Helps organisations examine their products from the clients' perspective by comparing the insurance offering with other formal and informal risk management tools

— Provides a framework to evaluate the value of products and related processes across four dimensions: Product, Access, Cost and Experience

— Allows practitioners to identify, consolidate, and then prioritise potential changes



Source: Morgan, Lisa. Presentation "Analysing the client value of hospital cash products." International Conference on Inclusive Insurance — Digital Edition 2020.

Figure 25
Latin America overview

	Paraguay	Bolivia	Peru
Benefit	US$ 13 per night	US$ 50 per night	US$ 13 per night
Price starting @	1.25	1.66	0.63
Indemnity	Min./Max. 60d	Cap 15 days	Min. 15/Max. 60d
Deductible	1	1	3
Waiting period	Covid - 21d Illness 90 Accident NIL	Covid - 14d Illness 90 Accident NIL	Covid - 14d Illness 90 Accident NIL
Distribution	Online	Sponsors/agents	Sponsors/agents
Payment	Instalment	Instalment	Instalment
Covid-19	Included	Included	Included
Other benefits	Life cover Telemedicine Discounts	Life cover	none
Sold	Individually	Group	Individually
Changes	Focus	Interest	New pandemics

Source: Peters, Erik Jarrin. Presentation "Analysing the client value of hospital cash products." International Conference on Inclusive Insurance — Digital Edition 2020.

Session 15
Analysing the client value of hospital cash products

Africa: enabling digital payment

For the Africa workstream, the session presented analysis of one product in each of the north and west of the continent. Figure 26 outlines the two in comparison with the one for Asia.

The West Africa product has three policy options. Offered by a mobile network operator through a mobile money wallet, the basic plan is free. The "freemium" option increases product accessibility and customer awareness, simplifying future rollouts by building trust. Consumers making 5 transactions of more than US$ 9 per month qualify for the plan. The other options are paid personal and family plans. All three come with a life benefit. Premiums correspond to around 1.5 % of minimum wage, though 60 % of people are informal sector workers and 80 % are self-employed.

The North Africa product specifically covers the needs of low-income women, who often work in the informal sector with little access to social security schemes. Policyholders receive daily payments per night of illness, including maternity and childbirth-related admissions. Initially offering only individual cover, the plan now also offers family cover. As a mandatory product with all new credit customers automatically enrolled in the scheme, awareness phone surveys are conducted regularly to ensure policyholders are aware of the product and the cover it provides.

Unlike the West Africa product, the North Africa scheme has no waiting period. Claim payment turnarounds are as fast as 50 % on the spot and 80 % within 4 days. While premium payments were initially branch-based with loan instalments, digital payments were enabled during the pandemic.

Asia workstream

The product from South-East Asia selected for the analysis (see Figure 26) offers only illness and accident cover. Customers choose between 6- or 12-month contracts with premiums paid upfront — the organisation actively proposes cover for a shorter period to all customers with insufficient funds in their digital wallet. If policyholders are hospitalised in an intensive care unit (ICU), the insurance benefit is twice the limit. (The Peru product analysed as part of the Latin America workstream also offers increased benefits following ICU stays.) During the pandemic, a new hospital cash product was developed in South-East Asia specifically targeting Covid-19-related diagnoses, treatment and death.

Figure 26
Hospital cash products — Africa and Asia

		West Africa	North Africa	South Asia
Product	Target market	Low-income segment	Low-income segment, with a focus on women	Low-income segment
	Covers include	Any health condition	Any health condition	Illness and injury
	Options	Yes	No	Yes
	Waiting period	3 months	None	15 days
	Max. days of compensation	30 days	40 days	None
	Minimum hospital stay	3 nights	1 night	1 night
	Value-added services	Life insurance	Life insurance	Accident insurance, digital consultation, health cashback
Access	Bundling	Stand-alone	Bundled	Stand-alone
	Enrolment process	USSD, call centre No documentation required	At the branch No documentation required	USSD, In-app, outbound call centre and inbound call centre. No documentation required
	Client education mechanisms	Ads, service centre agents	By the loan officers Phone survey	Social media marketing, SMS blasts, outbound call centre agents and quality officers
	Premium financing options	Mobile banking	Payments at the branch	Customer digital wallet
Cost	Daily benefit/annual premium	1.53	1.67	1 (general hospital)/ 2 (ICU)
	Payment method	Instalments	Instalments	Upfront
Experience	Claims filing	Digital, on WhatsApp or via email	At the branch	Digital, on WhatsApp
	Documents required	Discharge form and national ID	Discharge form and national ID	Discharge form and national ID
	Claims turnaround time	48 hours	50% of claims paid on the spot	5 days from intimation, 24 hours from documents submission
	Policy documents/insurance card	No	No	No

Source: Ikpeme, Neto and Triboulet, Anne-Sophie. Presentation "Analysing the client value of hospital cash products." International Conference on Inclusive Insurance — Digital Edition 2020.

PACE positives

Adding value in the context of PACE, this hospital cash analysis highlights positive characteristics of the schemes in each of the tool's four dimensions:

— Product — consumer-centric bundling; product reactivity.

— Access — online products; digital wallets; visible advertisements; simple documentation.

— Cost — range of premium and benefit options valuable to the consumer.

— Experience — digital claims submissions; fast turnarounds; health information and advice sharing to mitigate misinformation (Covid-19).

→ ILO's Impact Insurance Facility
→ Microinsurance Network

Lessons learnt

— Hospital cash should be thought of in the context of the wider health system, integrated with a range of tools to manage health financing risks while complementing government health protection and social security schemes.

— Customers should be involved in product design to ensure products are aligned with demand.

— In particular, customers would like more value-added services such as medicine plans, annual check-ups and cover for their extended family.

— The market's ability to adapt to a sudden need — Covid-19 — highlights the digitisation benefits and consumer preferences for digital processes and research methods.

Anne-Sophie Triboulet
Microinsurance Project Manager, Women's World Banking, Uganda

Lisa Morgan
Technical Officer, ILO's Impact Insurance Facility, Switzerland

“At this critical moment, inclusive insurance is playing a vital role in getting the Sustainable Development Goals back on track — particularly in terms of protecting lives and livelihoods.”

Achim Steiner — Administrator UNDP

Agenda

Day 5—6 November 2020
Lessons learnt and next steps

Session 16
Technology driving inclusive insurance

Speakers

Brandon Mathews
CEO, Stonestep, Switzerland

Rohan Kumar
CEO and Co-founder, Toffee Insurance, India

Jeremy Leach
Founder & CEO, Inclusivity Solutions, South Africa

Facilitator

Richard Leftley
Executive Vice President International, Micro Insurance Company, UK

Session 17
The ups and downs of inclusive insurance: Learning from experience

Speakers

Peter Gross
Senior Advisor, AXA Emerging Consumers, USA

Agrotosh Mookerjee
Managing Director and Chief Actuary, Risk Shield, Zambia

Lorenzo Chan
CEO, Pioneer Life, The Philippines

Facilitator

Michael McCord
Managing Director, Microinsurance Centre at Milliman, USA

Session 18
Outlook: What will be the next milestones in the development of inclusive insurance/closing the insurance gap?

Speakers

Denis Duverne
Chairman, Axa, France/ Chair of the Insurance Development Forum, UK

Vijaya B. Shah
CEO, Nepal Insurance Company, Nepal/ President of the Association of Insurers and Reinsurers of Developing Countries (AIRDC)

Doubell Chamberlain
Managing Director, Cenfri & Chairman of the Microinsurance Network, South Africa

Jan Kellett
Special Advisor: Finance Sector Hub, UNDP, Switzerland

Katharine Pulvermacher
Executive Director, Microinsurance Network, Luxembourg

Facilitator

Dirk Reinhard
Vice Chairman, Munich Re Foundation, Germany

Session 16

Technology driving inclusive insurance

By José Miguel Flores Contró

The session focused on the impact of technology on the inclusive insurance industry: how technology can help expand the safety net of insurance for the unserved, with products not stymied by complexity and with distribution that is user-friendly.

New technologies are driving an overhaul of the insurance industry: blockchain, IoT (internet of things), AI (artificial intelligence), big data, augmented reality, etc. For inclusive insurance, technology has been a gamechanger in reaching scale. Additionally, to reduce expenses and overcome challenges such as low take-up and renewal rates, inclusive insurance providers have been building partnerships with technology companies such as mobile network operators (MNOs), insurtechs and fintechs.

New generation of partners

The focus of the partnerships has been shifting of late — from scaling products on hand through existing systems to custom-made digital platforms. These platforms offer products that directly meet low-income people's real needs and that are simple to understand and easy to acquire.

The change of focus is reflected in the choice of the four organisations represented on the panel. One calls itself "the first global end-to-end digital microinsurance" company, formed from a merger of a microinsurance pioneer, a founder of straight-through-processing (STP) technology, and a software developer of robotic process automation, machine learning and AI. Also represented on the panel are three insurtech start-ups, one each based in Switzerland, South Africa and India. The start-ups provide exclusive digital platforms leveraging automation for low-cost, high-volume distribution of protection targeting the unserved people's own priorities.

A good fit

In India, Toffee Insurance offers "hand-picked insurance policies" that are "a good fit" and easy to get. Technology is becoming increasingly important in people's lives, which makes it easier to track customer and purchase behaviours. Companies can now create, price and distribute products that are more suitable for the target clients. Toffee Insurance, for example, partnered with an outdoor gear brand to roll out insurance for backpacks. And in the wake of Covid-19 it offered a sachet plan bundling health, household and life insurance via a subscription of bite-sized monthly payments.

Box 16

Toffee Insurance

- Provide specific insurance policies for health, life, household and more (e.g. international travel insurance, mosquito insurance etc.)
- Offer digital policies by insurance providers
- Headquarters in Gurugram India, operate in India
- Founded 2017

→ Toffee Insurance

Brandon Mathews
CEO, Stonestep, Switzerland

Rohan Kumar
CEO and Co-founder, Toffee Insurance, India

Technology can be used at any stage of the inclusive insurance value chain, particularly at the point of sale to encourage people to sign up. Stonestep, a Swiss-based insurtech, stresses the importance of offering the right product at the right moment, bundling covers in the right way and using common technologies such as USSD and SMS. The Stonestep platform offers insurance to people when they are performing financial transactions, by inserting its microsite into mobile wallets.

Box 17

Stonestep

— Market and distribute income and property insurance for first-generation insurance customers

— Created the digital platform "Microinsurance as a Service"

— Headquarters in Zug Switzerland, operate globally e.g. in Nepal, Malaysia and the Philippines

— Founded 2012

→ Stonestep

Scaling trust

Technology could also be helpful in scaling trust. Most of the people (80%—90%) would prefer to buy insurance from an MNO rather than an insurance company because they trust the MNO's brand more than an insurance company. A big advantage of technology is the brand that goes with it, so it is a great generator of trust.

In South Africa, Inclusivity Solutions designs, builds and operates digital insurance solutions that enable financial inclusion. It points out that, even though technology mostly brings good things to the inclusive insurance industry, it also creates challenges to overcome. For example, just 20% of people open insurance-related texts after receiving them on their mobile phones. SMS delivery rates also pose a challenge, and the language and time of day in which the texts are sent need to be tested.

Jeremy Leach
Founder & CEO, Inclusivity Solutions, South Africa

Richard Leftley
Executive Vice President International, Micro Insurance Company, UK

Session 16
Technology driving inclusive insurance

Box 18

Inclusivity Solutions

- Create insurance solutions for health, life and property in emerging markets
- Offer simple, affordable and digital insurances via mobile phones
- Headquarters in Cape Town South Africa, operate globally e.g. in Rwanda, Kenya and Ivory Coast
- Founded 2015

→ Inclusivity Solutions

Various technological tools can be used but each has its own challenges. Providers need to choose the tool that will best help them engage with the particular target clients. Market research by Toffee Insurance revealed that WhatsApp is a very important communication channel for people in India. So it is using this application at different stages of its value chain. Plus, it uses WhatsApp videos for training staff.

New frontier

Artificial Intelligence (AI) has become a major source of innovation in business practices. In insurance, it can speed up the time it takes to issue a policy or settle a claim. Toffee Insurance uses automated chatbots within WhatsApp to communicate with clients, at various stages from policy issuance to discovery of product and client insertion. Stonestep uses chatbots capable of performing natural language processing (NLP) tasks for claims processing. The technology saves time, but gathering sufficient and accurate data to train AI models takes time.

Other channels becoming important are video calls and conferencing applications such as Zoom. They consist of reception and transmission of audio-video signals by users at different locations enabling communication between them in real time. These tools have been particularly useful during the Covid-19 pandemic.

Lessons learnt

- Customers, even in remote rural communities, are mostly digitally savvy, even more so as a result of the pandemic. They expect on-line shopping and service — for insurance too.
- Increasingly, insurers are looking for partnerships with insurtechs offering custom-made digital platforms, instead of network operators offering their existing systems.
- Technologies usually bring both opportunities and challenges. Choosing the right one for a particular use makes the difference.
- Digitisation makes it easier to track customer and purchasing behaviours.
- Technology cannot do everything on its own.

Session 17

The ups and downs of inclusive insurance: Learning from experience

By Kira Henshaw

This session explored the evolution of the inclusive insurance sector, highlighting challenges and learnings of initiatives in the Philippines and across Africa.

The Philippines:
Tech in touch — a balancing act

While digitisation is taking place throughout the inclusive insurance chain, human touch remains important. Digitisation involves a balance between improving the efficiency of insurance mechanisms and maintaining physical contact with consumers to develop trust.

With manual processing of increasing enrolments causing data encoding delays and inaccuracies, Pioneer Life launched an automated enrolment project in 2015. Simplified apps with reduced data entry, complemented by optical character recognition (OCR) technology, mitigated manual enrolment challenges. However, connectivity and agents' digital know-how were lacking. Many agents were unfamiliar with simple aspects of smartphone technology, including the non-alphabetical arrangement of keys.

Box 19
Pioneer Group — 2019

No. of enrolments:
approx 20 million
Insured risks:
Life, PA, health, hospital cash, calamity aid (flood, typhoon & earthquake), fire, agriculture, dengue fever
Premium range:
US$ 1 to 40.

A "game format" to train users in the basic functions helped overcome some of these problems. However, before long, as agents were becoming comfortable with the devices, the speed of updates in the technology began to outdate their so-called "phablets". The system upgrades no longer supported the app, and poor connectivity remained an issue. In 2017, the project was relaunched, adding an offline function to the app, followed by a Facebook Messenger chatbot. The project then enabled photographic enrolment — but low internet speed slowed transmission and bad picture quality marred uploading.

A grassroots agent platform called NAN.AI has since been pilot-tested and rolled out to agents. In solving connectivity problems, offline functions for app-based mechanisms proved vital. Two other learnings were: do not assume compatibility of a device with the desired functions and factor in technology updates and system upgrades; and remember that technology, essentially an enabler, is a continuously evolving process.

Pioneer Life's 82,905 app-based enrolments between November 2019 and October 2020 form a small portion of its 1.8 million total account enrolments.

Peter Gross
Senior Advisor, AXA Emerging Consumers, USA

Agrotosh Mookerjee
Managing Director and Chief Actuary, Risk Shield, Zambia

Lorenzo Chan
CEO, Pioneer Life, The Philippines

Session 17
The ups and downs of inclusive insurance:
Learning from experience

10 years of mobile insurance

Mobile insurance at scale dates back to 2010, when Tigo Ghana attracted more than a million customers and expanded to Tanzania and Senegal. By 2014, two key providers, Bima and Micro-Ensure, had launched simple products with attractive benefits in 15 countries in partnership with telecoms.

Despite fast growth, by the end of 2018 only 20 programmes had more than 1 million subscribers each. Telecoms were losing interest. What happened?

Seduction of scale. Mobile insurance is a small market — telecoms are the decision makers. However, few make insurance a sustained business feature (see Figure 27).

Market growth creates challenges such as regulation changes and the need to balance market management with the logistics of running a large business. And "digital-only" fails, creating initial uptake and sustaining clients is difficult — agents are critical.

Too many mouths to feed. Telecoms and insurers think differently — short-term vs. long-term approaches. Insurance hasn't converted to the telecoms' way of business. Customer-centricity is challenging and insurers' willingness to put capital at risk is limited. Client value should be improved, too many products have low claim rates and while airtime works, it involves high taxes.

Big expenses, small revenues. Average product duration is less than 24 months. However, payment persistence is a problem and regulatory inconsistencies create difficulties when working across multiple markets.

Box 20
The driver's seat

While telecoms commit to working with insurers to improve accessibility, their goals are often subject to unanticipated change. The emerging consensus is:

- Do not put the telecom in the driver's seat.
- Freemium is down, but not out. It provides a powerful base from which to sell paid insurance and lowers customer acquisition costs.
- Distribution works well via a call centre with automated smart payments.
- Focus on product value.

Source: Gross, Peter. "What we learned: 10 years of mobile insurance." International Conference on Inclusive Insurance — Digital Edition 2020.

Figure 27
2016 Case Study: Airtel Zambia

A strong start...

Launched 2014, eight weeks after initial pitch meeting with Focus and MicroEnsure

Automatic life cover for all 4 million subscribers

Increased penetration from 1 % to 16 % overnight

Collapsed in 2016 after less than 18 months live

Airtel Zambia

What killed the product?

Initially launched due to short-term competitive pressures

Immediate pressure on freemium payments

Frequent management turnover challenged pivot

Telecom lost appetite to grow from free to paid insurance

Source: Gross, Peter. "What we learned: 10 years of mobile insurance." International Conference on Inclusive Insurance — Digital Edition 2020.

Michael McCord
Managing Director,
Microinsurance Centre at Milliman,
USA

Looking back and ahead, there are both lessons and opportunities.

What mobile insurance got right. Insurance is an exciting product for emerging customers and mobile can change a market — penetration in Ghana increased from 2 % to 30 % alongside the success of mobile insurance. Mobile forces SUAVE insurance more than many other channels. However, while digital can do some of the work, all channels must be activated.

What will success look like in 2025? Telecoms will become more passive, with a sharp global growth in digital payments and a heavier reliance on physical distribution. Customer acquisition costs will continue to be lowered by freemium products, but insurers cannot afford to be greedy and will be forced to become more agile. Mobile is more important to brand than to GWP (gift with purchase). Bundling can work, value-added services, particularly health, will continue to grow in importance.

Challenges for agricultural microinsurance

There are some 500 million smallholder farmers in the world, producing 70 % of the food consumed. But only 20 %[12] of them have a safety net for crop and livestock losses. Agricultural index insurance, despite ease of access and claim payment, has yet to take hold as commercially viable without government or donor subsidies. Providers face some critical challenges:

Data and product. Aside from the inherent problem of basis risk, there is no overall scientific consensus on the highest quality and suitability of products, nor on the index parameters. Standardised information on the accuracy of satellite data sources and agriculture data is also lacking. It is difficult to access weather-station and yield data as well as the GPS coordinates of reference points.

Implementation. The nature and frequency of risks covered by agricultural schemes make it difficult to set premiums at a level that smallholder farmers can afford. Some schemes require negotiating a margin for aggregators. For indemnity-based schemes, loss assessor skills are often lacking. Farmers need to be educated in risk-based pricing to improve consumer trust.

Supply and distribution. Stringent data requirements and low levels of insurer/reinsurer innovation and risk-taking prevent acceptance of new types of risks, e.g. reinsurance for a yield index and hybrid structures. Sometimes there is anti-selection, e.g. a 70 % take-up in an expected drought season. Lack of attention to bundled product details may cause conflict of interest between farmers and aggregators, and it may not be clear whether a claim payment is for insurance, inputs or loans. There is not enough focus on meso-level/portfolio agricultural insurance even though aggregators are exposed to the same production risks. Stronger alignment with business cases of aggregators such as seed companies would prevent them from leaving a scheme if sales do not increase. And farmers need a flexible premium payment option so they can avoid times when they are cash-strapped during the season.

Public sector involvement. Integration with agriculture finance, public-sector social security programmes, farming input programmes and disaster management is insufficient in many countries — even national schemes experience a lack of coordination between ministries. Regulatory barriers limit product value, while analysis of the scope of government support generally focuses on premium subsidies, disregarding potential roles for enabling data access, improving regulation and engaging public-sector insurers.

Lessons learnt

- Focus on lower, slower and more sustainable growth. Industry change is rapid, and excitement today doesn't mean excitement tomorrow, particularly in the context of telecommunications.
- Product success is dependent on the technology evolution and how consumers evolve and interact with technology. Mobile insurance needs to be fast, simple and easy to understand.
- Digital can do some of the work, but all channels must be activated — heavier reliance on physical distribution with call centres and field agents demonstrating the reality of the product in the market.
- The industry needs to embrace and continue to embrace innovation across products, projects and markets.

12
→ The International Fund for Agricultural Development (IFAD)

Session 18

Outlook: What will be the next milestones in the development of inclusive insurance/ closing the insurance gap?

What are the key challenges that insurers will face in the near future? How can they show that insurance still works? How can they change the perception of insurance? What are the key issues, and how can issues like climate change, pandemic, inequality or the role of insurance in economic development be addressed? These are some of the questions the closing session addressed.

Facilitating the discussion, Munich Re Foundation Vice Chairman Dirk Reinhard recapped some of the stand-out lessons from the conference's five days. These included: the impact of Covid-19 on the incomes of those who are most vulnerable, making it even harder for them to afford insurance; the urgency for regulators to facilitate digitisation, while balancing consumer protection; the increasing need for public-private partnerships (PPPs) to drive inclusive insurance; and the need for integrated risk management solutions. He also reminded participants that, though Covid-19 is a huge problem, climate change shouldn't be forgotten.

Summary of the ICII 2020 Digital Edition

Lessons learnt — Days 1/2

— Covid-19 has caused a sharp decline in income — especially for the most vulnerable

— The situation has created a sense of urgency in the inclusive insurance market. It changed interaction from personal to digital channels. Changes are expected to be here to stay beyond the pandemic.

— Covid-19 has created a greater role for PPPs. Think big, start small and scale fast.

— Long-term planning is key to developing insurance: Parametric is still young and not perfect, pricing is key. Risk awareness is a necessary investment.

— Certification allows for judging the quality of the product offered

Lessons learnt — Days 3/4

— Integrated risk management solutions — it's not just about insurance!

— Digital methods help to scale. However, it is important to actively involve the regulators.

— National strategies: Start with market research and study of regulatory barriers. Long-term involvement of all partners is key. Regulators have a dual role: supervising and enabling.

— Demand for remittance-linked insurance is growing.

— Use the value chains.

— Low-touch systems help overcome cost challenges. "Some clients are ready to buy insurance completely online… But others aren't" Francisco Reyes

— Digitisation has increased the value of hospital cash products. Value builds trust!

Lessons learnt — Day 5

— "Everything online needs an offline" mode.

— Technology is still an enabler. It cannot replace face-to-face fully, interaction with someone you trust.

— Inclusive insurance drivers should concentrate on lower, slower and more sustainable growth. "Excitement today doesn't mean excitement tomorrow"

Vijaya B. Shah, CEO of the Nepal Insurance Company and President of the Association of Insurers and Reinsurers in Developing Countries (AIRDC), which has 132 members from 31 countries, considered the outlook through the lenses of inclusive insurance market development in the Philippines and Nepal. The Philippines, he said, is an exciting space — microinsurance premiums up by 12 percent in 2019, 45.13 million people covered, and an encouraging expansion at meso level.
This is the result of

- a **proportionate policy** and regulatory environment;
- **government champions** who lead and advocate reforms;
- a **strong microfinance sector;** a multi-stakeholder approach to market development which provides rich opportunities for capacity building;
- and an **active government** role in project implementation and donor coordination.

Nepal, however, faces different challenges, including a lack of cost-efficient channels; limited use of technology, with inadequate data; poor levels of awareness about insurance; and the return of migrant workers during the pandemic, which has badly hit economic growth. Regulators need to synchronise the definition of microinsurance, revise the maximum allowed sum assured, facilitate appropriate products based on low-income needs, and encourage pools to share both risks and benefits.

AXA is one of the leading global insurers in the inclusive insurance space. Chairman Denis Duverne, who also chairs the Insurance Development Forum (IDF), said that citizens of emerging countries are the ones suffering the most from the impact of the pandemic and climate change. “When a catastrophe hits, 60—70 % of people in developed countries are covered by insurance. However, **traditional insurance only reaches 5—10 % in poor countries** like Haiti. The industry should aim at better coverage of insured losses with greater access to insurance products as protection. At AXA, we have made financial inclusion a major driver of our action, particularly by creating a dedicated programme for emerging customers.”

For inclusive insurance, he added, **one cannot simply take traditional insurance from mature markets and make it smaller.** It needs to be much simpler, with exclusions kept to a minimum. Classical distribution through agents and brokers is often ill-adapted to reaching rural areas. Digital and fintech distribution is necessary. We believe in tech-powered human touch. Also essential are partnerships that go beyond financial incentives. These lessons, he said, have allowed AXA to grow from one million to 18 million inclusive insurance clients, although there is still huge room to grow. “In the context of Covid-19, the need is even greater — inclusive insurance will play a crucial role in helping people who are in danger of falling back into poverty.”

Jan Kellett, Special Advisor at the UNDP’s Finance Sector Hub, shared details of the new **Insurance and Risk Finance Facility,** which will support insurance product development and deployment in 20 countries in the next five years, scaling up to 50 countries by 2030. The Facility has five work streams, including one dedicated to inclusive insurance. Although the Facility was conceived well before the Covid-19 crisis, it has adapted to the new context, and will focus particularly on three impacts: on health, on SMEs, and on secondary impacts such as food security and financial stability. “Risk management and development need to be treated holistically, and Covid-19 has forced us to do that,” said Jan. “Insurance is not a panacea, but a significant tool for resilience and development more broadly.” The Facility also aims to encourage other UN agencies to get involved with the IDF[13] and the InsuResilience Global Partnership.[14]

Denis Duverne
Chairman, Axa, France/Chair of the Insurance Development Forum, UK

Vijaya B. Shah
CEO, Nepal Insurance Company, Nepal/ President of the Association of Insurers and Reinsurers of Developing Countries (AIRDC)

13
→ IDF

14
→ InsuResilience

Session 18
Outlook: What will be the next milestones in the development of inclusive insurance/closing the insurance gap?

Box 21
UNDP Insurance and Risk Facility

Insurance and Risk Finance Facility brings together UNDP's work across risk finance, risk transfer, and the financing of resilience into a single strategy and set of tools, guidelines, and sources of support for country offices and programme countries.

Its overall vision is to use its engagement with the insurance industry (private, mutual and cooperative) to find, develop and implement innovative, scalable solutions to help countries tackle the intertwined challenges of poverty, vulnerability and risk.

UNDP's current work in development includes housing insurance in small island developing nations, risk finance in central Asia, reef insurance in south-east Asia, and the world's first SDG-focused reinsurance vehicle. Its first major investment is a partnership with the German Government and Insurance Development Forum to deliver inclusive insurance and sovereign risk finance solutions to 20 countries by 2025.

Five workstreams guide the work of UNDP's Insurance and Risk Finance Facility, all of which are underpinned by investments in convening, leadership, governance, equality and empowerment, technology, and research and evidence.

1) Inclusive Insurance

2) Sovereign Risk Financing

3) Natural Capital as a Protective Asset

4) Insurance and Investment

5) Integrating Insurance and Risk Financing into Development

To deliver on this vision, running through all of UNDP's work at country level is both the development and deployment of specific insurance/risk transfer tools and products with partners, relevant to our partner countries and communities, with significant investment in long-term market transformation.

UNDP's Insurance and Risk Finance Facility is implemented within a strong framework of partnership, with both high and technical leadership central to UNDP's work within the Insurance Development Forum, InsuResilience Global Partnership and Ocean Risk and Resilience Action Alliance.

Source: UNDP Finance Sector Hub

Doubell Chamberlain, Chair of the Microinsurance Network (MiN), commented that the Covid-19 crisis hasn't really created new insurance problems, it has simply exposed old ones. It has also created opportunities for innovation in inclusive insurance, but it's not yet clear if, in the end, the positives will outweigh the negatives.

Although there has been some recent optimism around market recovery, he said, we can't get away from the global economic impact — demand will be restrained and insurance premiums will slow down for some time to come. In addition, government debt has increased hugely, which will put employees and citizens under even more pressure. Insurance companies' investment incomes will decline, making it even more important for them to innovate new business models. The pandemic has driven a leap in digitisation which has the potential to transform insurance, although most of the innovation isn't coming from within insurers but from tech companies. Digital is not the panacea, he said, "it doesn't necessarily drive good outcomes. What is clear is that digitisation amplifies the ability of insurance to drive business. It's no longer just for a rainy day — it is driving business models."

Doubell Chamberlain
Managing Director, Cenfri & Chairman of the Microinsurance Network, South Africa

Box 22
Understand the urgency, and act: Asked by the facilitator for their key insights into the next five years, panellists noted:

- If we understand the urgency, we can act. Insurance will become far more integrated with other services and business, not just a safeguard.
- Insurance must look beyond climate change to its impact - not just at climate risk, but health and protection.
- PPPs will be essential. The look ahead should go well beyond five years. Governments and regulators need to work with the private sector and civil society for the long haul.
- The demand for medical and health products will transform the insurance industry. There will be no option but to go for a massive use of technology; there will be no products that don't rely on it.

Wrapping up the conference, Executive Director of the conference, Katharine Pulvermacher, Executive Director of the Microinsurance Network, identified a strong theme around the need for customer centricity. Insurance, she said, could learn some lessons from the FMCG (fast moving consumer goods) sector, which understands its customers and caters to their needs. In addition, there needs to a better understanding of the digital divide if no one is to be left behind in the rush for technology. And she called for a review of the measures to achieve the SDG targets, to ensure that the role of inclusive insurance in driving sustainable development is fully and specifically recognised — "because if you don't measure it, it doesn't exist." She also noted the relatively high percentage of women speakers during the conference, though she said there was still room for improvement. "One of the barriers in inclusive insurance is acknowledging that half your customers are women," she said. "If you don't include them, you won't understand your own customers."

Dirk Reinhard wrapped up the conference by inviting all participants to attend the International Conference on Inclusive Insurance 2021 which is scheduled to take place in Kingston, Jamaica from 26—28 October.

→ Munich Re Foundation
→ AIRDC
→ AXA
→ UNDP
→ Cenfri

Jan Kellett
Special Advisor: Finance Sector Hub, UNDP, Switzerland

Katharine Pulvermacher
Executive Director, Microinsurance Network, Luxembourg

Dirk Reinhard
Vice Chairman, Munich Re Foundation, Germany

Registered organisations

Afghanistan
Afghan National Insurance Co
Albania
Albanian Financial Supervisory Authority
Ansig sh.a
Central Bank of the Republic of Kosovo
Financial Supervisory Authority of Albania
ILLYRIA Insurance
Intersig VIG
SiCRED
Tirana Business University College
Algeria
Blida University
Mutual insurance
Angola
BAI
Anguilla
Micro Insurance Co
Antigua And Barbuda
Antigua and Barbuda Financial Services Regulatory Commission
National Parks Authority
Argentina
Rio Uruguay Seguros
Messis
Nacion Seguros
NS
Previnca Seguros
Sancor Seguros
Varese Brokers
Armenia
MF Strategy
Ulunts varpetner LLC
Australia
Agroinsurance International
Australian National University
Department of Transport
DL Business Advisors
Good Shepherd Australia New Zealand
Hillridge Technology
Microinsurance Center at Milliman Consulting
University of Western Australia
upcover
Austria
UNIDO
Bahrain
Al Hilal Life
Bangladesh
Academy of Learning Ltd
Institute of Capital Market
Bangladesh Insurance Academy
Bangladesh Insurance Association
BRA
BRAC
City General Insurance Co Ltd
Dipshikha
Eco-Social Development Organization (ESDO)
GIZ
Green Delta Insurance
Guardian Life Insurance
Integrated Development Foundation
JICA Bangladesh
Microcredit Regulatory Authority
National Academy for Planning and Development
Nitol Insurance Co
OXFAM
Pragati Insurance Ltd
Rural Reconstruction Foundation
Sadharan Bima Corporation
SNV Netherlands Development Organisation
Syngenta Foundation for Sustainable Agriculture
Takaful Islami Insurance Ltd
United Insurance Co
World Food Programme
Zenith Islami Life Insurance Ltd
Zenith Islami Life Insurance Ltd
Barbados
Eckler Ltd
MiCRO
SRS Management
UN Women
World Food Programme
Belgium
BRS
Incofin Investment Management
WSBI
Belize
Office of the Supervisor of Insurance & Private Pension
2YC
APSA/ESA
Atlantique Assurances Benin
ESA/EPSA
GIZ/GBE
Saham Assurance Vie Benin
Sunu Assurance
University of Abomey Calavi
Bermuda
Heliosphan Ltd
Marsh
Bolivia
Consegsa
Consultores de Servicios Ltda. CONSER
Fundación PROFIN
La Boliviana Ciacruz de Seguros y Reaseguros S.A.
LBC Seguros
SEGBO SRL
Sudaméricana Corredores de Seguros
WBC Abogados
Brazil
3Stamina
Abdalla e Landulfo Advogados
Access to Insurance Initiative
Alm Seguradora S.A — Microsseguradora
Bradesco Seguros S.A
Brasilprev
Brasilseg Cia de Seguros
Caixa Seguradora
Capemisa Seguradora
Cnseg
Educa Seguros
GT
Itaú Unibanco
MAPFRE
MCamilo Consultoria
Munich Re
Papillon Microfinance
Prudential of Brazil
Psychonomics Consultoria Ltda
Seguradora Lider
SulAmérica
Superintendência de Seguros Privados
Susep
Swiss Re Corporate Solutions
Tokio Marine Seguradora
University of Campinas
University of Sao Paulo
Usp-University of Sao Paulo
Zurich
Burkina Faso
Inclusive Guarantee
Cambodia
K2 Microfinance
VisionFund International
Cameroon
Entreprise
Inclusive Help
Ministry of Finance
Premicare
Royal Onyx Insurance Cie
Université de Maroua
Canada
Analysis Group
Aviva Canada
Denis Garand and Associates
Digital Financial
iD&Cs
International Actuarial Association
MLMC
Munich Re
RBC Insurance
RGA
SOCODEVI
Temple Insurance
Toronto Centre
UNDP
Wawanesa
York University
Cape Verde
Central banque
Cayman Islands
CCRIF SPC
Chile
FIDES
Suyana Climate Insurance
Thingstek SPA
UNDP
China
ADB
AXA Tianping Property & Casualty Insurance Co Ltd
Xiamen University
Colombia
AGAPE
Altima Seguros
Banco Agrario de Colombia
Banco de las Microfinanzas Bancamía
Banco W
Cablenoticias
Camacho & Forero Abogados
Colmena Seguros
Crezcamos CF
Davinci Technologies
Fasecolda
FINAGRO
HDI Seguros
Incofin
Ituango
Mapfre Re
MBM Consulting
Microinsurance Network
Munich Re
Pontificia Universidad Javeriana
PSK SAS
SALIX
Seguros de Vida Aurora
Serviefectivo
Skandia Colombia
Superintendencia Financiera de Colombia
SURA
URF
Yellowstone Capital
Zurich
Congo (Democratic Republic of the)
Autorité de régulation et de contrôle des assurances
RAWSUR
Costa Rica
Aseguradora del Istmo (Adisa)
Aseguradora Sagicor Costa Rica
Asociación de Aseguradoras Privadas de Costa Rica
ASSA Compañia de Seguros
Best Meridian Insurance
Coopenae Seguros
Cordero & Cordero Abogados
Davivienda Seguros
Finlex
Grupo Monge
Jkonsult
Mapfre
Oceánica de seguros
Qualitas Compañía de Seguros
Seguros Lafise
SM Seguros
Sociedad de Seguros de Vida
Vector Legal
Vida Plena Opc
Cote d'Ivoire
AXA Cima
Inclusive Guarantee
Making Finance Work for Africa
Czech Republic
Generali CEE Hoding
Dominica
CREAD
Dominican Republic
Affinity International
Humano Seguros, S.A.
Índice Dominicano de Mercados
La Monumental de Seguros
QR Soluciones Actuariales
Reaseguradora Santo Domingo S.A.
Seguros Ademi
Seguros Crecer
Seguros Pepin
Ecuador
Banco Solidario
Compañila de Seguros
Escuela Superior Politécnica del Litoral (ESPOL)
LatinoInsurance
Seguros Condor
Superintendencia de Compañís Valores y Seguros
Egypt
Arope Life Egypt
AXA
Cairo University
ClickMare Health Micro insurance
GIZ
ife
ILO
Lead Foundation
Misr insurance Co
Orient insurance
Wisely Insure
El Salvador
ASES
ASESUISA
Davivienda Seguros
Pulpo Fintech, SA de CV
Seguros SISA SV
SISA
World Food Programme
Ethiopia
Bunna insurance
Ethiotelecom
Ethswitch S.C.
Kifiya Financial Technology PLC
Mekelle University
Nib Insurance Co
Nyala Insurance
Red Cross
Wollo University
World Food Programme
Fiji
Australia Pacific Climate Partnership
BSP Life
Reserve Bank of Fiji
Tower Insurance
UNCDF
UNDP
Finland
Finnfund
France
AFD
Aix-Marseille University
Alta Actuaries & Consultants
AXA
Grameen Credit Agricole Foundation
MRC (MVO Risk Consulting)
Susu
TNP Consultants
Women's World Banking

Gabon
CIMA
Kulima consulting
Georgia
Emphasibs
Milliman
Germany
A2ii
Aiza Consulting
Allianz
AOK
ConsumerCentrix
DEG
Dezes Public Relations
Fonds de Solidarité Africain (FSA)
Frankfurt School of Finance & Management
FSD
GAF AG
German Association of Actuaries (DAV)
GIZ
Hannover Re
HDI Global
InsuResilience Solutions Fund
ISS ESG
KfW Development Bank
MCII
Mosabi
mTOMADY
Munich Climate Insurance Initiative (MCII)
Munich Re
Munich Re Foundation
Potsdam Institute for Climate Impact Research
Sparkassenstiftung für internationale Kooperation e.V.
UNICEF
University of Erlangen-Nürnberg (FAU)
UNU-EHS
USAA
Zosgornik
Ghana
Allianz
Allstar Insurance Brokers
Asterix Brokers
Bedrock Insurance Co
Beulah Insurance Brokers
Dezag Insurance Brokers Ltd
Edward Mensah, Wood &Associates Ltd
Enterprise Insurance
GG&B Partners Brokerage Ltd
Ghana Insurers Association
Ghana Life Insurance
GIZ
GLICO Life Insurance Co
Global Financial Inclusion Institute
GN Life Assurance Co Ltd
GN Reinsurance
Goldlink Insurance Brokers
Hollard Life Assurance Ghana Ltd
Imperial General Assurance Co Ltd
InsuResilience Secretariat/GIZ
iRisk Management
KEK Insurance Brokers Ltd
Lordship Insurance Brokers and Consultancy Ltd
Loyalty Insurance
Metropolitan Life Insurance Ghana Ltd
miLife Insurance Co Ltd
National disaster management organization
National Insurance Commission
Phoenix Life Assurance
Provident Insurance Co Ltd
Prudential Life Insurance Ghana Ltd
Ghana
RegencyNem Insurance
Ringfence Insurance Brokers
Risk Management & Advisory Services Ltd
Safety Insurance Brokers Ltd
Saham Life Insurance Ghana
Sealand Brokers
Serene Insurance Co Ltd
SIC Insurance Co Ltd
SIC Life Co Ltd
Star Microinsurance
StarLife Assurance Co Ltd
Greece
Munich Re
Saham Life Insurance Ghana
University of Western Macedonia
Grenada
Government
Guardian General Insurance
Guatemala
Aseguradora del Istmo (Adisa)
Aseguradora Rural
Quanita S.A.
Haiti
Civil Protection
FADA Haiti
Fondation Amour de Dieu en Action
Honduras
CAHDA
Davivienda Seguros Honduras
Ficohsa
Pan-American Life Insurance Co
Hong Kong
AXA
Generali
Jiang Research
Manulife
India
ABIBL
Actuary
Arthgram Agri and Business Services Pvt Ltd
Asia Insurance Review
AXA
Bharti Axa
C2L BIZ Solutions Private Ltd
Care Health Insurance Co Ltd
Centcart Insurance Broking Service Pvt Ltd
Cholamandalam MS General Insurance
Christ Deemed to be University
Cognizant
DHAN Foundation
Dvara KGFS Private Ltd
Dvara Research
Edelweiss
Ford Foundation
HDFC Ergo
Higher Education
IBM
IIPMB
ILO
INAFI India
India First Life Insurance Co
India Post Payments Bank
Insurance Foundation of India
IRDAI
IRRI
IWMI
J B Boda Insurance and Reinsurance Brokers Pvt Ltd
KM Dastur Reinsurance Brokers Pvt Ltd
Liberty General Insurance
Magma HDI General Insurance Co Ltd
Manomay Consultancy Services P. Ltd
MFIN
MicroEnsure
Micronsure Consultancy
Milliman
M-INSURE
MSC (MicroSave Consulting)
Munich Re
National insurance Vimo-SEWA Co Op
National Rural Livelihood Mission
Opportunity Microinsurance Development Centre
People education & development Organisation
Periyar University
Royal Sundaram General Insurance Co Ltd
SBI General Insurance Co Ltd
SEWA
Smart hedge
Swiss Re
Tata AIG General Insurance Co Ltd
Tata Trusts
TCS Ltd
The DHAN Academy
Toffee Insurance
Track Four Infotec Pvt Ltd
UNDP
Universal Sompo General Insurance Co Ltd
Viridis RS
Visista Insurance Broking Services P Ltd
Weather Risk Management Services Pvt. Ltd
Indonesia
Allianz Life Indonesia
AXA
Bina Nusantara University
Central Asia Insurance, PT
Equity Life indonesia
Generali Indonesia
Independen.id
Indonesia Financial Services Authority
International Finance Corporation
KDI School
Nusantara Re
PT Asuransi Central Asia
PT Asuransi Tugu Pratama Indonesia Tbk
PT Bhinneka Life Indonesia
PT Reasuransi Nusantara Makmur
PT Sienco Aktuarindo Utama Actuaries and Consultants
PT. Asuransi Jiwa Generali Indonesia
PT. Asuransi Wahana Tata
PT. Bhinneka Life Indonesia
Sienco Actuarindo UtamaRoyal p
The World Bank
Universitas Gadjah Mada
Women's World Banking
Iran
ECO College of Insurance
Ireland
AID:Tech
EJK Actuarial Consulting Ltd
UnitedHealthcare
Israel
AgriTask
OKO
Italy
IBC Srl
IFAD
Neosurance
University of Genoa
WeChangeInsurance
World Food Programme
Jamaica
Cuna Caribbean Insurance
Development Options Ltd
GK General Insurance Co
Guardian General
Insurance Association of Jamaica
JN LIfe Insurance
Ministry of Health & Wellness
Office of Disaster Preparedness & Emergency Management
University of the West Indies
Japan
KMC
Marsh & McLennan Companies
SOMPO Risk Management
Tokio Marine
Jordan
Central Bank of Jordan
Middle East Insurance Co
Kenya
Aar
AB Consultants
African Merchant Assurance Co Ltd
Agent for Inclusive Insurance Development
Alfluence Inc.
AKI
Anvil Shield Holdings
APA Insurance
Apollo Group/APA Insurance Ltd
Association of Kenya Insurers
Bluewave
Britam
Centripay
CIAT
CIC GROUP
CoverApp
Directline Assurance Co Ltd
Eastern Africa Data Solutions Ltd
eBiashara Africa Ltd
FSD Africa
IITA
Insurance Regulatory Authority
International Fund for Agricultural Development
Jubilee Health Insurance Co
Jubilee Life Co Ltd
Kapri Insurance Agency Ltd
KCB Insurance Agency
Liberty Bank
Madison General Insurance Kenya
Malmitch insurance agency
Metropolitan Cannon General Ins Ltd
Minet kenya insurance brokers
Occidental Insurance Co Ltd
One World Development Foundation
Pacis Insurance Co
PharmaAccess
Private Co Ltd
Pula Advisors
Rainmaker consultant
RCMRD
Resolution Insurance
RIL
Saham Assuarance Co Ltd
Syngenta Foundation for Sustainable Agriculture
Syngeta Foundation
Turaco
UAP Insurance Co Ltd
UNDP
World Food Programme
Kyrgyzstan
Trisigma Analytica LLC
Lebanon
ALIG
Arope Insurance
Barents Re
Lesotho
Hollard Lesotho
Lesoto National General Insurance Co Ltd
Zenith Horizon Insurance Co
Liberia
Central Bank of Liberia
SellPay Liberia
Luxembourg
ADA
Barents
BAT
IBISA SáRL
Luxembourg Ministry of Foreign and European Affairs
Microinsurance Network
PG
Schweizer PM
Vainker & Associates
Madagascar
mTOMADY
NY HAVANA Insurance Co

Malawi
Microinsurance Services Ltd
NICO General
Reserve Bank of Malawi
World Food Programme

Malaysia
Actuarial Partners Consulting
AIA Malaysia
Allianz Malaysia
Axa General Insurance Berhad
Bank Negara Malaysia
BNM
Hannover Re
MCIS Insurance Berhad
University Sultan Zainal Abidi

Malta
Etherisc.com

Mauritius
HCS Mauritius
MUA Group
SWAN General Insurance

Mexico
A.N.A. Compañía de Seguros S.A de C.V.
Agroasemex
Allianz
Amis
ANA Seguros
Asociación Mexicana de Instituciones de Seguros
Atradius Seguros de Crédito, S.A.
AXA
BBVA Insurance Mexico
Berkley
Capacitación Asesoría y Protección Asegurada
Chubb
Crabi
Dentegra Seguros Dentales
EKA
El Aguila, Compañía de Seguros, S.A. de C.V.
General de Seguros
Grupo Peña Verde
HDI Seguros
Hir Seguros
HSBC
IMESFAC
Inbursa
insignia life S.A. de C.V.
Luxelare
Mango Life
MAPFRE
MediAccess
MetLife
Munich Re
Odontontored, Seguros Dentales, S.A. de C.V.
Palig Mexico
Plan Seguro
PROAGRO
Prudential Insurance Mexico
PRYBE Protecciones y Beneficios
SAPV
Seguros Atlas
Seguros Azteca
Seguros BBVA
Seguros BX+
Seguros Monterrey New York Life
Seguros SURA
Seguros Ve por Más
SHF-SCV
SMNYL
Swiss Re
Tokio Marine Mexico
Zurich

Mongolia
Financial Regulation Commission of Mongolia
Insurance association of Mongolia
MetLife
Mongolian Re JSC
Ulaanbaatar City Insurance LLC

Montenegro
GRAWE

Morocco
ACAPS
BearingPoint
Ministry of Economy and Finance
MOF Morocco
Moroccan Federation of Insurance and Reinsurance Companies
Morocco House Association
Saham Assistance

Mozambique
BancABC
Diamond Companhia de Seguros
Fidelidade
FSD Mozambique
Hollard Seguros Moçambique
MovelCare Tele-Insurance
NBC
Safeline Companhia De Micro Seguros S.A
Sanlam Mozambique
Seguradora Internacional de Moçambique
Tranquilidade Mz
World Food Programme

Myanmar
Dai-ichi Life
Hana Microfinance Ltd
Hotel
KBZ MS General Insurance
Stonestep
Syngenta Foundation for Sustainable Agriculture

Namibia
Hollard Namibia
Namibia Financial Institutions Supervisory Authority
NatProx Etulive Assurance Ltd

Nepal
Beema Samiti
Insurance Regulator of Nepal
Jyoti Life Insurance Co Ltd
Nepal Insurance
Nepal Krishi (Agri) Care
NLG Insurance Co Ltd
Pokhara University
Source code Private Ltd

Netherlands
Aon
Bopinc
Brady Advisory Services
eLEAF
Keylane
KIT
Milliman
Oikocredit International
Palladium
PharmAccess
VanderSat
Wageningen University
ZZP

New Zealand
Asia Affinity
InsuredHQ

Nicaragua
SERINSA
Servicios Inclusivos S.A

Nigeria
Afenoid
AFOS Foundation
Africa Bancassurance Academy Ltd
AjoCard
APMIS Health Management Systems Ltd
College of Insurance and Financial Management
Cornerstone Insurance Plc
GIZ
IFC
Insurecentric
Insuremi
InsurTech Business Series
LASU
Manobi Africa
National Insurance Commission
NEM Insurance PLC
Oluyole Local government
PaddyCover Insuretech
PharmAccess Foundation
Prestige Technology
Royal Exchange General Insurance Co Ltd
The Academy of Microfinance & Entrepreneurship Development
Wellahealth
ZI

North Macedonia
Croatia Life/North Macedonia
Euroins Insurance
Eurolink Osiguruvanje AD Skopje
Grawe Osigurvanje AD Skopje
HALK Insurance AD Skopje
Insurance Supervision Agency
Macedonian actuarial society
Osiguruvanje Makedonija VIG
Osigutelna Polisa
SAVA Insurance
Triglav Insurance
UNDP
Uniqa a.d Skopje
University St Kliment Ohridski
Winner — Vienna Insurance Group, Skopje

Norway
AcServ, Norway

Pakistan
Asia Insurance Co Ltd
Dubai Islamic Bank Pakistan
EFU Life Assurance
Jubilee Life Insurance Co Ltd
MicroEnsure
Securites & Exchange Commission of Pakistan

Panama
ASSA
Palig
Vivir Compañía de Seguros

Paraguay
Crédito Agrícola de Habilitación

Peru
APESEG
BISAC
BlueOrchard Finance
Caja Arequipa
Cosas de Seguros
Crecer Seguros
Edificio
Independiente
Interseguro
Kennedys Peru
La Positiva Seguros
Mapfre Perú
Pacífico Seguros
Pontificia Universidad Católica del Perú
Protecta Security
Rímac Seguros
SBS
Seguroparatodos
Superintendencia de Banca Seguros y AFP — Perú
Vida Cámara Seguros

The Philippines
1Cooperative Insurance System of the Philippines
Alalay sa Kaunlaran Group of Companies, Inc.
Asian Actuaries Inc.
Asian Actuaries, Inc.
Asian Development Bank
Aski
Ateneo de Manila University
AXA
BPI Direct BanKo
BPIMS Insurance Corporation
Card Pioneer Microinsurance Inc
Cebuana Lhuillier Insurance Brokers
CIAT
Country Bankers Life Insurance Corp.
Department of Finance
Generali Life Assurance Philippines Inc.
GIZ
ICRAF/CIM
Impact Advisory Services
Insurance Commission
Isynergies Inc
Kasagana-ka Mutual Benefit Association, Inc.
LSERV Corporation
Maranding Women Investors Multipurpose Cooperative
Microinsurance MBA Association of the Philippines Inc
MiMAP (RIMANSI)
NATCCO MBAI
OLPMC
Oro Integrated Cooperative
Paglaum Mutual Benefit Association
Philippine Association of Agriculturists
Philippine News Agency
Pioneer Insurance
Retail Organization — Pioneer Insurance
RIMANSI
RuralNet

Poland
Institute for Agricultural and Food Economics — National Research Institute

Portugal
University of Coimbra

Puerto Rico
Climas
OCS-PR

Romania
Allianz Romania
UNSAR

Rwanda
Access to Finance Rwanda
Falcon Insurance Services
Fana Adviso
FinProbity Solutions
Inclusivity Solutions
KM Dastur
Radiant Insurance Co
Radiant Yacu
Sparkassenstiftung fuer internationale Kooperation e.V.
University of Global Health Equity, Rwanda

Saint Lucia
Department of Finance

Saudi Arabia
Wataniya Insurance

Senegal
GIZ
IFAGE
Inclusive Guarantee
Willis Towers Watson
WSBI
YoungAfricanLeaders Sénégal

Serbia
AMS Osiguranje
Hoken Consulting
OTP Insurance
Sava non-life Insurance Belgrade
Triglav Ins. Co Belgrade
University of Niš

Sierra Leone
Ministry of Health and Sanitation

Singapore
Allianz
Axis Re
CompareAsiaGroup
DLI Asia Pacific
EY
First Degree Global Asset Management
J B Boda
Milliman
Munich Re
National University of Singapore
Tokio Marine Asia
Women's World Banking

Slovenia
AZN
Insurance Supervision Agency

Solomon Islands
Central Bank of Solomon Islands

South Africa
Ackermans
aYo
Bridford Financial Services
Cenfri
Financial Sector Conduct Authority
Founders Factory
GuardRisk
Hollard
i3 Actuaries and Consultants
IFC
Inclusivity Solutions
Inqaku
Kaleb Capital
Leapfrog Investments
Legal Expenses Insurance Southern Africa Ltd
LegalWise SA (Pty) Ltd
LEZA
LifeWise
MobiLife Financial Services
Munich Re
New Breed Consulting
NMS Insurance Services (SA) Ltd
PEP
RCS Cards (Pty) Ltd
RGA
Rocket Insurtech (Pty) Ltd
Sanlam
Santam
Scorpion
Sensible Risk Solutions
Simply Financial Services
The Digital Insurer
Traficc
True South Actuaries & Consultants
Unisure Group
University of Cape Town
USAID
Workerslife
South Korea
d.lemon Inc.

KDI School of Public Policy and Management
SKKU
Spain
AIG
AXA
DFI
Sri Lanka
Agriculture and agrarian insurance board
Ceylinco General Insurance Ltd
FarmAgg Sri Lanka
Institute of policy studies of Sri Lanka
Sabaragamuwa University if Sri Lanka
Sanasa Insurance Co Ltd
Slycan Trust
Sweden
Outsized
Switzerland
A2ii
Allianz Switzerland
BlueOrchard Finance
CelsiusPro
Climate Re
ConsumerCentriX
DI — Invest Holding GmbH
ILO
MF Strategy
ParaLife
PartnerRe
SCBF
SCOR
SDC
Stonestep AG
StS
Swiss Re Foundation
Swiss Reinsurance
Syngenta Foundation
UNDP
University of Lausanne
Women's World Banking
Zurich
Tanzania
AAR Insurance Tanzania
Alliance Insurance Corporation Ltd
Association of Tanzania Insurers
Bumaco Life Insurance Co Ltd
CEVEDE
Financial Sector Deepening Trust
GA Insurance
Hia Insurance Agency
Insurance Group of Tanzania
Insurance Institute of Tanzania
LF Insurance Brokers Ltd
Metropolitan Tanzania Insurance Co Ltd
Metropolitan Tanzania Insurance Co Ltd
Micro Health Initiative
Mwando Insurance Consultancy Ltd
Pan oceanic insurance brokers Ltd
Pharmaccess
Salute insurance
Sanlam General Insurance Tanzania
Score Insurance Brokers Ltd
Strategis Insurance Co
The Savings Banks Foundation for International Cooperation
UAP Insurance Tanzania Ltd
Victoria Insurance Brokers Ltd
Thailand
GIZ
Krungthai-AXA Life Insurance PCL
Trinidad
Guardian General Insurance Ltd
Trinidad and Tobago
CCRIF SPC Scholar
Ernst & Young Services Ltd
Guardian General Insurance Ltd
RS Chem Technology
Tunisia
NEWCO
Turkey
Hacettepe University
Koç University
Piri Reis University
Prefus Consulting
Turkmenistan
Guardian Group
Turks and Caicos Islands
Ministry of Finance
Uganda
Agricultural Initiative Business Finance
Agro Consortium
Bodastage Solutions Ltd
Cam Quality
CFIRM Africa Ltd
Ensure Uganda
Finance Trust Bank
Financial Sector Deepening Uganda
Lincon Technical Services
Save for health Uganda
Victoria Agro
World Food Programme
United Arab Emirates
Al Ittihad Al Watani
AXA Green Crescent
BCG
Daman
Democrance
MedNet
MRUA — Dubai
Munich Re
National Health Insurance — Daman
Noor Takaful
Orient Insurance PJSC
rakco
saltbox
United Kingdom
AID:Tech
Airbus
ALO Consulting Services Ltd
Aon
AXA
Bank of England
BIMA
Cambridge Centre for Alternative Finance
EQ
Ergo
Esse University
Everest Re
Funnelweb Media Ltd
GCU — London
GSMA
ICMIF
Inspowering
Insurance Development Forum
Jpad Ltd
Liberty Specialty Markets
MarkelInternational
Mastercard
Mercer
Micro Insurance Co
Microinsurance Research Centre UK
Millestone Financial Engagement Ltd
M-Pesa Africa
Newcastle University
NFU Mutual
Ninety
Oasis Loss Modelling Framework
ODI
Phoenix Group
Precise Protect
Queen Mary University of London
SecureValue Ltd
Silverlining
Start Network

Acronyms

ACAPS
L'Autorité de Contrôle des Assurances et de la Prévoyance Sociale (The Supervisory Authority of Insurance and Social Welfare)
ADB
Asian Development Bank
AI
Artificial intelligence
AIRDC
The Association of Insurers and Reinsurers in Developing Countries
ARC
African Risk Capacity
B2C
Business-to-customer distribution
BMZ
Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung) The Federal Ministry for Economic Cooperation and Development, Germany
BRAC
The Bangladesh Rural Advancement Committee
CCRIF SPC
The Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company
CEAR
Center for the Economic Analysis of Risk at Georgia State University, USA
COAST
The Caribbean Oceans and Aquaculture Sustainability Facility
COVID-19
Corona virus disease-2019CRAIC The Climate Risk Adaptation and Insurance in the Caribbean
CRAIC
Climate Risk Adaptation and Insurance in the Caribbean
CRI
Climate risk insurance
CSC
Customer service centre
CSR
Corporate social responsibility
DSSP
Dvara Sampoorma Sampath Plan
FMCG
Fast moving consumer goods
FSDA
Financial Sector Deepening Authority, Zambia
FSP
Financial services provider
GCC
Gulf Cooperation Council
GDP
Gross domestic product
GIZ
Deutsche Gesellschaft für Internationale Zusammenarbeit German Society for International Cooperation
GPS
The Global Positioning System
GSMA
The global association of mobile network operators
IAIS
International Association of Insurance Supervisors
IBLI
Index-based livestock insurance
ICU
Intensive care unit
IDF
Insurance Development Forum
ILO
International Labour Organisation
IoT
Internet of Things
IT
Information technology
KAIP
Kenya Agricultural Insurance Program
KES
Kenyan shilling
KGFS
Kshetriya Gramin Financial Services
KLIP
Kenya Livestock Insurance Program
LMICs
Low- and Middle-Income Countries
LPP
Livelihood protection policy
MBA
Mutual benefits association
MCF
Medical Credit Fund
MCII
Munich Climate Insurance Initiative
MFI
Microfinance institution
MiCRO
Microinsurance Catastrophe Risk Organisation
MiN
The Microinsurance Network
MNO
Mobile network operator
MSEs
Micro and small enterprises
MSMEs
Micro, Small and Medium Enterprises
NFIF
National Financial Inclusion Framework, Tanzania
NFIP
National Flood Insurance Program, USA
NLP
Natural language processing
OCR
Optical character recognition
OIC
Oro Integrated Cooperative
PACE
(Analysis of) Product, Access, Cost and Experience
PMFBY
Pradhan Mantri Fasal Bima Yojana, crop insurance scheme, India
PPP
Public-private partnership
QUIIC
Quality Index Insurance Certification
RCMRD
Regional Centre for Mapping of Resources for Development
RLIP
Remittance-linked insurance product
RM or **MYR**
Malaysian ringgit
RSPs
Remittance service providers
SaaS
Software-as-a-Service
SBS
La Superintendencia de Banca, Seguros y AFP (Superintendency of Banks and Insurance), Peru
SDGs
Sustainable development goals
SIP
Systematic investment plan
SMART
Specific, measurable, achievable, realistic and time-bound
SMS
Short message service
STP
Straight-through processing
SUAVE
Simple, understood, accessible, valuable, and efficient
UAIS
Uganda Agriculture Insurance Scheme
UNDP
The United Nations Development Programme
USD
United States dollar
USSD
Unstructured Supplementary Service Data

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Munich Re Foundation
Königinstrasse 107
80802 München, Germany
Letters: 80791 München, Germany
Telephone: +49 (0)89 38 91-88 88
Fax: +49 (0)89 38 91-7 88 88
info@munichre-foundation.org
www.munichre-foundation.org

Contact
Dirk Reinhard
dreinhard@munichre-foundation.org

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