National strategy on insurance financial inclusion in Colombia

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Context: Insurance sector and financial inclusion figures in 2020

- 2.8% Insurance penetration in Colombia
- 6% World average insurance penetration
- USD 8.2 Billion premiums written
- USD 188 Spending per capita on insurance
- USD 3,630 Average per capita insurance expenditure
- 76% Colombian
- 45% People with an account in a financial institution
- 38.5 Million of people
- Low and middle socioeconomic level
### Microinsurance

- **2.0%** of premiums in 2020
- **74.8%** was massive

*19* of the 40 insurers considered in this report sold microinsurance, and three of them accounted for **59.3%** of premiums written in 2020.

**Focused on:**
- Group life
- Personal accidents

### Mass-marketed insurance

- **31.3%** of premiums in 2020

*27* of the 40 insurers considered in this report sold mass-market insurance, and five of them of which accounted for **50%** of premiums written in 2020.

**Focused on:**
- Life group debtors
- Personal accidents
- Compulsory personal accident insurance

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*Source: SFC, Financial Inclusion Report 2020*
Financial inclusion institutional framework in Colombia

General guidelines are defined by:


Governance: Intersectoral Commission on Financial Inclusion and Literacy | Banca de las Oportunidades

Ongoing actions from the policy agenda:

- Draft Law 323 of 2020: Inclusive insurance and risk management.
- Public-private strategy to scale-up the inclusive insurance market.
Public-private efforts to develop the inclusive insurance market

**Country-level diagnostic**

**Publication:** “Towards an Inclusive and Universal Insurance Sector”

**Interinstitutional planning**

**Workshops cycle:** identification of barriers for the development of the insurance market.

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**Areas of analysis**

1. Market efficiency and regulatory barriers
2. Policyholders and industry relationship
3. Supply and distribution of pertinent products
4. Increased demand for insurance products
Public-private efforts to develop the inclusive insurance market

Implementation

Four-pillar strategy aimed at fostering an efficient and sustainable market:

1. Industry capacity-building
2. Additional information for decision-making
3. Consumer protection
4. Incubation of innovative projects
Lessons learned: success factors

- Advancing a public-private agenda to promote inclusive insurance
- Positioning of inclusive insurance in the national public agenda
- Joining efforts to improve access and provision of information
- Strengthening capacities and providing training on inclusive insurance
- Generating proximity to demand
Lessons learned: challenges and opportunities

- Reduced supply of products in underserved segments because of the perceived uncertainty by insurers
- Continue fostering an innovative regulatory framework to promote inclusive insurance
- Unfamiliarity with the oral and written language used
- Limited demand due to population distrust about the insurance sector and its products
Many thanks!

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