



GLOBAL RISK EXPERTS LEAN IN TO DRIVE INCLUSIVE INSURANCE

Luxembourg / Munich - 21 October 2021. Leading experts from the world of inclusive finance and insurance are meeting next week to try and solve the challenge that billions of emerging households and small businesses are still struggling without any form of insurance safety net.

The International Conference on Inclusive Insurance (ICII) will highlight that, while economies in the global north slowly begin to recover, many uninsured people in low- and middle-income markets have been hit hard by illness, death, loss of employment or business interruption caused by the pandemic.

“COVID-19 has had a significant and disproportionate impact on the poor and vulnerable, especially those in emerging economies,” says Pierre Gramegna, Luxembourg’s Minister of Finance and Keynote Speaker at the conference. “The pandemic has raised awareness of sustainability risks and acted as a catalyst for the green transition. However, we need to ensure that this transition is inclusive: green and social are two sides of the same coin. Microinsurance, especially when leveraging digitalisation, is a crucial tool to increase social inclusion and help the most vulnerable populations adapt to the effects of the climate crisis but also to support health and livelihoods in a crisis such as this pandemic.”

In this context, it is heartening that the findings of this year’s Landscape of Microinsurance, which will be launched at the opening session of conference, identify an increase of 49% of people covered by some form of inclusive insurance compared to the previous study, although the value of sums insured has declined. Despite this encouraging growth in uptake, around 90% of emerging consumers in the 30 countries covered still lack protection based on reported data. This is a stark reminder that the pace must pick up if the United Nations’ Sustainable Development Goals (SDGs) are to be achieved.

“The results of the 2021 Landscape show that health microinsurance has continued to gather momentum,” says Katharine Pulvermacher, Executive Director of the Microinsurance Network, co-host of the conference. “The pandemic accelerated this trend, supported by insurers and others who, in many cases, added telemedicine and health information services to help their emerging customers. Nevertheless, in many cases health microinsurance provides financial aid to help pay hospital bills, rather than covering medical expenses and there is still a vast need to invest in better health outcomes generally, leveraging insurance and associated risk management approaches.”

The protection gap remains wide, and COVID-19 has once again underlined the urgent need for low-cost, accessible insurance products tailored specifically to low- and middle-income populations. The insurance sector is committed to closing the gap.

The role of microinsurance in mitigating the impact of climate change is also under the spotlight. “Inevitably, the focus over the past two years has been the pandemic,” says Dirk Reinhard, Vice Chairman of conference co-host Munich Re Foundation and Chair of the ICII Steering Committee. “In particular, COVID-19 has raised awareness of the resilience that insurance can build as a risk management tool. It has also accelerated trends such as digitalisation and highlighted the growing need for public-private partnerships.”

Yet climate change remains the greatest existential risk for billions of people worldwide. Extreme weather events are increasing in frequency and severity, and low-income countries with a large proportion of poor and vulnerable communities - especially small-scale farmers - are already disproportionately impacted. “Affordable risk management including national and multi-national schemes as well as individual insurance is needed to establish a reliable safety net and prevent millions from falling back into poverty following a disaster,” adds Reinhard.

The five-day conference, which attracts more than a thousand experts working to develop insurance markets that serve the needs of more than four billion people who are currently excluded, will also showcase examples of inclusive insurance products rolled out during the pandemic.



The ICII brings together representatives from insurance and reinsurance companies, brokers, distribution channels, technology providers, investment funds, international organisations, NGOs and development aid agencies, as well as academics, policymakers and insurance supervisors, from more than 100 countries. As part of the conference the Insurance Association of Jamaica (IAJ) will host a national, in-person event to discuss inclusive insurance in Jamaica.

Further strengthening the ICII's position as the leading event for inclusive insurance innovation and the need to protect emerging market consumers from the ravages of climate change, this year the conference offers a combined session with the InsuResilience Global Partnership Annual Forum.

"Inclusive climate and disaster risk finance and insurance solutions are at the core of the InsuResilience Global Partnership's goal of protecting those most vulnerable against the effects of climate-related hazards. The ICII is a fantastic opportunity for the whole insurance sector to get together and find solutions to these urgent challenges," says Dr. Astrid Zwick, Head of the InsuResilience Secretariat. "Well-developed, inclusive local insurance markets can provide financial protection and security to vulnerable communities, and that in turn supports and preserves socio-economic gains. By collaborating with the ICII in the final Leaders Dialogue session of the InsuResilience Annual Forum, we can jointly explore key challenges and innovations on the climate and disaster risk finance and insurance front."

In addition to a clear focus on climate and natural disaster risk insurance, the agenda for the week covers innovative approaches to supporting women's economic empowerment through insurance; building the resilience of smallholder farmers and helping small and medium-sized businesses become more sustainable. As in the past, the conference is not shy to discuss lessons learned, the goal being to catalyse concrete action to reach scale.

Despite the gauntlet that the pandemic flung at the feet of insurers and customers alike, industry experts are optimistically taking up the challenge. With significant developments in digital insurance distribution, as well as innovative health, business interruption and income protection products since the dawn of COVID-19, it is crucial that the entire ecosystem binds together to build on these solid foundations and ensure inclusive insurance can be accessed by the world's most at-risk and vulnerable going forward.

ENDS

For more information and interview requests please contact Martin Atkin, Communications Consultant martin@funnelweb.org +44 (0)779 544 3607.

Click [here](#) to download the 2021 Landscape of Microinsurance study from Monday, 25 October.

About the International Conference on Inclusive Insurance

The 2021 ICII, co-hosted by the Munich Re Foundation and the Microinsurance Network takes place from 25-29 October 2021. Experts from around the world representing NGOs, development-aid organisations, regulation, supervision, and policy experts as well as the insurance industry will meet to exchange experiences and discuss the challenges involved in extending risk management solutions based on insurance principles to low-income households and MSMEs.

About the Microinsurance Network (MiN)

The Microinsurance Network is the global multi-stakeholder platform for professionals and organisations that are committed to making insurance inclusive. Membership-based, we bring together diverse stakeholders from across the value chain who share our vision of a world where people of all income levels are more resilient and less vulnerable to daily and catastrophic risks. We encourage peer-to-peer exchange and learning, facilitate the generation of knowledge and research, and act as advocates, promoting the role that effective risk management tools, including insurance, play in supporting the broader development agenda.

About the Munich Re Foundation

Munich Re has been handling global risks since 1880. Today, it possesses expertise and know-how in all fields of competence connected with the subject of risk. Acting responsibly means sharing that knowledge. The Munich Re Foundation enables Munich Re to fulfil this responsibility. People are ultimately at the core of what the foundation's work is all about. The foundation's task is to minimise the risks to which they are exposed. It clarifies issues and provides support, also in developing countries.