

# International Conference on Inclusive Insurance 2022

24 – 28 October 2022  
#ICII2022

Summary of a  
summary...

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# Why the Caribbean?

- It is in the national interest to make insurance available and accessible to all. **Jamaica will be the first country within CARICOM to have microinsurance legislation** which will be tabled in 2023.
- **Partnerships working in the region** (CCRIF SPC, IDF, MCII and others) have helped create an ecosystem for parametric index insurance covering. The region is vulnerable to storms, hurricanes, landslides, and earthquakes among other natural disasters. Low-income populations in high vulnerability areas.
- **The insurance gap can be narrowed by focussing on cost, particularly by harmonising the regulation among countries with similar conditions, small population and in the same region.**
- **Jamaica has interesting examples**, like the parametric insurance for smallholder farmers to cover flood and drought offered by GK Insurance and the tourism workers' pension scheme: insurance and pension for hotel workers and marginalised workers who support the industry, particularly self-employer workers.
- The **role of credit unions in the region is very important**, providing a distribution channel with deep capillarity.

- Across the 8 islands that make up the Eastern Caribbean Currency Union (ECCU) region, the combined population is 500,000.
- **Developing products for low-income individuals in each of these is a difficult business case.**  
Developing common single market rules or recognizing neighbor countries insurance laws can ease market access and help providers reach scale. This is especially true for #inclusiveinsurance.
- Panelists agreed on the significant benefits for cost reduction of cross-border business that ECCU Framework would bring.
- The proposed legislative framework for insurance and pensions within the ECCU, which has the goal of establishing one insurance and pension market across the member territories, with a single, more robust and well-resourced insurance and pension regulator, had been put on hold
- **As a result of this panel at the ICII 2022: discussions will be restarted.**
- **Call for action' to industry to talk to supervisors in their jurisdictions to request the framework to be finalized.**

- **Between 71m and 223m people** were reported as covered in 2021 by a microinsurance product.
- **The decrease observed** in the number of policies and premiums in the microinsurance space in 2020 **has almost been reversed in 2021** with levels almost at pre-pandemic levels
- **Some things remain the same:** Life insurance products account for the largest proportion of microinsurance products sold, followed by credit and health insurance.
- **Microfinance institutions continue to be the e largest distributors** of microinsurance products followed by financial institutions and then brokers.

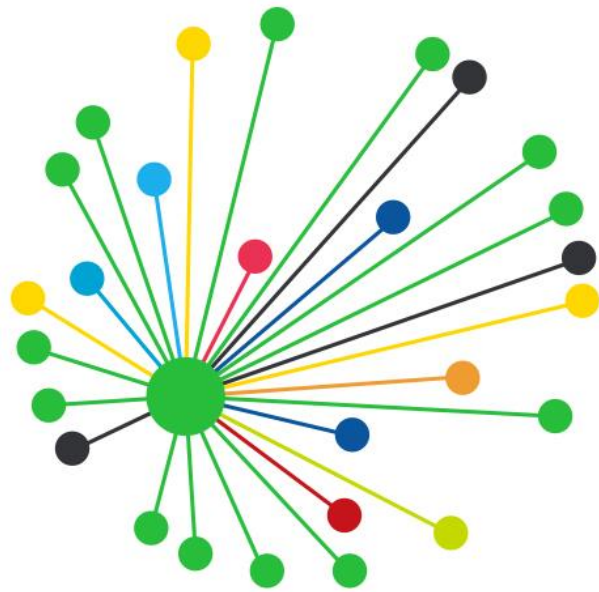


- **For insurance, public-private partnerships are more important than for other sectors.** The industry needs the expertise, which is mainly found in the private sector, and the Governments can provide regulation, consumer protection guidelines, infrastructure and outreach – but they lack insurance expertise.
- Setting up sustainable inclusive insurance products takes time and needs all stakeholders to have a **long-term** view as it will take time for profits to emerge, the business to reach scale and for the reliance on subsidies to reduce
- Public-private partnerships are instrumental in promoting the growth and development of the inclusive insurance space. The severity, frequency and predictability of extreme weather events is worsening, therefore a global collaborative effort to build resilience against these events was needed. **Thus, Global Shield was formed. .**
- Local experts, insurance companies, governments and civil **groups need to be at the core of the development of all solutions** to ensure that they are tailor made and address risks specific to the country.

- **281 million economically active migrants** in the world. As a country it could be the 4<sup>th</sup> biggest after China, India and the USA.
- Migrants support +/- 800 million family members, contributing to gaps in insurance and pensions. **They send approx. 15% of their income to their families back home: \$702 billion in 2020 and much more if informal transfers are included.**
- **COVID-19 highlighted the plight of migrants** in accessing healthcare and repatriation services and a limited safety net of pension and old-age savings for migrants returning to their home countries.
- In addition, there are internal migrants within countries (China & India).
- Despite the existence of a digital payment ecosystem, there are **many challenges** for the provision of insurance and pensions to migrants. The **main challenges refer to regulatory constraints** (local underwriters licenses, restrictions on marketing and selling cross-borders, general definitions, insurable interests across borders). **Therefore:**
  - Supervisors need to learn from microinsurance experiences
  - Collaborate with other jurisdictions to avoid double regulations.
  - Recognise licensing in other jurisdictions and considering allowing entities to conduct the activities they are licensed for in another country in their own jurisdiction.

- **Simpler products** that are less segmented have a better take up rate than their counterparts.
- **Digitalisation is a success factor.** Helps from sign up to payouts. Gives speed, transparency, convenience, scalability and affordability. Increases retention rates, facilitates renewals and can become institutionalized by working with community-based groups. However, last mile adoption is expensive
- **Looking at claims ratios in isolation to measure the value of inclusive insurance does not paint the whole picture.** Other considerations must be taken into consideration (type of product, other than policyholders and beneficiaries need to be considered. Low claims ratios are not necessarily an indicator of poor value, for example a weather index product would have no claims when the weather index is not triggered.
- Look at the **specific needs of your customers.** Develop **gender inclusive products.**
- **The Inclusive Insurance navigator** a comprehensive and pragmatic technical guide to build inclusive insurance products. It aims to fill the gaps in knowledge in the industry in a cost-effective manner.
- Bundling free insurance increase the speed and rate of adoption. Ex. Noahui Soluciones in Mx. Adoption of digital financial tools in exchange for initially free insurance.
- **Training is key, e.g.** through Supervisory agencies (Argentina, for example), or Insurance Associations.
- **Insurers want to learn from replicable cases.**

# Thank you!



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24–28 October 2022  
Kingston, Jamaica

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