Report
International Conference on Inclusive Insurance 2024

21–25 October 2024
Kathmandu, Nepal

Edited by
Rishi Raithatha and Dirk Reinhard

ICII 2024

21–25 October 2024
Kathmandu, Nepal

This report summarises the International Conference on Inclusive Insurance 2024, which took place from 21 to 25 October 2024 in Kathmandu, Nepal. A team of international rapporteurs compiled individual summaries. The team comprised Antonia Witthoff, Betrida Muganda and Chipo Sichizya. They were led by Rishi Raithatha.

Readers, authors and organisers may not share the opinions expressed or agree with the recommendations. However, these reflect the rich diversity of the discussions.

All presentations and session recordings can be downloaded here

ICII 2024 featured 24 interactive workshops and sessions.

Contents

Pujan Dhungel Adhikari
Director, Nepal Insurance Authority (NIA), Nepal

Climate change is impacting the entire world, with developing economies bearing more impact of its effects, particularly among the most vulnerable populations. From wildfires to glacial lake outburst floods, unprecedented events are causing widespread devastation, affecting millions and resulting in significant economic losses. This growing crisis poses a major challenge not only for developing nations but also for advanced economies worldwide.

Inclusive insurance can be a crucial tool for managing the impacts of climate change by providing coverage to the most vulnerable populations, who are disproportionately affected. The insurance protection gap is particularly significant in developing countries, making it challenging for governments to mitigate the devastating effects of climate change.

Nepal itself provides a striking example, having suffered a devastating flood at the end of September 2024. Kathmandu alone recorded approximately 320 millimetres of rainfall, leading to 224 deaths and 158 injuries. According to data published by the National Emergency Operation Center under the Ministry of Home Affairs, Nepal has experienced around 6,424 disaster incidents over the past nine months (from April 2024 to mid-January 2025). This is just one of many such events, as climate-induced natural disasters have increasingly dominated global headlines in recent days. Inclusive insurance can be one of the most effective tools for governments and societies to manage the devastating effects of climate change. It serves as a vital mechanism for protecting low-income households, ensuring their livelihoods remain secure against the severe impacts of natural disasters, and preventing them from facing financial distress in such events.

The International Conference on Inclusive Insurance (ICII) is the platform that fosters discussion on different aspects of inclusive insurance, from product design to distribution mechanism, from success stories to learning from failure. The ICII 2024 was successful in maintaining the trend of the past conference by providing the ground for meaningful discussion to industry leaders and policymakers about how inclusive insurance can be an important tool for managing the global risk. The ICII promotes discussion beyond boundaries, making the participants realise that not only we are facing the challenges but the entire world is going through the same journey, full of opportunities and challenges in bridging the protection gap.

Mr. Arup Chatterjee in his keynote speech rightly said “When accessible to all, especially vulnerable communities, insurance can bring stability and hope”. Insurance should not be limited to large projects and economically privileged segments of society; it should be accessible to everyone, ensuring inclusive protection for all. Inclusive insurance should be implemented as a practical tool for risk management, safeguarding both economies and societies from climate-related threats.

Climate change has presented significant challenges for governments and policymakers, but has also created substantial opportunities for the insurance sector. Despite its critical role in risk management, insurance remains one of the least prioritised sectors, particularly in developing countries. Events like the International Conference on Inclusive Insurance 2024, with participants from 43 countries, have highlighted the potential of insurance as a solution.

Discussions on topics such as the landscape of micro-insurance and the journey of CARD Pioneer in the Philippines were particularly insightful. Additionally, the Conference covered a wide range of key themes, including pricing strategies, the role of actuaries, gender dynamics, climate change, digitalisation, parametric insurance, and the growing presence of female agents and employees in the industry.

Hosting the event in Nepal was especially meaningful, given the country’s ongoing struggle with the unpredictable and devastating effects of climate change. According to the UNDP Country Diagnostic Report 2023, Nepal ranks among the top 10 countries most affected by climate change, facing severe risks from floods, landslides, earthquakes and droughts.

The discussions and presentations at the Conference have emphasised the urgent need for governments, regulators and the insurance industry worldwide to take decisive action. Finally, I would like to express my heartfelt gratitude for being given the opportunity to be a part of the steering committee of the ICII 2024, and I also wish for the success of the upcoming ICII 2025 and for many more successful years ahead.

Pujan Dhungel Adhikari
Director
Nepal Insurance Authority

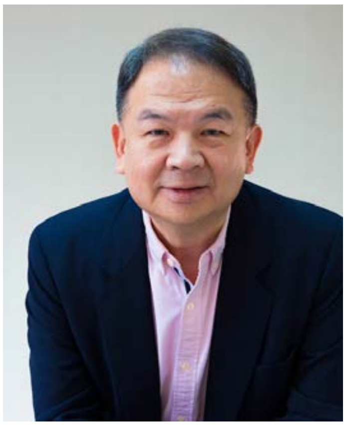
The 20th edition of the International Conference on Inclusive Insurance, graciously hosted by Nepal, was back in Asia!

How appropriate that our milestone conference was in Asia, which remains by far the largest continent in the world, not just in size but also in population. It has 4.7 billion of the world's 8 billion population – close to 60%. It is likewise the fastest-growing region in the world economically.

But that's not all. A report published in 2023 by the World Meteorological Organisation (WMO – a specialised agency of the United Nations) highlighted the impact of extreme weather and climate change on the world we live in. Interestingly, it pointed out that Asia is also the world's most disaster-prone region. In 2022 alone, Asia suffered over 80 disasters, affecting 50 million people and costing US$ 36 billion in economic damage. Around 83% of these were flood and storm events. Who can forget that in September 2024, a few weeks before the conference, our host country experienced devastating floods caused by rainfall in Kathmandu?

Furthermore, the WMO's 2024 State of Global Climate report confirms that 2023 was the hottest year on record for our planet. Heatwaves, floods, droughts, wildfires and rapidly intensifying tropical cyclones caused havoc, affected the lives of millions, and inflicted economic losses running into billions of dollars. The impact of these and other man-made challenges undermines resilience and creates protection risks in the vulnerable populations we are seeking to serve and include. The WMO report also reveals that food security affected over 333 million people in 2023, more than double the 149 million affected pre-pandemic (based on data from 78 countries).

How timely is it that our Conference in 2024 tackled various options to address these increasing threats to lives and livelihoods? The point is not the search for one single solution but rather several solutions, each doing its part and working together with the others for greater impact. Risk management is necessary to continue sustainable growth and economic development, especially for those at the lower end of the pyramid. The role of insurance in mitigating risks and enabling individuals and families to rebuild homes, restore businesses and resume their lives after a calamity, death or illness cannot be underestimated. It absorbs the shock of a loss and reduces dependence on loan sharks, external aid or dole-outs, thus avoiding an endless rebooting cycle.



Lorenzo Chan
CEO, Pioneer Insurance, Philippines / Chair of the Board, Microinsurance Network, Luxemburg

Matthew Genazzini
Executive Director, Microinsurance Network, Luxembourg

For a few exciting days in Kathmandu, various alternatives and options available for inclusion, building economic resilience, and closing the protection gap were brought to the fore. What transpired reminded us of the need for different stakeholders to work together. And that political will, collaboration, bold regulation and enforcement will enable innovative mindsets and more effective and efficient deployment of solutions.

As we reflect on the past two decades, the Microinsurance Network (MiN) appreciates the reality that our journey in pursuit of financial inclusion is never-ending. As this Conference (which started as the International Microinsurance Conference) looks ahead to its next twenty years, we take this opportune moment to mention two colleagues – Craig Churchill and Dirk Reinhard – and acknowledge their commitment in being the only two individuals to have participated in all 20 editions of the conference from 2005 to 2024. Kudos!

The Network was also pleased to introduce the new Executive Director – Matthew Genazzini – at the Conference in Nepal. Mr. Genazzini is a 15-year veteran in inclusive finance and brings a wealth of experience and strong commitment to promoting financial resilience among vulnerable communities. The MiN is confident that his keen understanding and valuable expertise on the ground will serve the Network well as we carry on our mission to close the protection gap.

The world continues to face many risks that undermine socio-economic development – be it climate concerns, food security or disaster exposure. We know there can be no sustainable growth without economic resilience, and insurance plays a key role. While some may think that taking action is expensive, not taking action will cost us even more. Besides, we now bear witness to a few shining examples, such as that of Pioneer and CARD in the Philippines – featured in one of the sessions – that profit combined with the objective of closing the protection gap is indeed possible.

Lorenzo Chan
Chairman
Microinsurance Network

Matthew Genazzini
Executive Director
Microinsurance Network

Acknowledgements

The International Conference on Inclusive Insurance (ICII) 2024 was hosted by the Nepal Insurance Association, Life Insurance Association Nepal, Nepal Microinsurance Association and the Nepal Insurance Authority, in collaboration with the Munich Re Foundation and the Microinsurance Network. This event marked the 20th conference. From the first meeting of around 90 insurance and development experts in 2005 in Munich, Germany, it has grown into the largest global gathering of experts dedicated to closing the insurance gap. Many organisations have supported this event for many years, and I would like to especially thank Craig Churchill, Chief of the ILO Social Finance Programme, who helped to shape the conference from the beginning. A special "thank you" goes to the entire team of the Microinsurance Network, led and chaired by Lorenzo Chan, CEO of Pioneer Insurance, and their new Executive Director, Matthew Genazzini, for their long-term cooperation and support during the ICII 2024.

With over 500 participants from 43 countries, the ICII 2024 can be called an outstanding success. This would not have been possible, however, without the dedication of the national conference organising committee of Nepal, and I would like to explicitly thank Surya Prasad Silwal, Chairman of the Nepal Insurance Authority; Pujan Dhungel Adhikari, Director, Nepal Insurance Authority; Chunky Chhetry, CEO, Sagarmatha Lumbini Insurance / President of the Nepal Insurers' Association, Poshak Raj Paudel, CEO, Citizen Life Insurance / President of the Life Insurance Association of Nepal; Dip Prakash Panday, CEO, Shikhar Insurance – host of the field trip; Yugesh Bhakta Bade Shrestha, Treasurer – Nepal Insurers' Association / CEO – IGI Prudential Insurance; Chirayu Bhandari, CEO, Guardian Micro Life Insurance / President, Nepal Microinsurance Organisation, and everyone else in the national organising committee, as well as in the conference management team working in the background, for their hard work to pull this conference together. It has been not only a great pleasure but a true honour to have worked with you, and I sincerely hope the ICII 2024 will help to increase the outreach of affordable risk management to the people who need it most in Nepal.

A very big "thank you" also goes to all other members of the steering committee for their guidance. I would also like to express my sincere gratitude to the speakers and facilitators who volunteered to present their knowledge and led the 25 sessions of

Dirk Reinhard
Vice Chair, Munich Re Foundation

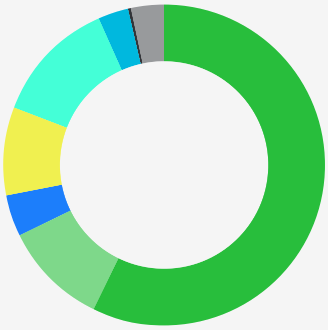
this year's event. I would further like to thank all the sponsors and content partners who hosted a session at the ICII 2024: Access to Insurance Initiative (A2ii), the Actuarial Society of Nepal, CEAR, CGAP, Feed the Future Innovation Lab for Markets, Risk & Resilience, FinProbity Solutions, Global Shield, ICMIF, IFC, ILO's Social Finance, MicroInsurance Centre at Milliman, MCII, UNDP Insurance and Risk Finance Facility and UNEP FI V20 Sustainable Insurance Facility. I would like to make special mention of the team of rapporteurs and authors – Antonia Witthoff, Betrida Muganda and Chipo Sichizya – led by Rishi Raithatha. In addition, I would like to extend my thanks to the Munich Re Foundation conference team – Renate Bleich, Christian Barthelt and Julia Martinez – for their hard work in the background.

At the same time, I would like to welcome participants to the International Conference on Inclusive Insurance 2025, scheduled from 13 to 17 October 2025 in Quito, Ecuador. The conference will be hosted by the Federación Ecuatoriana de Empresas de Seguros (FEDESEG), the Junta de Política y Regulación Financiera (JPRF) and the Superintendencia de Compañías, Valores y Seguros (Superintendency of Companies, Securities and Insurance, SCVS) in cooperation with Munich Re Foundation and the Microinsurance Network.

Dirk Reinhard
Vice Chair, Munich Re Foundation, Germany,
Chair of the Conference Steering Committee
Munich, January 2025

ICII 2024 in numbers

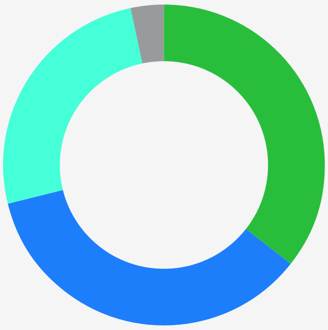
Breakdown of participants at ICII 2024 by work sector



Insurance and finance industry	57.5 %
Donor agencies, development and international organisations	10.3 %
Consultants	4.4 %
Government and regulatory bodies	8.7 %
Microfinance and microinsurance providers	12.5 %
Academics	3.0 %
Media	0.4 %
Other	3.2 %

Source: Participants survey ICII 2024

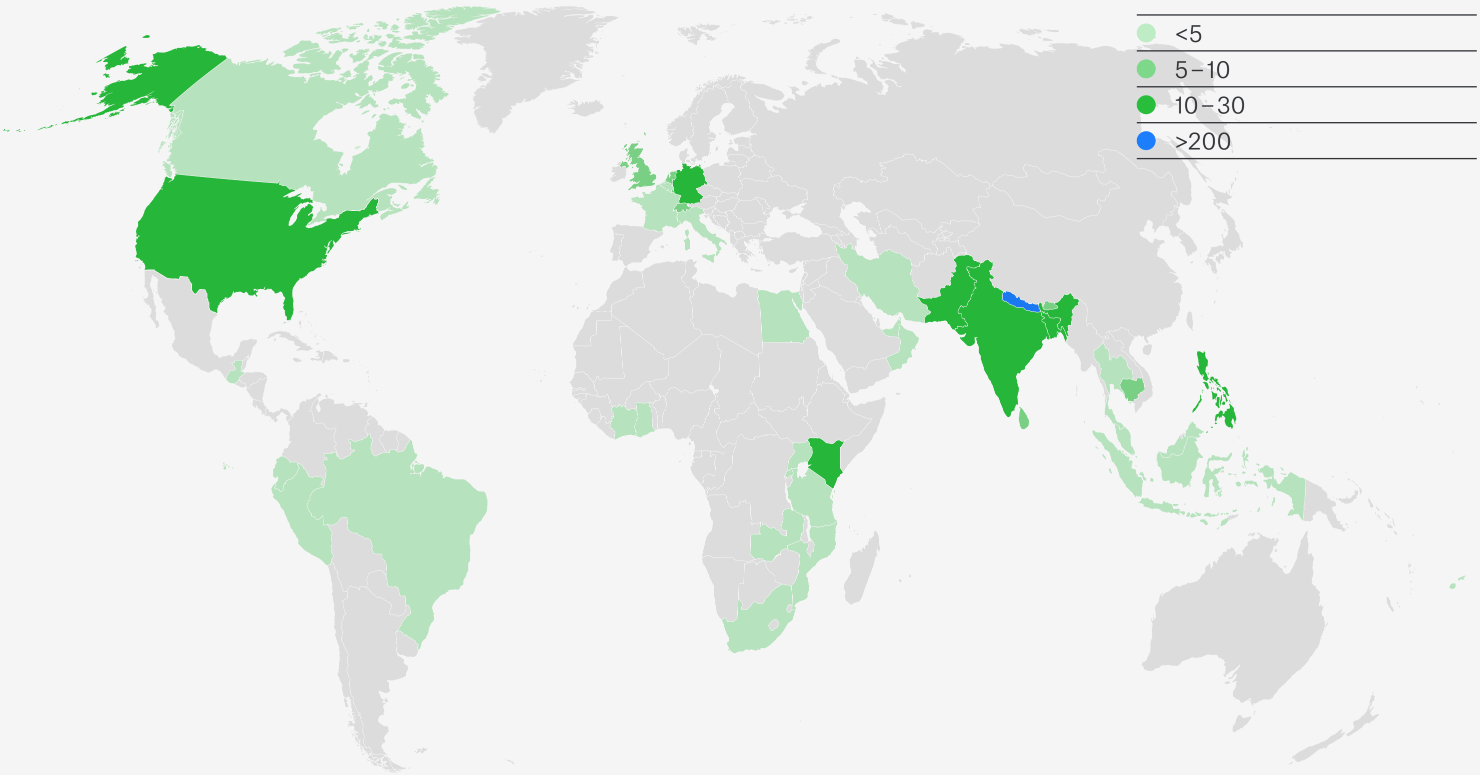
Main reasons for attending ICII 2024



Learning	35.60 %
Networking	35.60 %
New business	25.60 %
Other	3.20 %

Source: Participants survey ICII 2024

Geographical origin of participants



Number of participants per country:

<5
5–10
10–30
>200

Source: Participants survey ICII 2024

Introduction

Between 21 and 25 October 2024, the Nepal Insurance Association, Life Insurance Association Nepal, Nepal Microinsurance Association and the Nepal Insurance Authority, in cooperation with the Munich Re Foundation and the Microinsurance Network, organised the International Conference on Inclusive Insurance (ICII) 2024 in Kathmandu, Nepal. The event's themes centred on "strengthening economic development through insurance", which is relevant when determining how to protect Asia's rapid economic growth from its increasing vulnerability.

The ICII 2024 focused on several contemporary topics discussed by diverse actors involved in inclusive insurance in South Asia, Southeast Asia and beyond. Like previous events, insurers, reinsurers, brokers, insurtechs, distribution channel providers and development agencies were joined by non-governmental organisations, policymakers, regulators and supervisors, and academics. Climate resilience remains a core aim, which was discussed across several sessions. Sustainable business models are important to the industry too, with notable global examples cited during the event.

Importantly, the ICII 2024 marked the 20th edition of the inclusive insurance industry's most high-profile conventions. A special session to look back in time also gave participants insights into how inclusive insurance had continued to develop in previous host countries, namely Peru, Zambia and Bangladesh. Lessons from these and subsequent ICII events continue to show that insurance alone is not sufficient to manage and mitigate risks – particularly climate risks. Insurance should be integrated with other risk management solutions to improve resilience among those at risk.

This report summarises the 24 sessions and the field trip that comprised the ICII 2024. Last year's report included a collection of brief session summaries and longer essays on topics such as business models, the Landscape of Microinsurance, climate resilience, the gender gap and innovation. This year, the report maintains summaries for most sessions. In keeping with the idea of longer pieces, the editors have produced six essays on some of the most contemporary topics debated during the conference.

These "spotlights" focus on the following topics:

The Landscape of Microinsurance
This is a regular and valued annual component of the ICII, which is used to set the global scene for the event.

Inclusive insurance in Nepal
A closer look at the progress made in the country, the challenges overcome and future opportunities for growth.

Business models
Examples of successes and top- and bottom-line driving factors that have helped achieve success in some markets.

Index insurance
A detailed understanding of the lessons from country- and regional-level livestock index insurance schemes in the Horn of Africa region.

The value and viability of inclusive insurance
Examples of how different inclusive insurance schemes have sought to offer value to their customers as a core part of their business cases.

The ICII through the years
A look back at the history of the ICII and the nature of the debate at the conference, with examples of post-event progress from selected host countries.

The report is a collection of the key points discussed at the conference. Many product and service examples enclosed will naturally be covered in more detail elsewhere. We encourage readers to use the report to take away some knowledge of the countries, regions, products, programmes and schemes mentioned – but this should be complemented with further reading beyond the report. Where possible, we have included links to aid readers. We hope that the report can continue to serve as a first point of entry for anyone looking to learn more about inclusive insurance.

Day 1 — 21 October 2024
Pre-conference workshops

Workshop 1

Introduction workshop to inclusive insurance
Hosted by ILO

Speakers

Lisa Morgan
Technical Specialist, Actuary, ILO's Impact Insurance Facility, Switzerland

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

Ali Tareque Parvez
Inclusive Insurance Collaborator — Asia, ILO, Cambodia

Purvi Bhavsar
CEO, Pahal Finance, India

Ovia Tuhairwe
CEO, Radiant Yacu, Rwanda

Facilitator

Craig Churchill
Chief, Social Finance, ILO, Switzerland

Workshop 2

Pricing health and life insurance products — A practical tool
Hosted by Milliman and UNDP

Speakers

Josh Collins
Consulting Actuary, Milliman, USA

Brian Merkey
Manager, Data Science, Milliman, USA

Romain de Harlez
Consulting Actuary, Milliman, Belgium

Amir Hassan
Actuarial Associate, Milliman, Malaysia

Facilitator

Enock Sing'oei
Agricultural Insurance Specialist, UNDP — Insurance & Risk Finance Facility (IRFF), Kenya

Workshop 3

Landscape of climate risk insurance solutions for MSMEs in V20 countries. How do climate risk-resilient MSME credit portfolios lead to climate risk-resilient MSMEs?
Hosted by UNEP

Speakers

Manoj Pandey
APAC Coordinator, UNEP FI – V20 Sustainable Insurance Facility, Switzerland

Rafkat Kabir
Lead, Strategy and Implementation (MSME) — Microfinance, BRAC, Bangladesh

Yannick Milev
CEO, Chamroeun MFI, Cambodia

Uthpala Thilini Gunawardana
Deputy Manager Sustainability Unit, Regional Development Bank, Sri Lanka

Ny Lyhoung
Business Unit Head/CEO, Micro and Agriculture Insurance, Forte, Cambodia

Facilitators

Brandon Mathews
Global Coordinator, UNEP FI – V20 Sustainable Insurance Facility, Switzerland

Workshop 4
A2ii Consultative Forum

Session 1
Foundations of data-driven supervision

Speakers

Gabriel Porto
General Coordinator of Economic Studies, SUSEP, Brazil

Barbara Chesire
Managing Director, AB Entheos Ltd., Kenya

Facilitators

Matthias Range
Executive Director, A2ii, Germany

Session 2
Advanced analytics and practical applications

Alastair Norris
Climate and Disaster Risk Expert, IDF Risk Modelling Steering Group (RMSG), United Kingdom

Moustafa Khalil
Deputy Assistant of the Chairman, FRA, Egypt

Min Hung Cheng
Deputy Chief Executive Officer, Global Asia Insurance Partnership, Singapore

Ronaldo Limbago
Regional Coordinator for Asia, A2ii, Philippines

Session 3
Collaboration and future technologies

Anuja Jaitly
Global Business Development, Blue Marble, USA

Kay Tuschen
Head of Climate Resilience Solutions, CelsiusPro, Switzerland

Gabriel Porto
General Coordinator of Economic Studies, SUSEP, Brazil

Pedro Pinheiro
Project Manager, Microinsurance Network, Luxembourg

Workshop 1
Introduction workshop to inclusive insurance

Hosted by ILO[1]

This pre-conference session introduced the key challenges and opportunities of inclusive insurance. It created an opportunity for participants to network, which was especially relevant for those new to the topic and the International Conference on Inclusive Insurance.

1 See the ILO's Impact Insurance Academy.

Top left: **Craig Churchill**, Chief, Social Finance, ILO, Switzerland

Top right: **Lisa Morgan** (right), Technical Specialist, Actuary, ILO's Impact Insurance Facility, Switzerland, facilitating one of the many group sessions of the workshop

Bottom: Left to right: **Pranav Prashad,** Senior Technical Officer – ILO's Impact Insurance Facility, Switzerland, Switzerland; **Purvi Bhavsar,** CEO, Pahal Finance, India; **Ovia K. Tuhairwe,** CEO, Radiant Yacu, Rwanda; **Ali Tareque Parvez,** Inclusive Insurance Collaborator – Asia, ILO, Cambodia

Key takeaways

The pathway to a successful inclusive insurance offer involves developing valuable products, establishing effective partnerships and designing appropriate customer journeys (Figure 1). Product creation begins with understanding customer needs and demands, and the type of education that may be required. Insurers may need to consider several adoption barriers too: customers' understanding of insurance, wealth and liquidity constraints (e.g. cash flow timing for smallholder farmers), trust, a clear value proposition, how insurance can complement existing risk-coping mechanisms, behavioural factors such as risk perception and memory, and personal characteristics (such as gender and location). This customer-centric approach has helped many insurers create effective and appealing insurance products.

Figure 1
Pathways to a successful inclusive insurance offer

Source: Churchill, Craig. Presentation on: "Pathway to a successful inclusive insurance offer: Introduction to inclusive insurance". ICII 2024.

Customer-centricity in inclusive insurance requires several types of strategic partnerships to deliver products to the target markets. Insurers should build effective channels and partnerships to ensure that products are used by the intended beneficiaries. This is necessary to reach underserved markets, often located in remote or inaccessible areas. Based on lessons from the industry, insurers need to engage with different types of partners. These include service partners to help with product development, distribution partners to get the products into customers' hands, social advocates to raise awareness and build customer trust, and brand boosters to build market credibility for insurers.

Distribution partners are integral to the entire customer journey, as their role encompasses a wide range of activities. This includes contacting potential customers, providing guidance, assisting with enrolment, collecting premiums, closing renewals and assisting with claims settlements. However, distribution partners face several operational challenges and may not always be effective in reaching customers in underserved areas. Insurers should consider a balanced approach that includes alternative channels to achieve scale and keep costs low. This involves working with partners that have established relationships with target communities, such as local agents and brokers, microfinance institutions, digital platforms and mobile network operators, among others.

Inclusive insurance operations, from marketing and education to claims management, should prioritise the customer experience. Responsible marketing can communicate product value, while misleading campaigns can damage reputation. Effective education can ensure that customers are well-informed. Efficient claims management is paramount, as slow processes may create reputational risk for insurers. A positive experience can significantly impact customer satisfaction and loyalty; negative ones may breed mistrust. Inclusive insurance claims processes should be simple, transparent and quick. A prominent example is Britam Insurance in Kenya, which designed a digital platform to bring down claims processing times from over 60 to under 10 days.

Workshop 2
Pricing health and life insurance products – A practical tool

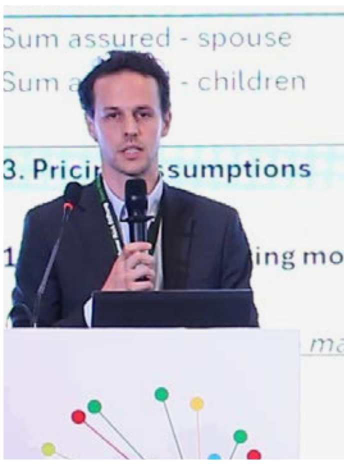
Hosted by Milliman and the UNDP

This workshop introduced participants to key principles of micro-insurance pricing and a pricing toolkit that provides considerations for pricing a sustainable, inclusive insurance product. Milliman and the United Nations Development Programme (UNDP) produced the toolkit through their Global Actuarial Initiative (GAIN[2]) partnership to build actuarial expertise in developing countries. The toolkit contains small, self-contained pricing models for life and hospital-cash products. Participants were shown how the toolkit helps to apply actuarial principles to pricing microinsurance products.

2 The UNDP-Milliman Global Actuarial Initiative.

Left: **Enock Sing'oei,** Agricultural Insurance Specialist UNDP – Insurance & Risk Finance Facility (IRFF), Kenya

Bottom left to right: **Josh Collins,** Consulting Actuary, Milliman, USA; **Amir Hassan,** Actuarial Associate, Milliman, Malaysia; **Romain de Harlez,** Consulting Actuary, Milliman, Belgium; **Brian Merkey,** Manager, Data Science, Milliman, USA



Key takeaways

Actuaries play an important role in developing affordable and sustainable microinsurance products, though not without significant challenges. Key responsibilities for actuaries include pricing insurance products, managing risks, making financial projections, data analytics, claims management, reserving and ensuring regulatory compliance. Inclusive insurance solutions that can build financial resilience for customers require a balance between pricing and risk-responsiveness. However, to achieve this, actuaries face challenges: data scarcity can impair risk assessments and premium pricing, low premiums can jeopardise the insurers' financial stability, and regulatory environments can be complex or regularly change.

The Global Actuarial Initiative (GAIN), a partnership between Milliman and the UNDP, was launched in 2022 to improve on the limited actuarial expertise in underserved markets. Operating in 27 countries, the programme is built on three key pillars: creating an enabling environment through supportive regulatory frameworks; strengthening market foundations by developing technical capacity; and promoting innovative models that integrate insurance into essential services for greater accessibility (Figure 2). This is part of the UNDP's initiative to highlight insurance's contribution towards the United Nations' Sustainable Development Goals (SDGs), particularly given the impact of climate change, pandemics and other health crises.

As part of this goal, GAIN has developed a toolkit for microinsurance providers to price life and hospital-cash health products for vulnerable communities. This is in response to rising global demand for life and health microinsurance products, which has grown over time. An important part of the actuarial control cycle is to monitor experience (i.e. claims and expenses) and feed this back to the valuation and pricing departments. This information can demonstrate that the reserves and pricing reflect the company's experience. The toolkit includes a template for experience analysis, based on internal historical experience for claims (i.e. credit life and funeral benefits). This can be used to set a benchmark for assumed claims rates and product pricing.

For health microinsurance products, the Microinsurance Centre at Milliman developed the SUAVE principles to define the key characteristics when designing a product. Based on these principles, microinsurance products should be **s**imple, easily **u**nderstood, **a**ccessible and **v**aluable to the customer, and **e**fficient. A successful microinsurance product should aim to exhibit each of these characteristics to balance its value to policyholders and the business case for providers and distribution partners. This may help to provide a sound business case for underwriters and distribution partners, as well as meaningful cover to users who may not have previously used insurance.

Figure 2
Key GAIN interventions and activities

Structural change
Rely heavily on local stakeholders, beyond the control of the GAIN team, long-term impact

- Advisory on regulatory definition of actuaries in guidelines and bills
- Exam accreditation
- Peer review of mortality table

Tools
Challenging to develop, tools to remain for use for long-term, yet to disseminate

- Best practice guidelines for setting up actuarial teams
- Microinsurance Pricing Toolkit
- Actuarial Profession Awareness Toolkit
- Develop a map of climate risks

Advocacy
Involvement of influential stakeholders

- Regulatory roundtable

Medium-term capacity building
Welcomed by local stakeholders, medium structural impact, training-of-trainers and authorities

- Actuarial Capacity Development Program
- Capacity building at regulator's office
- Faculty Development Program

Short-term capacity building
Requested by local stakeholders, low structural impact, easy to deliver, engages ambassadors and good to build trust with local stakeholders

- Webinar on actuarial skillsets and value of actuaries
- Training on actuarial technical topics and panel of experts
- Exam tutorials
- Mentorship program

Source: Sing'oei, Enock. Presentation on: "Pricing health and life insurance products – A practical tool". ICII 2024.

Workshop 3

Landscape of climate risk insurance solutions for MSMEs in V20 countries / How do climate risk-resilient MSME credit portfolios lead to climate risk-resilient MSMEs?

Hosted by UNEP FI V20 Sustainable Insurance Facility[3]

This workshop explored innovative approaches to tackling the climate risk exposure of micro, small and medium enterprises (MSMEs) in V20 countries. MSMEs' vulnerability to climate-related losses can pose a significant threat to economic stability. The workshop covered a landscape study on climate-smart insurance for MSMEs and lessons learnt in scaling solutions. Discussions focused on integrating climate risk into credit portfolios, fostering partnerships and using solutions such as parametric insurance to build resilience.

3 The V20 Sustainable Insurance Facility.

Top left: **Uthpala Thilini Gunawardana,** Deputy Manager Sustainability Unit, Regional Development Bank, Sri Lanka

Top right: **Brandon Mathews,** Global Coordinator, UNEP FI – V20 Sustainable Insurance Facility, Switzerland

Bottom left: **Manoj Pandey,** APAC Coordinator, UNEP FI – V20 Sustainable Insurance Facility, Switzerland; **Pushpa Kunwar,** Deputy Director, NIA, Nepal

Bottom right: **Yannick Milev,** CEO, Chameroun MFI, Cambodia; **Ny Lyhoung,** Business Unit Head/CEO, Micro & Agriculture Insurance, Forte, Cambodia; **Rafkat Kabir,** Lead, Strategy & Implementation (MSME) – Microfinance, BRAC, Bangladesh

Key takeaways

Micro, small and medium enterprises (MSMEs) in low- and middle-income countries (LMICs) face significant economic losses from climate risks, threatening their viability. MSMEs are the backbone of the Vulnerable 20 (V20) economies[4]. They represent around 90% of businesses and employ about 60% of the workforce in the V20, contributing US$ 642 billion to gross domestic product (GDP). MSMEs' prominence makes them vulnerable to the impact of natural hazards. These disruptions can lead to direct economic losses involving assets and income, and credit access and repayment stress (Figure 3).

Integrating credit with insurance can reduce loan repayment stress and enhance MSME resilience. Financial institutions providing credit to MSMEs often face higher risks of loan default following climate-related disasters. Integrating climate risk assessments and solutions into MSME credit portfolios can build resilience and provide MSMEs with a comprehensive safety net. Such integrated products could also incentivise MSMEs to adopt sustainable practices, further reducing their vulnerability to climate risks. Without climate-smart financial solutions, economic losses for MSMEs in the V20 markets in Asia-Pacific may range from US$ 16bn to US$ 38bn.

4 A group of 70 LMICs in Africa, Asia-Pacific, Latin America and the Caribbean, and the Middle East.

Parametric insurance is a scalable tool but needs to be simplified and relies on increased awareness to drive adoption. Unlike traditional indemnity-based insurance, parametric products have shorter claims processes and faster payouts. Using insurance based on pre-defined triggers could offer MSMEs a cost-effective climate resilience solution. However, there are barriers to adoption, including a lack of insurance awareness among MSMEs and the perceived complexity of parametric products. Simplifying product offerings, increasing education and growing outreach may be necessary to grow uptake.

Developing MSME insurance products and ensuring their adoption involves overcoming several barriers, which public-private partnerships can drive. Insurers are often reluctant to invest in new products due to the high upfront costs involved. At the same time, MSMEs often prioritise credit over insurance – typically due to a lack of understanding of insurance's benefits. Data scarcity on MSMEs' risks can hamper insurers' ability to assess risk and price products effectively. Public-private partnerships can help to reduce upfront development costs and foster innovation in climate-smart insurance products. Governments can play an important role in such partnerships by creating an enabling environment and providing subsidies or tax incentives.

Figure 3
Climate risk vulnerability of MSMEs in APAC V20 markets

Small business

Component 1 **Direct economic losses (GDP)** Suffered due to direct exposure to extreme weather events (floods, drought etc.)	**Component 2** **MSME credit stress** The credit repayment stress as it is the very life-line of MSME sector – Repayment risk for MSME credit
Loss of assets and income	Credit access and repayment stress

Source: Mathews, Brandon. Presentation on "Overview of MSME's Climate Risk Exposure in V20 markets in Asia Pacific". ICII 2024.

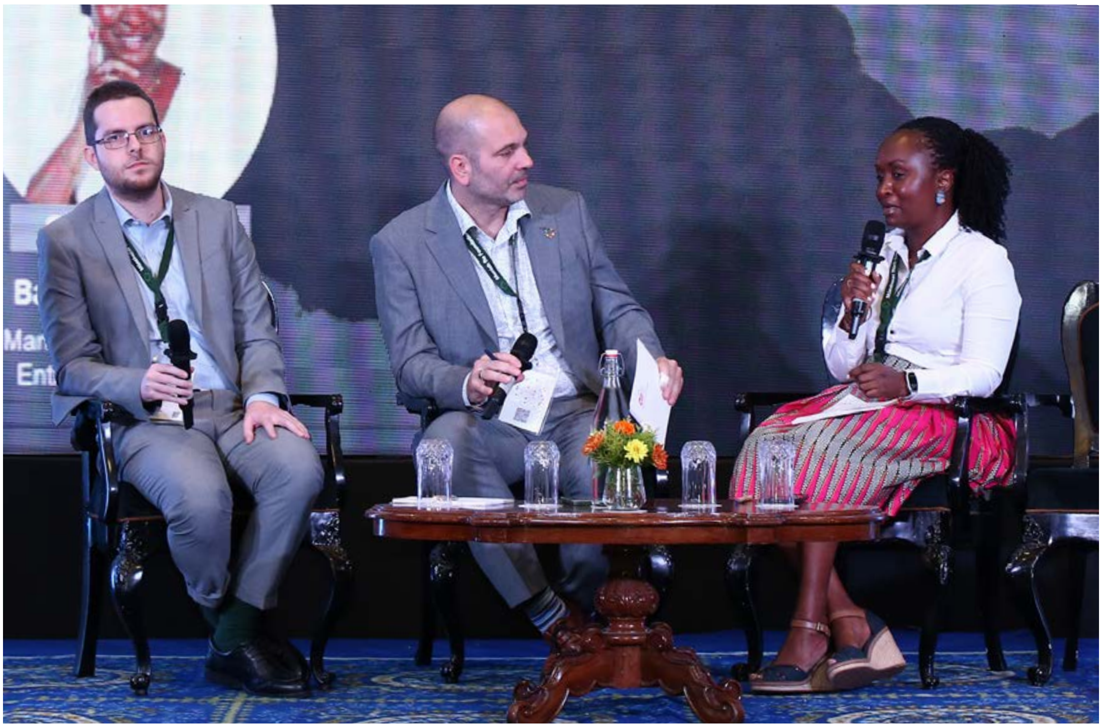
Workshop 4
The A2ii Consultative Forum: Enhancing data-driven insurance supervision

Hosted by Access to Insurance Initiative (A2ii), the IAIS,
the Microinsurance Network (MiN) and the Insurance Development Forum (IDF)

The 19th A2ii Consultative Forum focused on best practices, challenges and opportunities to develop and implement inclusive and ethical data-driven insurance solutions. The Forum brought together representatives of international initiatives, the insurance industry, policymakers and supervisors to jointly identify collaborative approaches and how to incorporate technology in data-driven microinsurance.

Session 1
Foundations of data-driven supervision

Left to right: **Gabriel Porto,** General Coordinator of Economic Studies, SUSEP, Brazil; **Matthias Range,** Executive Director, A2ii. Germany; **Barbara Chesire,** Managing Director, AB Entheos Ltd., Kenya



Session 2
Advanced analytics and practical

Left: **Min Hung Cheng,** Deputy Chief Executive Officer, Global Asia Insurance Partnership, Singapore

Centre left: **Alastair Norris,** Climate and Disaster Risk Expert, IDF Risk Modeling Steering Group (RMSG), United Kingdom

Centre right: **Moustafa Khalil,** Deputy Assistant of the Chairman, FRA, Egypt

Right: **Ronaldo Limbago,** Regional Coordinator for Asia, A2ii, Philippines

Session 3
Collaboration and future technologies applications

Left to right: **Pedro Pinheiro,** Project Manager, Microinsurance Network, Luxembourg; **Anuja Jaitly,** Global Business Development, Blue Marble, USA; **Kay Tuschen,** Head of Climate Resilience Solutions, CelsiusPro, Switzerland; **Gabriel Porto,** General Coordinator of Economic Studies, SUSEP, Brazil, Facilitator

Key takeaways

Data plays an important role in risk management: "If you can't measure it, you can't manage it". When trying to understand the impact of climatic shocks, such as excess rainfall, data is essential for a range of analyses and models (Figure 4). Data can be used to assess the probability of different flood depths and determine the cost-benefit analysis of building flood defences. Historical data on losses can help to validate and calibrate risk assessment models, and to understand how these losses might have materialised.

There are several challenges to efficient and effective data collection and utilisation – particularly in low-income communities. A lack of trust and limited access to technology to collect and process data are significant obstacles. Not communicating the benefits of insurance to potential customers, especially in situations where payouts are small, can also hamper data collection. To overcome this and build trust, community engagement is essential to understanding specific contexts. For example, the Mahila Housing Trust worked with communities in India to explain to them the implications of flood models and to understand their coping strategies.

A collaborative framework between the public and private sectors is necessary to refine the regulations on collecting and using data. Such an approach could potentially provide regulatory guidance on using artificial intelligence to understand customer needs and risks, for instance, in relation to climate change. Regulatory input into such a framework may also help to safeguard data privacy and consumer protection. Any framework should consider the importance of gender-disaggregated and inclusive data in the insurance sector. Such frameworks should also include guidance on using data ethically and responsibly.

Beyond data regulations, microinsurance regulation may benefit from a simplified and principles-based approach which prioritises "learning by doing". For instance, a single rulebook could be beneficial for microinsurance growth. It could streamline the regulatory processes and allow for a more focused assessment of the impact of regulations on the large protection gap. Regulation should also promote innovation. For example, Brazil introduced "Open Insurance" in 2021 as a common data-sharing environment. It mandates interoperability between insurers and allows customer data and services to be shared with consent. Between September 2023 and September 2024, Open Insurance processed around 16.5 million transactions.

Figure 4
How models are used to provide a complete risk picture

Hazard

The likelihood, probability, or chance of a potentially destructive phenomenon.

Exposure

The location, attributes, and values of assets that are important to communities.

Vulnerability

The likelihood that assets will be damaged or destroyed when exposed to a hazard event.

Impact

For use in preparedness, an evaluation of what might happen to people and assets from a single event.

Risk

Is the composite of the impacts of ALL potential events (100s or 1,000s or models).

Source: Norris, Alastair. Presentation on "Advanced Analytics and Practical Applications" during the A2ii Consultative Forum. ICII 2024.

Plenary 1

Opening of the ICII 2024

Guest of honour

His Excellency Ramsahay Prasad Yadav
The Vice President of Nepal

Keynote

Arup K. Chatterjee
Principal Financial Sector Specialist, Asia Development Bank, Philippines

Jeffrey D. Sachs
Director of the Center for Sustainable Development at Columbia University / President of the UN Sustainable Development Solutions Network / SDG Advocate for UN Secretary-General António Guterres, USA

Welcome notes

Renate Bleich
Chair, Munich Re Foundation, Germany

Matthew Genazzini
Executive Director, Microinsurance Network, Luxembourg

Chunky Chhetry
CEO, Sagarmatha Lumbini Insurance / President of the Nepal Insurers' Association; Nepal

Surya Prasad Silwal
Chairman of the Nepal Insurance Authority, Nepal

Plenary 2

The Landscape of Microinsurance: Bridging gaps, building futures
Hosted by Microinsurance Network

Speakers

Nicolas Morales
Regional Manager for Latin America and the Caribbean, Microinsurance Network, Colombia

Solène Favre
Global Insurance Director, VisionFund International, France

Rachel Levenson
Chief Commercial Officer, Turaco, Kenya

Laura Rosado
Head of Strategy and Performance Management, AXA EssentiALL, and Vice-Chair of the Board of Directors, Microinsurance Network, France

Erik Jarrin
Latin America and Reinsurance Lead, Microinsurance Master, USA

Diana Almoro
Regional Lead Asia Pacific, UNDP-IRFF, Thailand

Facilitator

Matthew Genazzini
Executive Director, Microinsurance Network, Luxembourg

Plenary 3

Covering Nanay: The micro-insurance journey of Card Pioneer Microinsurance Inc. (CPMI) in the Philippines
Hosted by Microinsurance Network

Speakers

Jaime Aristotle Alip
Founder and Chairman Emeritus of CARD MRI, Philippines

Lorenzo Chan
CEO, Pioneer Insurance, Philippines

Facilitator

Antonique Koning
Senior Financial Sector Specialist, CGAP, Belgium

Plenary 4

What does it need to develop inclusive insurance markets in Nepal
Hosted by the Nepal Insurance Association, Life Insurance Association Nepal, and the Nepal Insurance Authority

Speakers

Dip Prakash Panday
CEO, Shikhar Insurance, Nepal

Poshak Raj Paudel
CEO, Citizen Life Insurance / President of the Life Insurance Association, Nepal

Damodar Bhandari
ACEO of Nepal Reinsurance Limited, Nepal

Sushil Dev Subedi
Director, Nepal Insurance Authority (NIA), Nepal

Chirayu Bhandari
CEO, Guardian Micro Life Insurance / President, Nepal Microinsurance Organisation, Nepal

Facilitator

Diana Almoro
Regional Lead Asia Pacific, UNDP-IRFF, Thailand

Plenary 1
Opening of the ICII 2024

Over 500 experts from 43 countries attended the International Conference on Inclusive Insurance 2024 in Kathmandu, Nepal. The event returned to South Asia after last being held in the region by Bangladesh in 2019. The ICII 2024 was opened by His Excellency Ram Sahaya Yadav, the Vice President of Nepal. Keynote speeches were made by Arup K. Chatterjee from the Asian Development Bank and Jeffrey D. Sachs – the world-renowned economist and current Director of the Center for Sustainable Development at Columbia University.

ICII 2024 was the largest post-pandemic inclusive insurance conference and the fourth largest in ICII's history.

His Excellency Ramsahay Prasad Yadav
The Vice President of Nepal

"Insurance can strengthen a country's economy. The poor and the deprived can achieve economic security. Inclusive insurance allows them to remain safe in any unexpected event. We need to educate people about the importance of insurance. Governments and insurance companies should work together to ensure that every person has access to insurance – in both rural and urban areas."

His Excellency Ramsahay Prasad Yadav, the Vice President of Nepal, was the guest of honour for the opening ceremony. He explained that Nepal is deeply reliant on agriculture: nearly 70% of the population is dependent on it for their livelihoods. However, the country is particularly vulnerable to climate change, with around 80% of the population exposed to climate-related risks. The low level of insurance awareness is a pressing challenge that is compounded by a significant insurance protection gap. This has left many Nepalese people at risk of these growing threats.

As an example, the Vice President cited the devastating earthquake in 2015, which led to significant economic losses for the country. Yet only a small portion of the losses were insured. During the earthquake, the Government of Nepal was unable to finance or access contingency funds for recovery and rebuilding. As a result, the international community stepped in to provide substantial assistance. This experience demonstrates the pivotal role that insurance can play in helping both governments and citizens manage the financial impacts of such catastrophes.

Catastrophic and emerging risks, particularly climate-related ones, pose challenges to the insurance industry. These risks affect underwriting, investment and the stability of the financial landscape. Without understanding these risks, traditional approaches may prove inadequate in safeguarding economies and communities. Inclusive insurance can be transformative in managing emerging risks. The key is for vulnerable countries – such as Nepal – to develop risk management solutions based on lessons from countries with more advanced strategies for resilience.

The primary goal of insurance is to ensure that all sections of society, especially the poor and deprived, have economic security – particularly in unexpected situations. Insurance provides a safety net during unforeseen events and allows people to safeguard their families and livelihoods. Knowledge exchange and education are necessary to build insurance's efficacy. Conferences such as the ICII can serve as catalysts for exchanging ideas and promoting holistic development in the insurance sector. For this, the Vice President encouraged collaboration between the government and insurers to ensure that everyone has access to insurance, in both rural and urban areas.

Surya Prasad Silwal

Chairman of the Nepal Insurance Authority, Nepal

"Climate change and social inequalities pose unprecedented challenges, which affect low-income households who lack the tools to deal with disasters. The importance of insurance has become more critical in times of increasing uncertainty: insurance is not just about managing risk; it is about providing hope and certainty to the most vulnerable."

Surya Prasad Silwal, the Chairman of the Nepal Insurance Authority, emphasised the significance of the protection gap and the role of inclusive insurance in Nepal. Climate change and natural disasters have significantly impacted low-income households in the country. For example, rainfall in September 2024 left around 236 people dead and 165 people injured. The financial losses incurred amounted to billions, with hydro-power projects losing at least US$ 22 million. Many of the low-income communities affected lack the financial tools to recover when disasters strike.

Most vulnerable groups are disproportionately impacted by climate-related risks and natural disasters; they are the very ones without access to insurance. Insurance has become more critical in such uncertain times. Beyond managing risk, insurance is necessary to provide security to the most vulnerable. Inclusive insurance can offer a lifeline to those who need it the most. It can provide affordable and accessible risk protection to the underserved, especially rural and marginalised communities.

The Nepalese insurance industry is currently undergoing a significant transformation. The Insurance Act of 2022 has laid the groundwork to promote and develop inclusive insurance, introducing key initiatives such as the Insurance Development Fund and the Policyholders Protection Fund. In addition, the Government of Nepal has signalled strong support for insurance growth by prioritising inclusive insurance in its current fiscal policy. This has been complemented by ongoing support from the global community, which will help Nepal to grow inclusive insurance.

Inclusive insurance is more than just a financial product: it is a tool for empowerment and resilience. It allows affected groups to recover from losses and helps communities break free from the cycle of poverty. Many low-income households are one disaster away from being pushed into long-term financial hardship. For inclusive insurance to succeed, strong partnerships between government, regulators, the insurance industry and the global community are necessary. Open communication between these stakeholders can help to build capacity and share knowledge.

Chunky Chhetry

CEO, Sagarmatha Lumbini Insurance and President of the Nepal Insurers' Association, Nepal

"Inclusive insurance is not just a financial product; it is a tool for empowerment and resilience. It enables the affected groups to recover from the loss and helps communities break free from the cycle of poverty, where one disaster could otherwise push them into long-term financial hardship."

Chunky Chhetry, CEO of Sagarmatha Lumbini Insurance and President of the Nepal Insurers' Association, welcomed all the participants to the ICII 2024. Hosting the 20th edition of the event represents a privilege for Nepal's insurance industry. It also allows the Nepalese inclusive insurance community a platform to learn from global peers and highlight their successes and opportunities. He encouraged the different experts, policymakers, regulators and practitioners to explore and advance insurance solutions for vulnerable communities and low-income households.

Insurance is necessary to bridge the protection gap and provide solutions to those who need them. Given the growing impact of climate change, robust and innovative solutions to build resilience among low-income communities have never been more essential. Digital advancements and technology can be used to unlock new opportunities to bring inclusive insurance to previously unreachable communities. To achieve this, shared knowledge can help to make inclusive insurance a reality for all.

Through the conference's 24 plenary and parallel sessions, participants were urged to use lessons learnt to develop actionable solutions. He encouraged attendees to pay special attention to sessions dedicated to developing resilience, such as "Climate Change and Disaster Risk Finance", "Bridging the Insurance Gap: Challenges and Opportunities", and "The Role of Technology in Expanding Access to Insurance". The field trip aimed to give participants a snapshot of one of Nepal's inclusive insurance programmes in action and its impact on a rural community.

The conference offers an opportunity to produce innovative ideas, fresh perspectives and actionable solutions. Participants were encouraged to engage with the Nepalese insurance community to gain insights into the progress the country has made.

Matthew Genazzini

Executive Director, Microinsurance Network, Luxembourg

"I believe we should start looking beyond insurance and start looking at managing risks in a more holistic way. Insurance is but one of the many tools we have at our disposal. That said, we still need to continue improving it, perfecting it, and of course ensuring it provides value to the clients."

Matthew Genazzini, Executive Director of the Microinsurance Network (MiN), recalled the vision of the MiN: "…a world where people of all income levels are more resilient to everyday risks". This idea underpins a sense of responsibility for the MiN – and the industry as a whole – to push the sector towards greater resilience. The ICII provides a unique platform to promote this vision and support those working towards it.

The benefits and the positive impact that effective insurance products can have on vulnerable populations are obvious. However, growing natural disasters and shocks, such as the catastrophic floods in Kathmandu in September 2024, show the need for better risk management. This is especially necessary in Asia. According to the World Meteorological Organisation, the continent is the world's most disaster-prone region, with over 80 disasters affecting 50 million people in 2022 alone.

This makes it even more important for the insurance community to collaborate and find sustainable risk management solutions. One way is to use insurance as a tool in a suite of solutions. Insurance should be combined with other services, such as formal risk coping mechanisms (e.g. savings or credit) or more informal ones. It is still necessary to keep developing insurance, to improve and perfect it, and to ensure that insurance continues to provide value to clients.

The end goal should be to reduce the impact of the risk or even the likelihood of the risk occurring. In a past study on index insurance for maize farmers in Senegal, the farmers appreciated the actual insurance product and its benefits. More than the cover itself, the farmers valued the associated capacity-building sessions on good farming practices. This shows that standalone products can have more impact when coupled with other tangible services.

Renate Bleich
Chair, Munich Re Foundation, Germany

"Inclusive insurance is not just about climate risk, but about protecting low-income and vulnerable people against all kinds of risk. And by doing so, insurance can contribute to achieving the UN Sustainable Development Goals."

Renate Bleich, the Chair of the Munich Re Foundation, explained that Nepal was an ideal location for the 20th ICII, as the country had made strong efforts to develop the inclusive insurance sector. Recent regulations on microinsurance and other actions by the regulator have created an enabling environment for inclusive insurance. Earlier in 2024, the Nepal Microinsurance Association was founded to continue developing microinsurance in the country. This is a welcome development, given the level of risk that climate change poses to Nepal.

Over three billion people worldwide are vulnerable to the impact of climate disasters, especially communities in LMICs, which are often exposed to extreme weather events and other climate-related risks. This has led millions to suffer from income losses, food insecurity, adverse health effects and displacement. As a case in point, Nepal falls within this group: it is the 10th most affected country by climate change according to the Global Climate Risk Index.

Inclusive insurance is more than just building resilience to climate risks; it is about protecting low-income and vulnerable people against all risks. In doing so, insurance can continue to contribute to the United Nations' Sustainable Development Goals (SDGs). With the 2030 deadline fast approaching, there is still room for more progress. A recent UN report showed that the world has been set back 15 years: nearly 10% of people worldwide are facing hunger. Despite this, there is potential for insurance to play its part and contribute to the SDGs.

To close the protection gap, the insurance industry can use its core competencies. Know-how in risk assessment, risk management and risk transfer can help develop and implement suitable solutions for different groups. The insurance industry can also advise governments on national risk financing and risk management strategies. To achieve this, other stakeholders are necessary: regulators, policymakers, financial institutions, international organisations and donors, among others. Collaboration among these partners is necessary to develop an inclusive insurance sector and make sustainable development a reality.

Arup K. Chatterjee

Principal Financial Sector Specialist,
Asian Development Bank, Philippines

"Many millions of people in our region (Asia) are either uninsured or underinsured. We can help such people better tap into insurance and other financial products to meet the challenges through measures that concentrate on affordability, accessibility, awareness, administration and trust."

Arup K. Chatterjee, Principal Financial Sector Specialist at the Asian Development Bank, delivered the first of two keynote speeches. Using the example of a female Himalayan farmer, he explained that insurance has the power to transform – if used well. The farmer maintained a small organic farm based on sustainable practices. However, erratic weather put her crops and her livelihood at risk. Using microinsurance, she protected her crops and received a payout when floods affected her village. This helped her rebuild her farm and allowed her husband to stay and help, rather than migrate for work. Importantly, their children were able to remain in school.

Globally, the protection gap is very large: around three-quarters of risk exposure is uncovered by insurance. In emerging markets, this rises to 95%. According to Swiss Re's Resilience Index, the protection gap was US$ 1.83 trillion in 2022 – a 22% increase from US$ 1.5 trillion in 2018. In Asia Pacific, the protection gap is estimated at US$ 886 billion, 38% higher than in 2017 and nearly half the global gap. Only 9% of Asia's economic losses, or US$ 6 billion, are covered by insurance. Asia is particularly affected due to a range of escalating, catastrophic risks – compounded by growing healthcare issues and looming pension shortfalls as societies age.

In Asia, the "health protection gap", or the shortfall between people's healthcare needs and the services they can afford, was estimated at US$ 1.8 trillion in 2019. This equates to 10% of the average annual household income. Several other gaps also highlight the risks that many Asian communities face. Three in four households in Asia risk falling into financial danger if a breadwinner passes away. This "mortality protection gap" was US$ 83 trillion in 2019 and could reach US$ 119 trillion by 2030. In addition, many Asian countries lack social protection systems and have low pension coverage ratios. By 2050, Asia-Pacific will face a pension savings shortfall of US$ 3.8 trillion per year.

The threat of climate risk may have made Asia-Pacific likely to suffer the worst economic consequences. According to the IMF, Asia is responsible for 35% of global greenhouse gas emissions and 60% of coal consumption. As a result, several economic sectors are vulnerable to the impact of climate change: the region risks losing 26.5% of its gross domestic product (GDP) by 2050 if no mitigating actions are taken. For instance, 75% of the global annual damage to capital stock from riverine flooding is likely to occur in Asia, while up to 1 billion people are at risk of being affected by lethal heatwaves – putting US$ 4.7 trillion of Asia's GDP at risk.

Arup K. Chatterjee
Principal Financial Sector Specialist,
Asian Development Bank, Philippines

Continued

Insurance and its innovations can protect livelihoods and foster resilience against natural catastrophes and climate change. When accessible to all, especially vulnerable communities, insurance can bring stability. It can also ease fiscal burdens and better prepare governments for shocks. The global economy is increasingly susceptible to geopolitical tensions, pandemics and financial crises, among other issues. Climate change, technological disruptions and demographic shifts can exacerbate this vulnerability. These disruptions can strain public finances, stall growth and worsen inequalities by diverting resources from productive uses to cover these costs.

Yet governments can prepare for economic fluctuations by implementing protective mechanisms, including insurance. This can make liquidity immediately available following disasters and reduce other budget-straining adjustments. Insurance can ease the burden on governments during crises and incentivise risk-reducing behaviour. Contractual savings mobilised through life insurance premiums and pension contributions can be invested through capital markets in long-term sustainable development and resilience projects. This can help to build a nation's economic growth and improve its stability.

Jeffrey D. Sachs

Director of the Center for Sustainable Development at Columbia University, President of the UN Sustainable Development Solutions Network and SDG Advocate for UN Secretary-General António Guterres, USA

"Every sector of every economy needs to be able to participate in the modern insurance industry. This is sadly not the case. We are going into reverse – climate shocks are leading to a loss of insurance coverage. We need to redesign public policies to improve insurance coverage."

Jeffrey D. Sachs, the renowned global poverty economist and Director of the Center for Sustainable Development at Columbia University, delivered the conference's second keynote. He explained that insurance is a fundamental part of a well-functioning economy and is vital for individual well-being – especially in the face of climate change. Insurance has evolved from its early roots in trade and shipping to cover illnesses, unemployment, natural disasters and economic shocks. Growing environmental shocks have made insurance a more critical need today. For insurance to be effective, it needs to be inclusive by covering all sectors and levels of society.

Despite its importance, global insurance coverage remains inadequate and often inaccessible – particularly for vulnerable populations. There is a risk that insurance coverage may be regressing in some areas. Climate-related shocks, such as droughts, floods and extreme weather events, can disrupt lives and livelihoods, leading to a loss of income and assets. These shocks can also lead to a loss of cover. Many individuals and businesses already lack access to affordable and appropriate insurance, leaving them exposed to significant financial risks. Collectively, these can exacerbate existing inequalities and push vulnerable populations further into poverty.

Creating a more inclusive insurance system requires a multi-pronged approach. This involves expanding access to insurance, strengthening social safety nets, promoting climate risk management and developing innovative products. To reach underserved populations, microinsurance products should continue to use technology to improve distribution. Governments have a role to play by implementing targeted subsidies for vulnerable groups and implementing disaster relief and social welfare programmes. Finally, insurance products should be tailored to the specific needs of vulnerable populations and can effectively manage climate-related risks.

Insurance coverage for environmental crises is still inadequate, especially for vulnerable populations. Building a more inclusive and resilient insurance system will require collaboration among governments, the private sector, civil society and international organisations. A global framework – similar to the UN Framework Convention on Climate Change – may be necessary to systematically overcome the challenges of climate-related insurance. Such a framework could ensure that countries affected by climate shocks have access to adequate insurance and support for adaptation and resilience.

Spotlight 1
Insights from the 2024 Landscape of Microinsurance

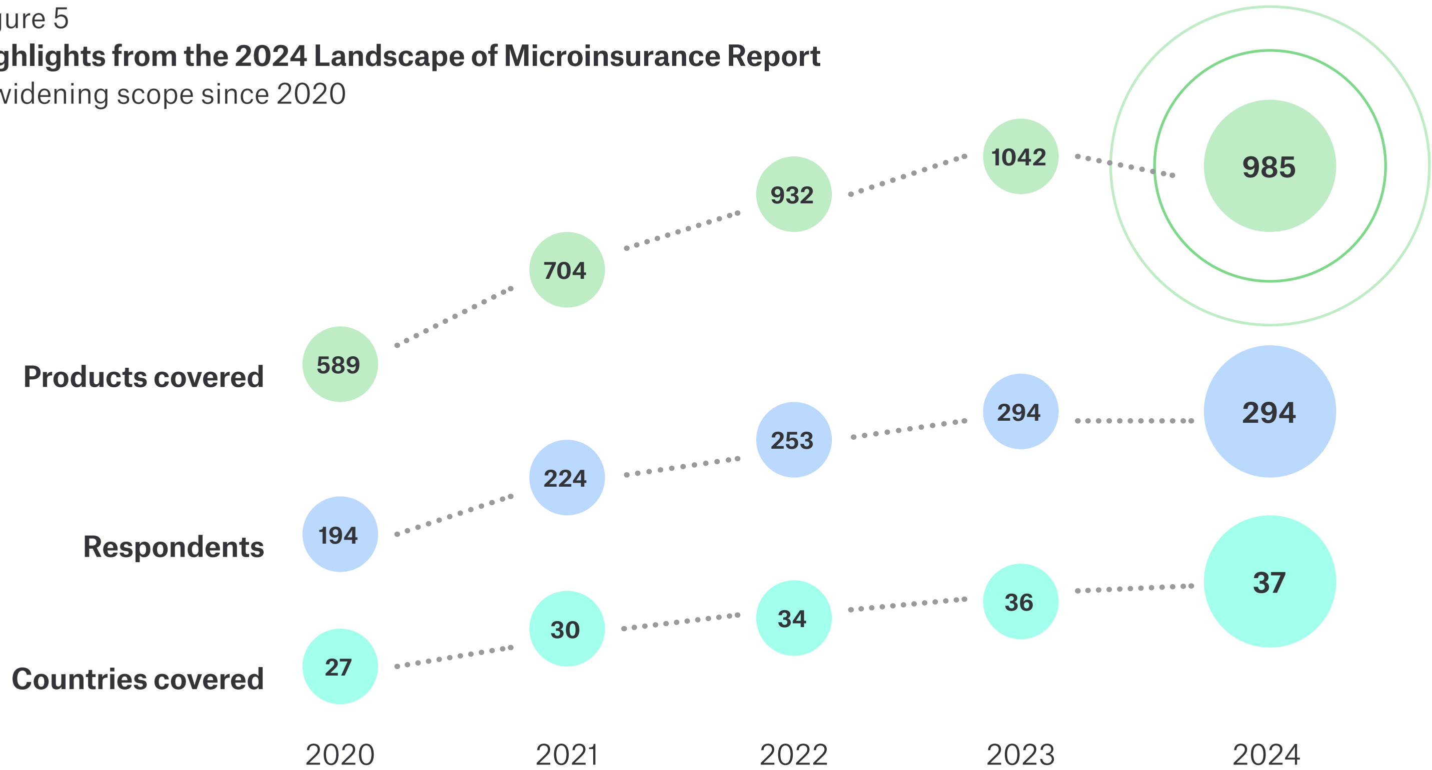
The Landscape of Microinsurance offers a unique global benchmark on the uptake and use of microinsurance products and services. Now an annual fixture at the ICII, plenary 2 presented the initial results of the 2024 Landscape of Microinsurance. As part of a new approach, the session explored six common myths surrounding microinsurance, including scalability, data availability, financial inclusion and distribution challenges. The discussion highlighted microinsurance's potential as a transformative tool for underserved populations.

Microinsurance continued to scale in 2024

The 2024 Landscape of Microinsurance received voluntary responses from 294 respondents in 37 countries. Early insights from the data collection found 985 products were offered, a 5% drop compared to 2023 (Figure 5). Despite the drop, microinsurance providers still offered more products in 2024 than in 2022. Encouragingly, the number of countries covered by the Landscape continues to grow year on year.

The panellists explored six myths related to microinsurance: (1) there are limited business opportunities and scalability; (2) there is not enough information to grow microinsurance; (3) microinsurance can't drive financial inclusion; (4) reaching the target population is challenging; (5) regulation is a constraint for development; and (6) some risks are just uninsurable or unaffordable.

Figure 5
Highlights from the 2024 Landscape of Microinsurance Report
A widening scope since 2020



Source: Morales, Nicolas. Presentation on the "The Landscape of Microinsurance: Bridging gaps, building futures". ICII 2024.

Left to right: **Matthew Genazzini,** Executive Director, Microinsurance Network, Luxembourg; **Erik Jarrin,** Latin America and Reinsurance Lead, Microinsurance Master, USA; **Rachel Levenson,** Chief Commercial Officer, Turaco, Kenya; **Solène Favre,** Global Insurance Director, VisionFund International, France; **Diana Almoro,** Regional Lead Asia Pacific, UNDP-IRFF, Thailand

Left: **Nicolas Morales,** Regional Manager for Latin America and the Caribbean, Microinsurance Network, Colombia

Right: **Laura Rosado,** Head of Strategy and Performance Management, AXA EssentiALL, & Vice-Chair of the Board of Directors, Microinsurance Network, France

Myth 1: Microinsurance offers limited business opportunities and scalability

A common myth about microinsurance is its perceived lack of scalability and profitability. However, data from the 2024 Landscape of Microinsurance suggests that this is not the case. In 2023, the global microinsurance market covered 344 million individuals – up from 294 million in 2022. Around 78% of policyholders were located in Asia-Pacific, followed by around 11% each in Africa and Latin America (Figure 6). Asia-Pacific's growth was driven by a combined 87 products reaching twice as many people in 2023 as in 2021

As products mature, both the number of customers and premiums collected increase significantly too. Microinsurance products typically take three to four years to scale, with credit life and funeral insurance frequently covering over 29,000 individuals per product. This timeline reflects the duration to scale individual microinsurance products. It also emphasises that significant growth is achievable through sustained investment and strategic long-term planning. This demonstrates the potential of microinsurance to drive financial inclusion when individual products are supported by tailored strategies and collaborations.

> "Microinsurance is not a niche but a cornerstone of inclusive financial systems, scaling sustainably with the right partnerships."
>
> **Matthew Genazzini**
> Executive Director, Microinsurance Network

Figure 6
Microinsurance market coverage by region (2023)

Source: Morales, Nicolas. Presentation on the "The Landscape of Microinsurance: Bridging gaps, building futures". ICII 2024.

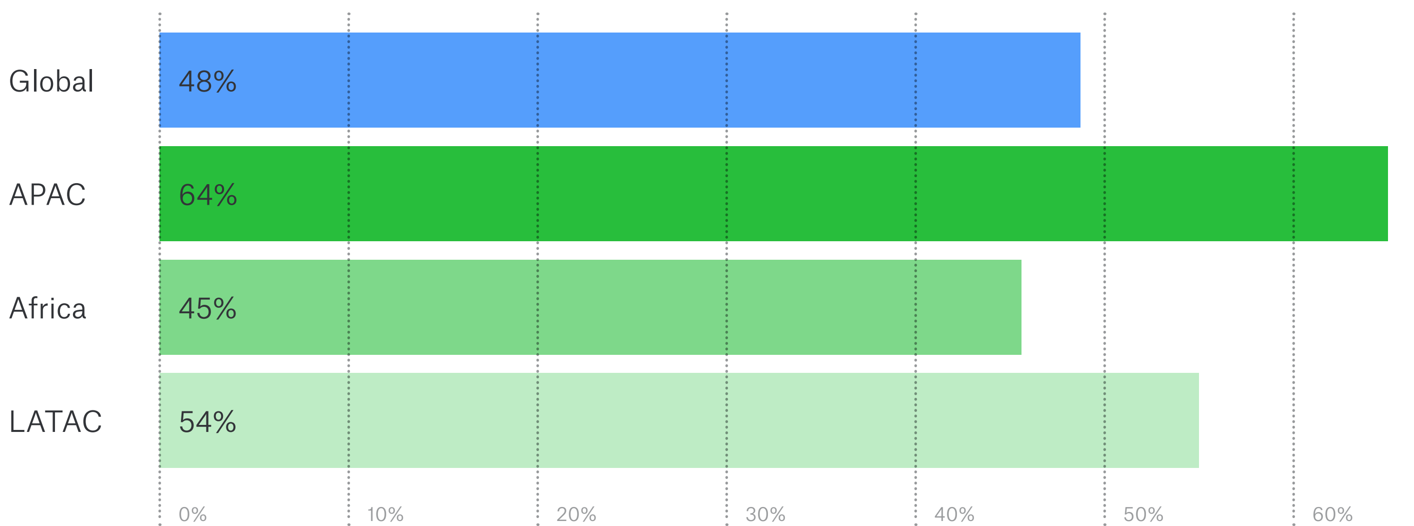
Myth 2: There's not enough information to grow microinsurance

The misconception that limited data impedes the growth of microinsurance overlooks recent advancements in data collection. Early data from the 2024 Landscape revealed significant progress in collecting gender-disaggregated data, which has enabled the development of targeted solutions for women. Where data was reported, women comprised around 48% of policyholders and 49% of lives covered (Figure 7).

Improving the collection of gender-disaggregated data is a priority for many insurance regulators. The use of technology has played an important role in bridging data gaps. Tools such as A2ii's FeMa-Meter have enabled insurers and regulators to gather actionable insights into women's needs and encourage the design of gender-specific products to better target women. For instance, non-governmental organisations (NGOs) that distributed insurance products reported up to 70% female policyholders.

> "The emerging wealth of data demonstrates that the narrative of insufficient information no longer holds; instead, the challenge lies in applying these insights effectively."
>
> **Solène Favre**
> Global Insurance Director, VisionFund International

Figure 7
Median percentage of female microinsurance policyholders by region, 2023



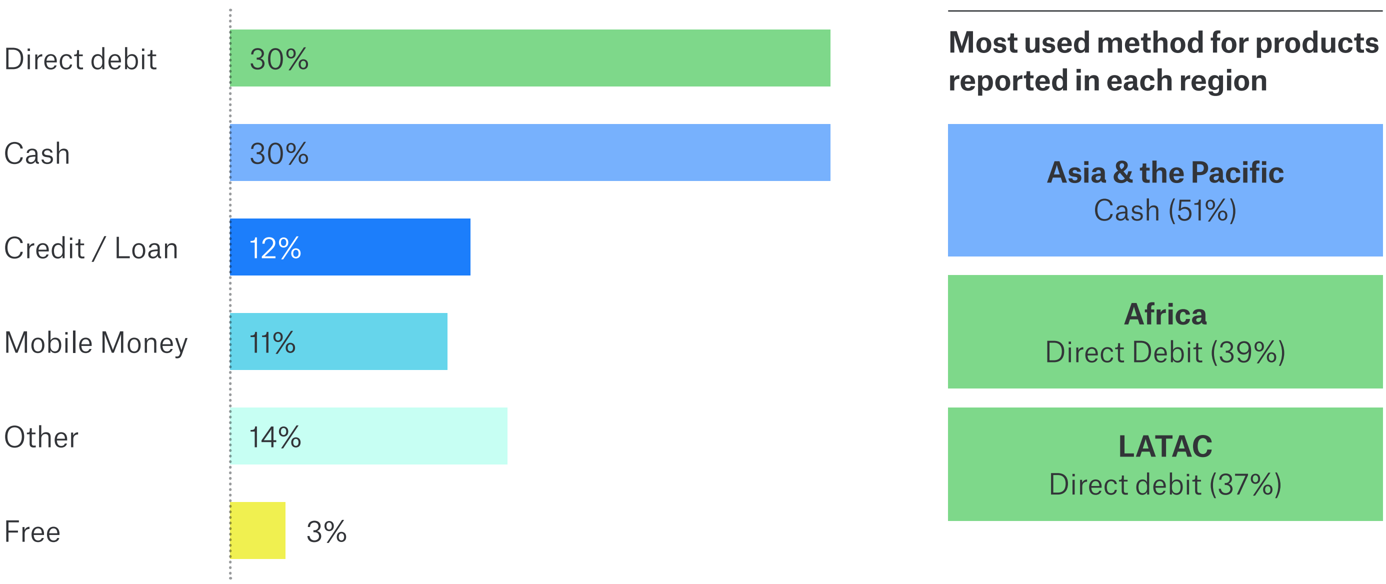
Source: Morales, Nicolas. Presentation on the "The Landscape of Microinsurance: Bridging gaps, building futures". ICII 2024.

Myth 3:
Microinsurance can't drive financial inclusion

Microinsurance is often underestimated as a driver of financial inclusion. Yet it has helped to improve access to financial services for underserved populations – particularly through digital payments. While cash and direct debit remain dominant payment channels, the use of mobile money is rapidly expanding (Figure 8). In Africa, it is used by 15% of microinsurance products, up from 12% in 2022. Cash remains king in Asia, where it is used by 50% of products as the primary payment method. Direct debits are most likely to be used for agricultural microinsurance products.

Digital financial platforms can simplify transactions through lower costs and greater convenience for customers. They can also create a pathway for policyholders to access other financial services, such as savings and credit. Mobile money itself has driven the growth of microinsurance: it has allowed many individuals in rural and underserved areas to access insurance products, often for the first time. Beyond improving financial inclusion for millions, microinsurance has helped many to improve their financial health and build long-term financial resilience.

Figure 8
Payment methods used by microinsurance providers, 2023



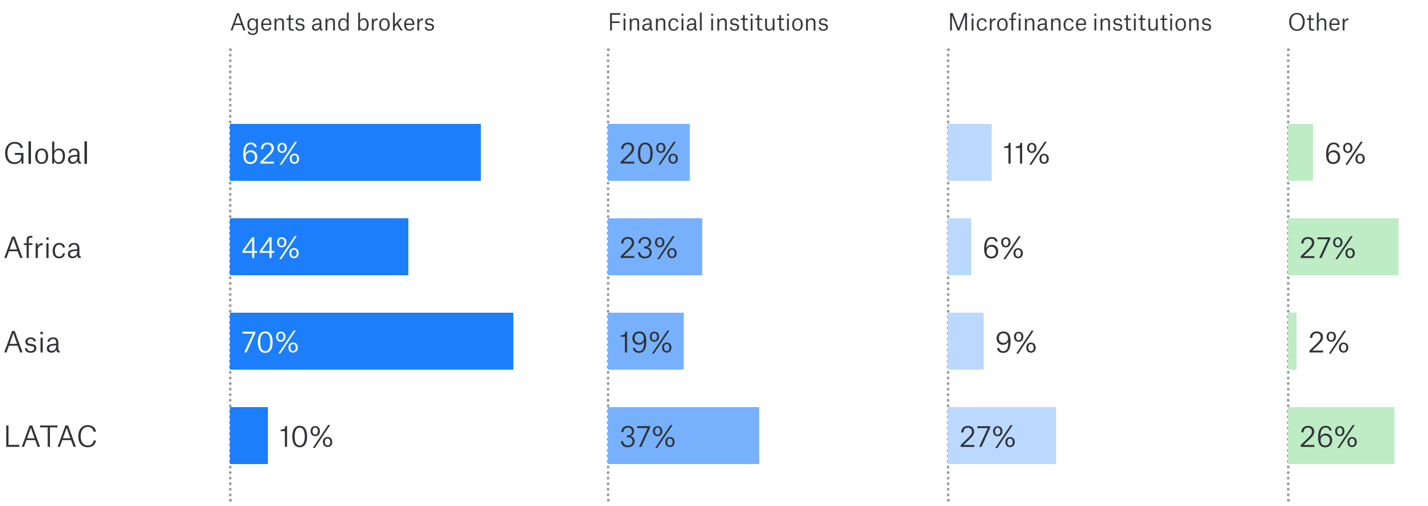
Source: Morales, Nicolas. Presentation on the "The Landscape of Microinsurance: Bridging gaps, building futures". ICII 2024.

Myth 4: Reaching the target population is challenging

Distribution challenges are often seen as barriers to expanding microinsurance. However, the industry has adapted by employing diverse distribution strategies, including partnerships with NGOs, cooperatives and mobile network operators (MNOs). Financial institutions and agents are still the most dominant distribution channels (Figure 9). However, digital channels are becoming more popular – particularly MNOs in Africa.

When comparing regions, Latin America has a more diverse mix of microinsurance distribution channels compared to others. These include healthcare facilities, cooperatives and fintechs. Globally, digital platforms, such as fintechs, MNOs and mobile money providers, continue to drive insurance uptake. Together with NGOs, digital channels have opened access to microinsurance to underserved populations.

Figure 9
Percentage of total people covered by distribution channel



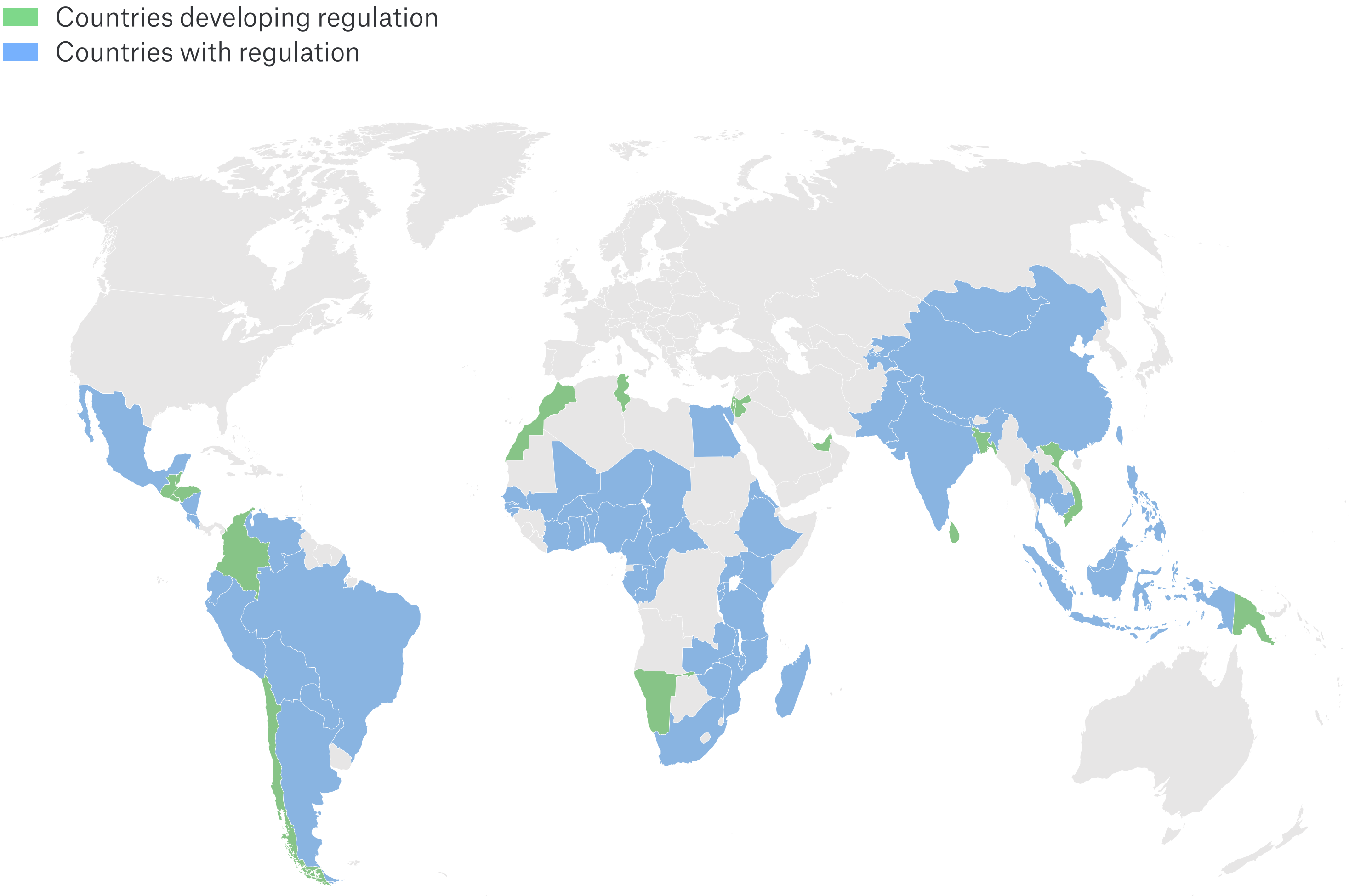
Source: Morales, Nicolas. Presentation on the "The Landscape of Microinsurance: Bridging gaps, building futures". ICII 2024.

Myth 5: Regulation is a constraint for microinsurance development

Regulators are seen as strategic allies rather than barriers. As of October 2024, 16 countries were in the process of developing specific regulations for microinsurance. At least 40 countries already had some form of regulatory framework (Figure 10).

Several of these regulators have been promoting technology and innovation through regulatory sandboxes and open insurance frameworks. This has enabled the microinsurance ecosystem to grow in certain markets, countering the perception of regulation as a barrier in the process.

Figure 10
Microinsurance regulation world map



Source: Morales, Nicolas. Presentation on the "The Landscape of Microinsurance: Bridging gaps, building futures". ICII 2024.

Myth 6:
Some risks are uninsurable or unaffordable

Many donors and development agencies are increasingly focused on mitigating climate risks and enhancing financial inclusion. Long-term support from these organisations can help to strengthen microinsurance markets, especially in smaller and more vulnerable countries.

Government subsidies are essential to make microinsurance products affordable. Investments are especially necessary in regions with high poverty rates, where traditional funding sources may be scarce. As of October 2024, around 20% of microinsurance programmes are subsidised (Figure 11).

Figure 11
Microinsurance products that are subsidised or distributed via NGOs

2/10

microinsurance products are **subsidised**

1/10

microinsurance products are distributed **through an NGO**

Source: Morales, Nicolas. Presentation on the “The Landscape of Microinsurance: Bridging gaps, building futures”. ICII 2024.

Plenary 3
Covering Nanay: The microinsurance journey of Card Pioneer Microinsurance in the Philippines

Hosted by the Microinsurance Network

The session highlighted a groundbreaking partnership in inclusive insurance: the collaboration between CARD MRI, a mutual organisation, and Pioneer Insurance, a commercial insurer. This joint venture, Card Pioneer Microinsurance Inc. (CPMI), has successfully insured over 23 million people in the Philippines. The session explored how leadership, innovation and partnerships have transformed microinsurance delivery in the Philippines.

Top left: **Antonique Koning,** Senior Financial Sector Specialist, CGAP, Belgium

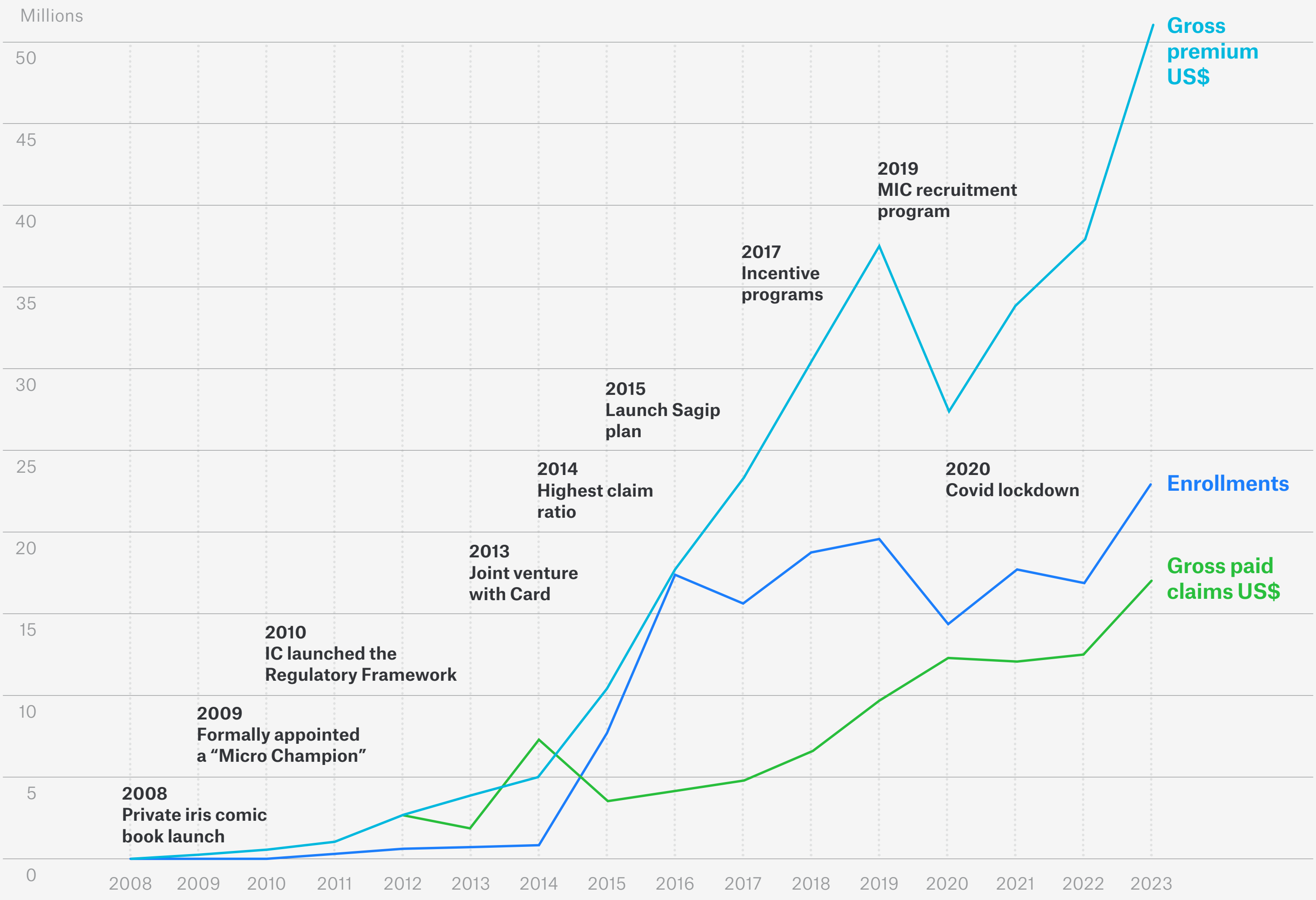
Top right: **Jaime Aristotle Alip,** Founder & Chairman Emeritus of CARD MRI, Philippines

Bottom: **Lorenzo Chan,** CEO, Pioneer Insurance, Philippines

Aligned interests can drive partnership success
CPMI's success is rooted in an alignment between CARD MRI's grassroots outreach and Pioneer Insurance's commercial expertise. With a partnership based on purpose and trust, CPMI has designed and delivered effective and scalable insurance products for low-income communities in the Philippines. Both organisations have shared goals, having prioritised poverty reduction and resilience-building. Pioneer's advance claims payments, based on CARD's assurance, exemplify the trust that underpins this partnership.

The partnership prioritises sustainability and scale, aiming to serve millions in the long term. Between 2010 and 2023, CPMI's enrolments grew steadily to reach nearly 24 million policyholders (Figure 12). This growth is based on providing affordable insurance products, supported by microfinance loans, even as premiums have risen. Clients are part-owners of the insurance programme, strengthening their commitment and trust. This has created a mutually reinforcing insurance ecosystem.

Figure 12
The growth of CPMI, 2008 – 2023



Source: Chan, Lorenzo. Presentation on "Covering Nanay: The Microinsurance Journey of CARD Pioneer Microinsurance Inc. (CPMI) in the Philippines". ICII 2024.

Customer-centricity and technology were key success drivers

CPMI prioritises the needs of its primary clientele: low-income women. Its products are continuously refined to meet the challenges faced by *nanays* (an informal term for mothers in Tagalog). The products cover business interruption by providing disaster, health and livelihood insurance. Claims are handled efficiently, based on the "1-3-5" standard: claimants can expect one day for a notification, three days for verification and five days for payment. Around 96% of claims are typically processed within 8 to 24 hours.

Technology and partnerships have driven CPMI's success, enhancing both service delivery and operational efficiency. Mobile phones are used for customer enrolment, premium payments and claims management. Using digital tools has helped to improve the customer experience – some claims have been paid out in eight hours, faster than the expected five-day deadline. In addition, strategic partnerships with over 80 organisations, including microfinance institutions (MFIs) and local governments, have expanded CPMI's reach – helping to maintain trust and reliability with customers.

Women play a dual role as both customers and microinsurance agents in CPMI's ecosystem. Their empowerment has driven the programme's outreach and trust-building efforts. Over 2,200 women – mainly *nanays* – serve as microinsurance agents, helping to take the product to the target communities. Women play an important role in CPMI's client-driven product development. A continuous feedback loop with women customers helps to ensure that the products remain relevant and effective.

The Philippines has an enabling regulatory environment to promote innovation

The regulatory environment in the Philippines has supported CPMI's growth. The Philippines Insurance Commission's policies, including tax exemptions for mutual organisations, have been crucial in making insurance affordable and accessible. Regular dialogue with the Insurance Commission has ensured that regulatory policies remain conducive to scaling microinsurance. This approach has also filtered beyond the Philippines, leading to regulatory reforms across Southeast Asia to grow microinsurance adoption. Reducing non-life microinsurance taxes across the region may make products more affordable and encourage greater coverage.

Lessons learnt

- Trust-based partnerships can improve the likelihood of achieving success
- Customer-centric innovations can build loyalty and resilience among users
- Empowering women can amplify grassroots impact, especially among underserved users
- The use of technology and human involvement should be aligned to increase efficiency
- Policy engagement is important, as regulatory engagement can help to reduce barriers and increase innovation

Spotlight 2
What does it take to develop inclusive insurance markets in Nepal?

Hosted by the Nepal Insurance Association, Life Insurance Association Nepal and the Nepal Insurance Authority (NIA)

Plenary 4 covered the opportunities and challenges involved in developing inclusive insurance in Nepal. It showcased insights from diverse stakeholders, including microinsurance providers, regulators and reinsurers. The discussion took stock of market gaps, innovative solutions and the important role of partnerships, regulation and technology.

Top: Left to right: **Diana Almoro,** Regional Lead Asia Pacific, UNDP-IRFF, Thailand; **Chirayu Bhandari,** CEO, Guardian Micro Life Insurance / President, Nepal Microinsurance Organisation, Nepal

Bottom: **Dip Prakash Panday,** CEO, Shikhar Insurance, Nepal

Top: **Poshak Raj Paudel,** CEO, Citizen Life Insurance / President of the Life Insurance Association, Nepal

Bottom: Left to right: **Damodar Bhandari,** ACEO of Nepal Reinsurance Limited, Nepal; **Sushil Dev Subedi,** Director, Nepal Insurance Authority (NIA), Nepal

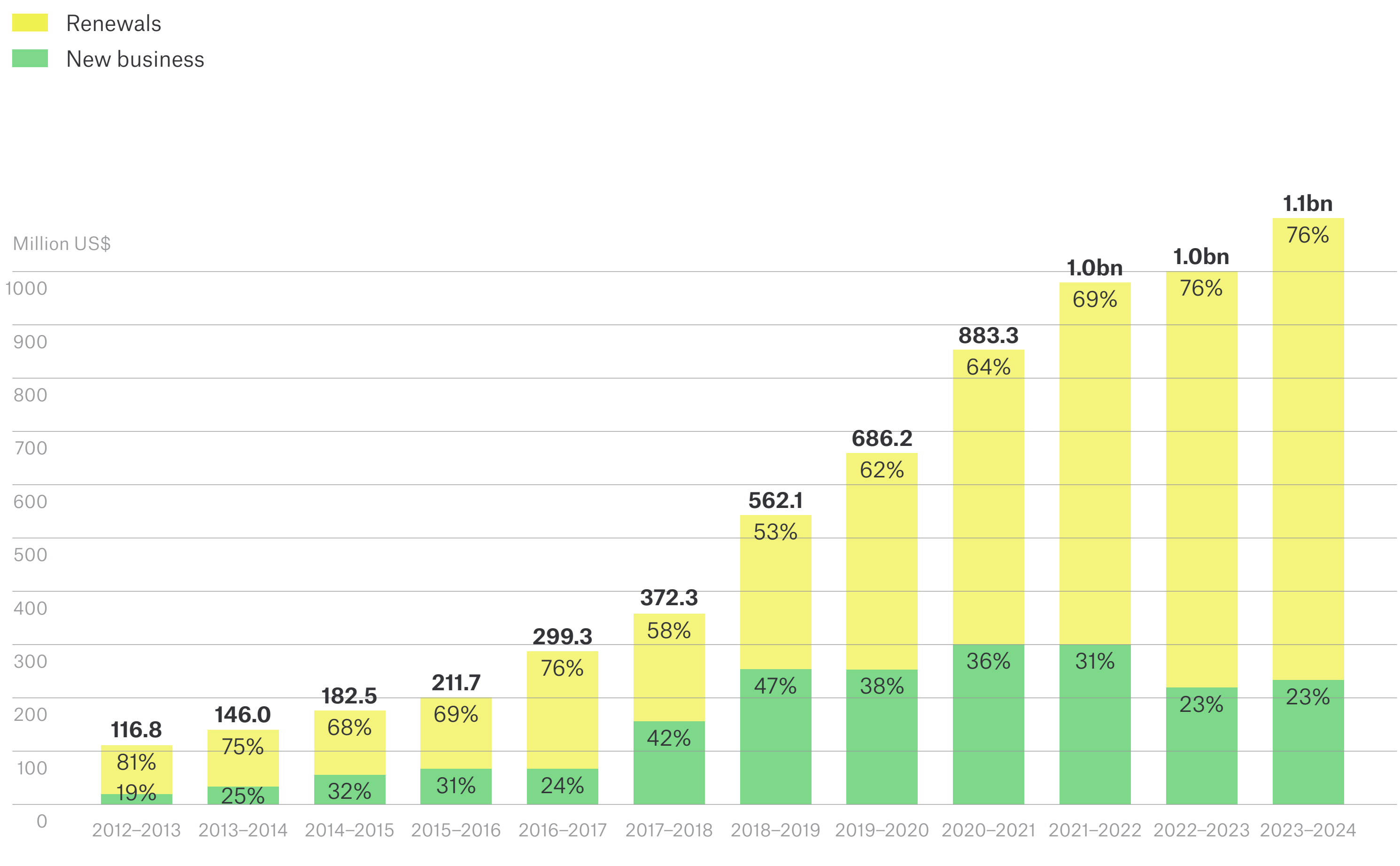
Microinsurance growth in Nepal has been slow but has future potential

Developing inclusive insurance in Nepal has faced several hurdles and setbacks. This includes limited awareness and a lack of trust in insurance products among the population, particularly in remote areas. Nepal is often subject to natural disasters, such as floods. This adds complexity to risk management. Geographical barriers, particularly in mountainous regions, have further limited the reach of insurance services. The lack of effective distribution channels, with bancassurance banned, had made it difficult for insurers to cover remote communities.

Despite challenges, life insurance in Nepal has grown significantly over the last ten years. Life insurance premiums increased from around US$ 117 million in 2012–2013 to about US$ 1.1 billion in 2023–2024 (Figure 13). While insurance penetration has slightly declined, Nepal's insurance market has continued to grow – especially within the microinsurance sector. Microinsurance accounts for around 2.7 million policies, out of 34 million, yet it offers substantial room for expansion. Around 83% of insurance policies are distributed through individual agents, with direct sales (9%) and corporate agents (8%) responsible for the remainder.

The insurance industry in Nepal has expanded since the establishment of Nepal Insurance and Transport Company in 1947. The market comprises 14 life insurance companies, 14 non-life insurers, two reinsurers and seven microinsurance providers (Figure 14 on page 46). Due to the COVID-19 pandemic and its resulting economic slump, premium growth has slowed down over the last two years. To spur growth in inclusive insurance, insurance companies were allocated districts to cover farmers. Government incentives have helped to increase insurance penetration in rural areas. This includes value added tax (VAT) waivers on agriculture and health insurance, and tax benefits for home insurance.

Figure 13
The growth of life insurance premiums in Nepal (US$), 2012 – 2024

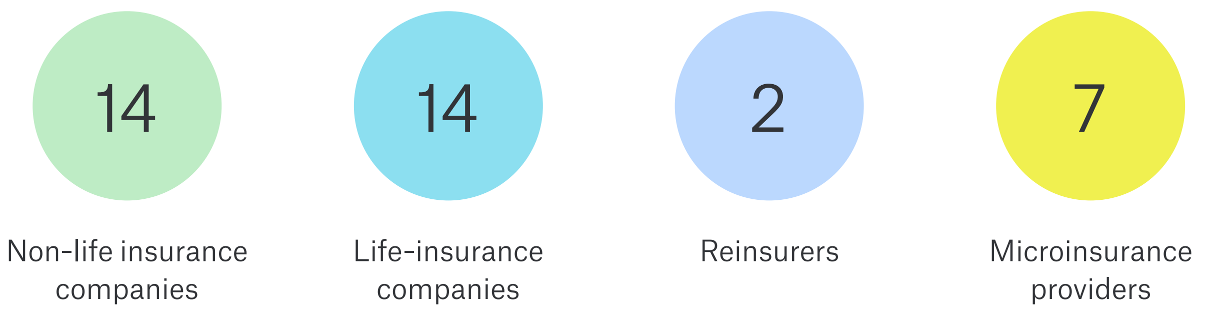


Source: Paudel, Poshak Raj. Presentation on "What does it need to develop inclusive insurance markets in Nepal". ICII 2024.

Creating an enabling environment is a regulatory priority

The NIA has created an enabling regulatory environment for microinsurance to grow, though challenges persist. This includes the introduction of the 2023 guidelines, through which licences were issued to seven microinsurance companies. Despite the progress made, the regulatory environment has not been optimised. Adjustments are needed to adapt to changing market conditions and to overcome technical gaps within the current regulatory framework. For instance, the rules on subsidy use need to be refined to ensure that financial support reaches those who need it most.

Figure 14
The landscape of insurance companies in Nepal



Source: Panday, Dip Prakash. Presentation on "What does it need to develop inclusive insurance markets in Nepal". ICII 2024.

Digitalisation is seen by the industry as a key enabler to develop Nepal's inclusive insurance market. Digital tools have broadened market reach and reduced operational costs. For instance, mobile phones have been used to bypass traditional distribution channels to reach communities in the mountains. This has helped to make insurance affordable and accessible to underserved populations in remote areas. For instance, the Micro-Insurance Organisation of Nepal has used technology to move to a paperless claims process. Policyholders can submit claims digitally, allowing claim payouts within 24 hours.

Simplifying distribution is essential to make insurance more accessible and understandable to a wider audience. Channels such as brokers can provide tailored advice to customers, while reintroducing bancassurance can make use of banks' existing relationships to expand reach. Insurance distributed via MNOs, coupled with telemarketing and direct marketing, allows one platform where customers can pay premiums, renew policies and manage claims. For example, SMS reminders or app notifications can prompt renewals, while direct calls can clarify terms and manage customer satisfaction.

Reinsurers have contributed to market stability, despite there being only two providers in Nepal. The establishment of risk-sharing pools for agriculture and third-party liability has helped to mitigate risks and ensure the stability of the insurance market. These pools have allowed insurers to share the financial burden of large-scale claims. This has enabled the insurance market to remain sustainable, while policy-holders have received the benefits they are entitled to – even during catastrophic events. However, further innovation and additional reinsurance capacity will be needed for long-term viability.

Joint efforts have underpinned success in inclusive insurance growth

Inclusive insurance in Nepal has seen some success stories due to coordinated stakeholder efforts. For instance, dedicated agricultural and home microinsurance products have been launched to cater to underserved communities in Nepal. The country's agricultural sector employs a significant share of the adult population and remains highly vulnerable to floods, droughts and hailstorms. Insurance is seen as a safety net to protect farmers from the impact of these climate risks. Government subsidies have made agricultural insurance affordable for farmers, helping them cope with crop losses and natural disasters.

The past decade has shown what has worked well in developing microinsurance in Nepal. Microinsurance has contributed to poverty alleviation by providing financial security to vulnerable communities. Furthermore, establishing standalone microinsurance companies has allowed the industry to widen its reach. Microinsurance providers are better equipped than traditional counterparts to serve underserved communities. However, the industry needs to continue collaborating to overcome persistent barriers to scale (Figure 15).

Partnerships between insurers and NGOs, international organisations and governments can help expand distribution networks and raise awareness of microinsurance products. Some microinsurance providers in Nepal are working with local government bodies and digital platform providers to increase scale. Aligning these efforts with the regulator is also necessary to maintain an inclusive approach. Insurers, reinsurers, regulators and community organisations should continue to work together to cater to shifting customer needs and to ensure the long-term growth of the microinsurance sector.

Figure 15
Barriers facing the growth of inclusive insurance in Nepal

- Low awareness of insurance and a lack of trust
- Geographical challenges that affect accessibility
- Poverty: Around 20% of the population is below the poverty line
- Vulnerability to natural disasters, such as floods
- Limited access to technology in remote areas
- Insufficient actuarial capacity to design appropriate products
- Moral hazards
- Increasing regulations and compliance for insurers

Source: Adapted from the Plenary 4 discussion on "What does it need to develop inclusive insurance markets in Nepal". ICII 2024.

Lessons learnt

- There is a need for continuous refinement of the microinsurance guidelines in Nepal to adapt to the dynamic market needs
- Designing affordable, customer-focused products that offer benefits while the policy is in force, rather than death benefits, is crucial for greater uptake in Nepal
- Digital tools should be at the core of marketing, distribution and claims processes
- Effective partnerships across insurers, reinsurers and government entities should be pursued to amplify greater outreach and impact in Nepal

Day 3 — 23 October 2024 Morning sessions

Session	Speakers	Speakers	Facilitator
Parallel session 1 **Top-line and bottom-line strategies for inclusive insurance** Hosted by FinProbity Solutions	**Ovia K. Tuhairwe** CEO, Radiant Yacu, Rwanda **Gideon Ataraire** Africa Lead, Microinsurance Master, Ghana **S.M. Ziaul Hoque** CEO, Chartered Life Insurance, Bangladesh	**Mohammed Ali Ahmed** CEO, EFU Life Assurance, Pakistan **Laura Elena Rosado** Head of Strategy and Performance Management, AXA EssentiALL, France	**Lemmy Manje** CEO and Founder, FinProbity Solutions, Zambia
Parallel session 2 **Dealing with basis risk: Minimising the pitfalls of parametric insurance** Hosted by MicroInsurance Centre at Milliman	**Andrea Camargo** Lead Inclusive Climate Risk Financing, World Food Programme, UK	**Bethwel Murkomen** Microinsurance and Climate Resilience Senior Associate, One Acre Fund, Kenya **Alastair Norris** Independent Climate and Disaster Risk Consultant, UK	**Michael J. McCord** Managing Director, MicroInsurance Centre at Milliman, USA
Parallel session 3 **Women, insurance, risk management, and the path to financial empowerment** Hosted by CGAP and Global Shield	**Rajvi Joshipura** Consultant, Self Employed Women's Association (SEWA), India **Fatou Giwa** Global Lead Women's Insurance Programme, IFC, United States	**Astrid Zwick** Co-Director, Global Shield Secretariat, Germany **Carlos Lopez Moreira** Senior Policy Advisor – Implementation, IAIS, Switzerland	**Anaar Kara** Senior Financial Sector Specialist, CGAP, France
Parallel session 4 **Lessons from index-based livestock insurance (IBLI) and de-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa (DRIVE)** Hosted by CEAR and Utrecht University	**Nathaniel Jensen** Senior Research Fellow, University of Edinburgh, UK **Lotte van der Haar** PhD Candidate, Wageningen University, the Netherlands	**Anouk van Veldhoven** PhD candidate, Utrecht University, the Netherlands	**Michael Mbaka** Country Relationship Manager – DRIVE, Zep-Re, Kenya
Parallel session 5 **Creating innovation ecosystems through multi-stakeholder practices: Examples and outcomes from four A2ii inclusive insurance innovation labs** Hosted by A2ii	**Joscha Sisnowski** A2ii, Advisor, Germany **Barbara Chesire** Managing Director AB Entheos Ltd., Kenya	**Pujan Dhungel Adhikari** Director, Nepal Insurance Authority (NIA), Nepal **Suman Ghimire** CEO/Co-Founder, PlantSat by Seed Innovations, Nepal	**Teresa Pelanda** Advisor, A2ii, Germany
Parallel session 6 **The business case for the cooperative and mutual models in Inclusive Insurance** Hosted by ICMIF	**Ahila Devi Subramanian** CEO, DHAN People Mutual, Dhan Foundation, India **Jun Jay Perez** Executive Director, RIMANSI, Philippines	**Yasaranga Godawela** Deputy General Manager – Community Sales Channel, Sanasa Life Insurance, Sri Lanka **Zachary Wambugu** Managing Director CIC Africa Cooperative, Malawi	**Diana Almoro** Regional Lead Asia Pacific, UNDP-IRFF, Thailand

Spotlight 3
Top-line and bottom-line strategies for inclusive insurance

Hosted by FinProbity Solutions

During parallel session 1, experts from leading inclusive insurance firms showcased their strategies and successes in overcoming barriers and unlocking new growth opportunities. The discussion focused on how inclusive insurance can balance profitability with social impact, and drive both business growth and resilience among underserved populations. It focused on how to ensure that inclusive insurance can be profitable and offer value to customers who need it the most.

Top: **Ovia K. Tuhairwe,** CEO, Radiant Yacu, Rwanda

Bottom: **Gideon Ataraire,** Africa Lead, Microinsurance Master, Ghana, Ghana

Top: Left to right: **Mohammed Ali Ahmed,** CEO, EFU Life Assurance, Pakistan; **Laura Elena Rosado,** Head of Strategy and Performance Mangement, AXA EssentiALL, France; **S. M. Ziaul Hoque,** CEO, Chartered Life Insurance, Bangladesh

Bottom: **Lemmy Manje,** CEO & Founder, FinProbity Solutions, Zambia

Inclusive insurance faces several barriers on both the demand and supply sides. Demand-side barriers include a lack of trust, limited understanding of insurance products, and low financial literacy. On the supply side, insurance providers are affected by perceived low return on investment, insufficient client data and a lack of effective distribution channels. Despite these challenges, some microinsurance companies have still been able to achieve both profitability and impact in Sub-Saharan Africa and South Asia.

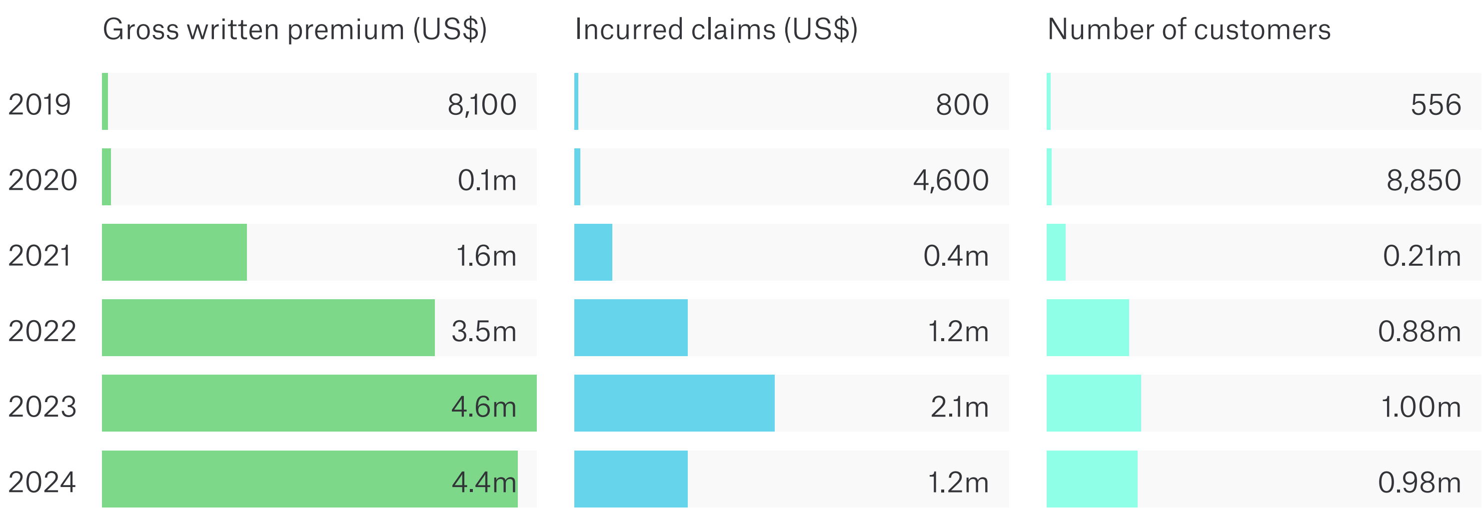
Notable providers in these regions have used a range of initiatives to overcome these barriers. For their top-line strategies, some providers have adopted a partnership-focused approach, while others have embedded their products as part of complementary services. Bottom-line strategies include a shift from direct-to-customer sales to selling to businesses. Across examples from Bangladesh, Ghana, Pakistan and Rwanda, digital technology is now a core ingredient, as is the need for well-trained and dedicated microinsurance teams.

Why well-trained and well-structured teams can drive growth

Several microinsurance initiatives have succeeded because of a well-trained team. A prominent example is Radiant Yacu in Rwanda. Launched in 2019 with US$ 8,000 in premiums, Radiant Yacu achieved profitability by 2021 (Figure 16). This was driven by bundling different, yet related, insurance products together. Hospital cash insurance was offered alongside third-party motorcycle insurance, a product specifically designed for Rwanda's large motorcycle and bicycle-riding community. Through bundling, Radiant Yacu offered value to customers while increasing uptake.

Part of Radiant Yacu's success can be attributed to the Microinsurance Master accelerator. Through this programme, some senior staff have acquired the skills to develop microinsurance products and manage service delivery. With a dedicated microinsurance team, the company intends to create a performance-based incentive system to reward staff for innovation. Part of this will include opportunities for further professional development. Beyond staff, agents in the field will also be given incentives to meet or exceed sales targets, especially in underserved areas.

Figure 16
Radiant Yacu's premiums, claims and customers, 2019 – 2024



Source: Manje, Lemmy. Presentation on "Top-line and bottom-line strategies for inclusive insurance". ICII 2024.

Business-to-business distribution channels offer greater potential for scale

Successful microinsurance models have shifted from direct-to-consumer sales to distributing to or via businesses. This includes working with MFIs and fintech platforms that can help. Through these intermediaries, insurers can scale their operations and reach target customers in a more cost-efficient manner. Allianz Life Ghana offers a notable example of this approach. The company's shift from business-to-consumer (B2C) to business-to-business-to-consumer (B2B2C) enabled it to target a wider audience.

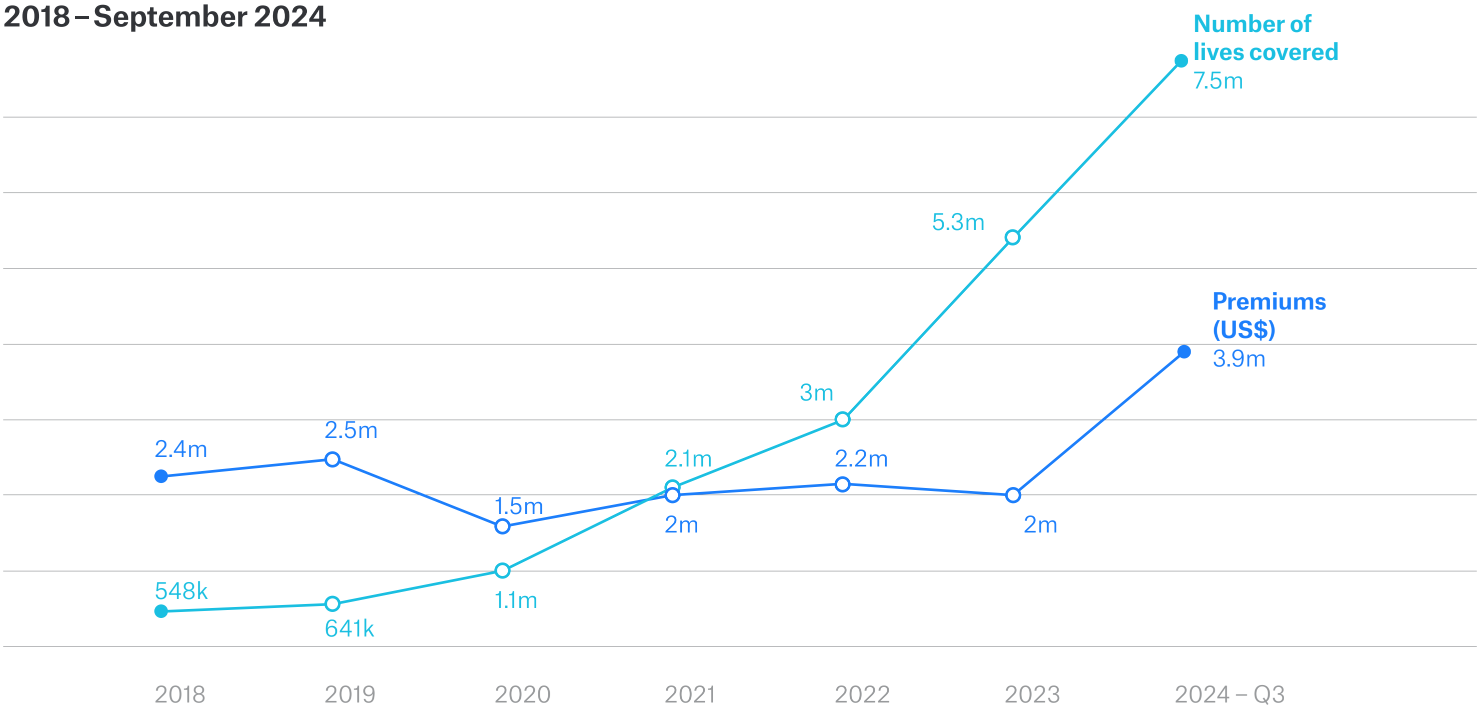
The company started operations in 2018 with a US$ 615,000 loss. By April 2024, it had turned a profit of US$ 106,000 and achieved 50% year-on-year revenue growth. Crucially, microinsurance makes up 55% of its portfolio. Allianz Life's early focus was to sell via B2C, which served as a good entry point. However, it did not offer sustainable growth. Partnerships with banks, mobile network operators and other businesses marked a change in strategy. With 60% of policies sold via B2B2C, this strategic shift has helped Allianz Life Ghana to scale its products.

Partnerships across multiple sectors offer a platform for scale

EFU Life in Pakistan offers a case study on how inclusive insurance can grow through partnerships with multiple ecosystems. After beginning an inclusive insurance pilot in 2018, EFU Life's focus on B2B2C has enabled it to reach underserved populations in Pakistan through partnerships with 33 organisations across 12 different sectors. This includes insurtechs, fintechs, NGOs, ride-hailing platforms, MNOs, mobile money providers, banks, MFIs, aggregators, telehealth providers and trucking service providers.

Beyond partnerships, EFU Life's strategy includes proactive regulatory engagement and alignment with Pakistan's national financial inclusion strategy (NFIS). By establishing specialised teams with a startup mindset, EFU Life has encouraged quick innovation without being hindered by traditional insurance structures. Uniquely, EFU Life measures success through the number of lives insured rather than premiums collected. On both metrics, EFU has grown. As of September 2024, EFU Life had reached over 7.5 million lives and collected nearly US$ 3.9 million in premiums (Figure 17).

Figure 17
Lives covered and premiums collected by EFU Life 2018 – September 2024



Source: Manje, Lemmy. Presentation on "Top-line and bottom-line strategies for inclusive insurance". ICII 2024.

Alternative distribution channels are still necessary to reach scale

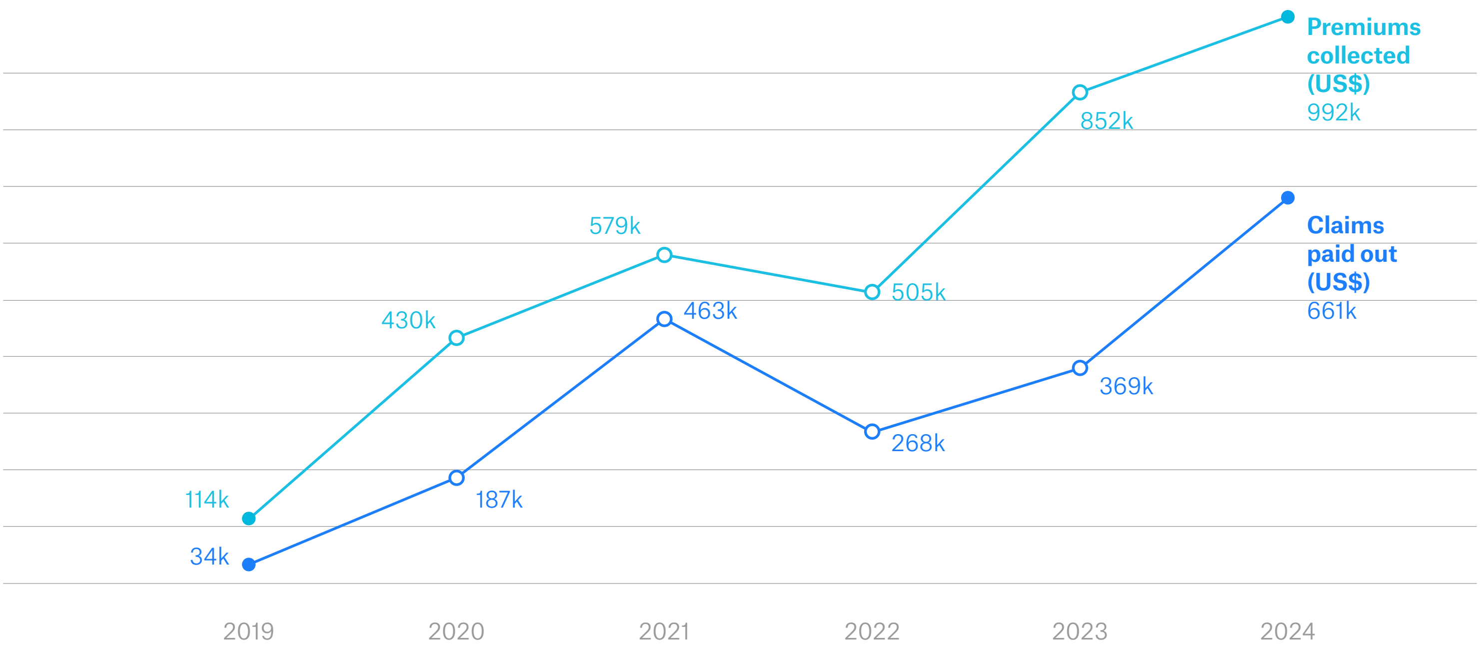
Chartered Life Insurance in Bangladesh is scaling microinsurance for the mass market through alternative partnerships with MFIs, MNOs and NGOs. By October 2024, Chartered Life had covered over 224,000 lives in Bangladesh. The company targets low-income households through several products. This includes microinsurance bundled with credit loans, life insurance for households served by NGOs, hospital-cash cover for poor and ultra-poor households, and life and health insurance for MFI members. By the end of 2024, Chartered Life had collected nearly US$1 million in premiums (Figure 18).

Chartered Life's distribution strategy has set it apart: partnerships with "alternative" distributors, such as MFIs, NGOs and MNOs have helped the company to achieve scale. The company has relied on alternative distribution channels through BRAC Microfinance, Sajida Foundation, Telenor, Water Aid and UNDP to scale and reach underserved communities. In addition, Chartered Life distributes insurance through everyday consumer products and services, such as bus tickets, baby products and washing powder. Its success can also be attributed to low premiums, accessible products and a simple claims settlement process.

Lessons learnt

- Based on several examples, insurance can achieve both profitability and social impact
- A focus on customers' needs can lead to increased product adoption and long-term loyalty
- Strategic partnerships can help to expand reach and lower distribution costs
- Technology can be used to improve efficiency and the accessibility of insurance products and services
- Strong leadership and a diverse organisational culture can drive transformational growth, while sustained commitment ensures lasting impact and business viability

Figure 18
Premium and claim payout growth for Chartered Life Insurance 2019–2024



Source: Manje, Lemmy. Presentation on "Top-line and bottom-line strategies for inclusive insurance". ICII 2024.

Parallel session 2
Dealing with basis risk: Minimising the pitfalls of parametric insurance

Hosted by the MicroInsurance Centre at Milliman

Index insurance has the potential to protect millions of smallholder farmers against the impacts of extreme climate events. However, index insurance solutions often do not work as expected “on the ground” – a phenomenon known as basis risk. The difference between measured results and actual losses can erode trust in index insurance. This session focused on ways to overcome basis risk through a range of real-world solutions and possible strategies.

Left to right: **Bethwel Murkomen,** Microinsurance and Climate Resilience Senior Associate, One Acre Fund, Kenya; **Alastair Norris,** Independent Climate and Disaster Risk Consultant, UK; **Andrea Camargo,** Lead Inclusive Climate Risk Financing, World Food Programme, UK

Facilitator of the session: **Michael J. McCord,** Managing Director, MicroInsurance Centre at Milliman, USA

Key takeaways

Basis risk occurs when an insurance payout does not match actual losses experienced by the insured. This disconnect can have devastating effects, particularly in microinsurance, which is typically targeted at vulnerable populations in agricultural or climate-sensitive sectors. There are two main types of basis risk: positive basis risk, where payouts are made despite no actual losses; and negative basis risk, where losses occur but no payout is triggered (Figure 19). Both scenarios can create significant challenges for insurance providers and policyholders, often undermining trust and adoption.

While data limitations, mismatched product design and misaligned beneficiary expectations can lead to basis risk events, failure among multiple technologies is often a bigger concern. Daily rainfall readings and weekly photos can show forage degradation. But when satellites do not measure such losses, claims are often rejected. In some cases, this is compounded by imagery from multiple satellites showing differing rainfall results. Despite an obvious loss through a triggering event, the lack of claims acceptance can negatively affect farmers. This can lead to more scepticism towards insurance and shows a need to be careful on how to interpret basis risk.

Despite these challenges, there are several ways to mitigate basis risk and improve the effectiveness of microinsurance products. Hybrid products can be formed by combining indices or blending index and indemnity insurance products. For example, area-yield index insurance can be used with weather indices for more accurate risk assessment. Community involvement is important: local knowledge of communities' experiences can be used to improve indices. Finally, insurance should not be viewed as a standalone solution. Integrating it with savings, credit and disaster preparedness programmes can layer risk and create a more resilient safety net.

Clear communication and customer education are key to minimising basis risk, as is the need to have a reliable grievance mechanism. One Acre Fund[5] ensures that farmers understand the insurance they are purchasing, how it works and what it will cover. Clear and transparent communication with farmers – especially around potential outcomes and basis risk – can avoid eroding their trust. Explaining how microinsurance products work is important to manage customers' expectations and maintain the product's credibility over the long term.

5 One Acre Fund

Figure 19
Types and examples of basis risk

Type	Definition	Example
Positive basis risk	A payout is made despite no actual losses occurring.	A drought insurance policy in Kyrgyzstan triggered payouts despite sufficient soil moisture levels.
Negative basis risk	Losses occur, but no payout is triggered due to index parameters.	Localised drought in Malawi led to losses, but the index failed to trigger a payout.
Temporal basis risk	Payouts fail because the event falls outside the policy coverage period.	A cyclone hit Mozambique just after the coverage period ended, leaving farmers without payouts.
Spatial basis risk	A mismatch between weather data collection points and actual on-the-ground conditions.	A weather station in Tanzania didn't reflect rainfall shortages, affecting nearby farmlands.

Source: "Parallel Session 2: Dealing with basis risk: Minimizing the pitfalls of parametric insurance". ICII 2024.

Parallel session 3
Women, insurance, risk management and the path to financial empowerment

Hosted by CGAP and Global Shield against Climate Risks (Global Shield)

This session explored several comprehensive approaches to closing the gender protection gap by improving women's access to insurance and risk management tools. It covered the importance of data-driven innovation, tailored product development and multi-stakeholder collaboration to financially empower women and enhance their resilience. The discussion focused on the need for gender-responsive insurance design and showcased several pioneering initiatives. These include SEWA's[6] parametric climate insurance for informal workers in India, the International Finance Corporation's (IFC) efforts to scale up women-focused solutions, the IAIS' role in promoting inclusive regulatory frameworks, and the Global Shield's innovative approaches to disaster risk financing.

Top: Left to right: **Astrid Zwick,** Co-Director, Global Shield Secretariat, Germany; **Carlos Lopez Moreira,** Senior Policy Advisor – Implementation, IAIS, Switzerland

Bottom left: Left to right: **Rajvi Joshipura,** Consultant, Self Employed Women's Association (SEWA), India; **Fatou Giwa,** Global Lead Womens Insurance Program, IFC, United States; **Carlos Lopez Moreira,** Senior Policy Advisor – Implementation, IAIS, Switzerland

Bottom right: **Anaar Kara,** Senior Financial Sector Specialist, CGAP, France (left), facilitator of the session

Key takeaways

There is no such thing as "one size fits all" when considering insurance solutions for women. Women face distinct risks throughout their lives, particularly in relation to financial and climate-related challenges. Insurance products should be gender-sensitive, acknowledging women's roles as caregivers, workers and decision-makers. Solutions need to be tailored to women's life stages. It is essential to involve women in decision-making at every stage, from product design to distribution and payouts, to ensure that their needs are met.

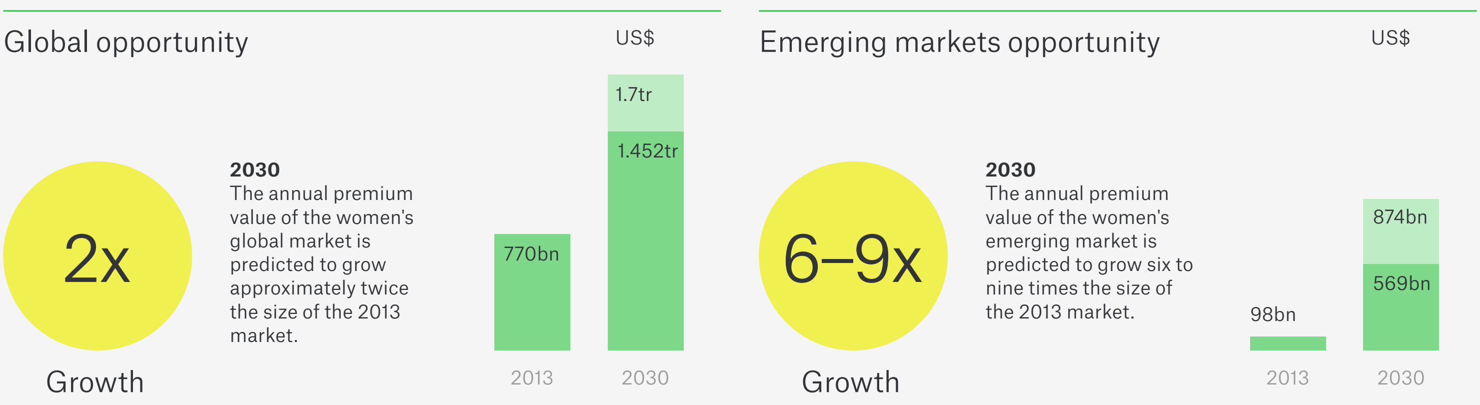
The global women's insurance market is estimated to reach US$ 1.7 trillion by 2030 – effective public-private collaboration is necessary to realise this opportunity (Figure 20). The IFC's Women's Insurance Programme[7] helps to tailor solutions to close the gender insurance gap and unlock the economic potential of the women's insurance market. The programme has developed strategies to scale women's insurance products in partnership with the private sector, combining innovation, training and data-driven approaches. Based on lessons learned, the strategic approach and tools are now available through a dedicated insurance handbook.[8]

Supervisors can empower women by creating an enabling environment and fostering inclusive insurance ecosystems. The International Association of Insurance Supervisors (IAIS) has played a leading role in integrating gender considerations into supervisory practices. The IAIS has recommended several actions for insurance supervisors: collecting and analysing gender-disaggregated data to identify gaps and design inclusive policies; promoting innovation through regulatory sandboxes and gender-sensitive regulations; and building capacity through financial literacy and consumer protection campaigns to build women's confidence in insurance products.

The Global Shield[9] integrates gender-responsive approaches to disaster risk finance, which focus on pre-determined financing mechanisms for vulnerable populations. Through its Centre of Excellence[10] on Gender-smart Solutions, the Global Shield mainstreams gender through three initiatives: strengthening gender and social inclusion by identifying and engaging key stakeholders for in-country processes, conducting gender analyses during in-country assessments to identify women's barriers to accessing insurance, and providing technical assistance to governments and implementers on inclusive and equitable approaches in disaster risk finance.

6 National Insurance VimoSEWA Cooperative Ltd
7 IFC Women's Insurance Program
8 IFC, (2023). Driving Better Business Results with Women's Insurance
9 Global Shield
1 Centre of Excellence on Gender-Smart Solutions
11 IFC and AXA, (2015). SheforShield: Insure women to better protect all

Figure 20
The global annual premium value of women's global insurance, 2013 vs 2030



Source: Kara, Anaar. Presentation on "Women, insurance, risk management, and the path to financial empowerment". ICII 2024.

Spotlight 4
Lessons from IBLI and DRIVE in the Horn of Africa

Hosted by CEAR and Utrecht University

Parallel session 4 focused on the effect of index-based livestock insurance in Kenya and Ethiopia over the last 10 years. The panellists discussed how financial products, savings and literacy programmes can mitigate the impact of drought while improving community resilience. The discussion also explored the operational challenges involved with de-risking pastoral economies and possible strategies to ensure scalability, sustainability and inclusivity.

Top: Left to right: **Nathaniel Jensen,** Senior Research Fellow, University of Edinburgh, UK; **Anouk van Veldhoven,** PhD candidate, Utrecht University, The Netherlands; **Michael Mbaka,** Country Relationship Manager – DRIVE, Zep-Re, Kenya

Bottom: **Lotte van der Haar,** PhD Candidate, Wageningen University, The Netherlands

Index-based livestock insurance has had a positive impact on pastoralists

Pastoralists in arid and semi-arid lands in the Horn of Africa region rely extensively on livestock grazing. However, keeping livestock is increasingly threatened by climate variations. Drought-related starvation and dehydration typically account for around 47% of livestock losses. Pastoralists habitually resort to short-term migration as a risk-coping mechanism. Many rely on communal assistance through inter-household gifts and loans. However, these are often inadequate because drought is a covariate shock that can affect an entire community together.

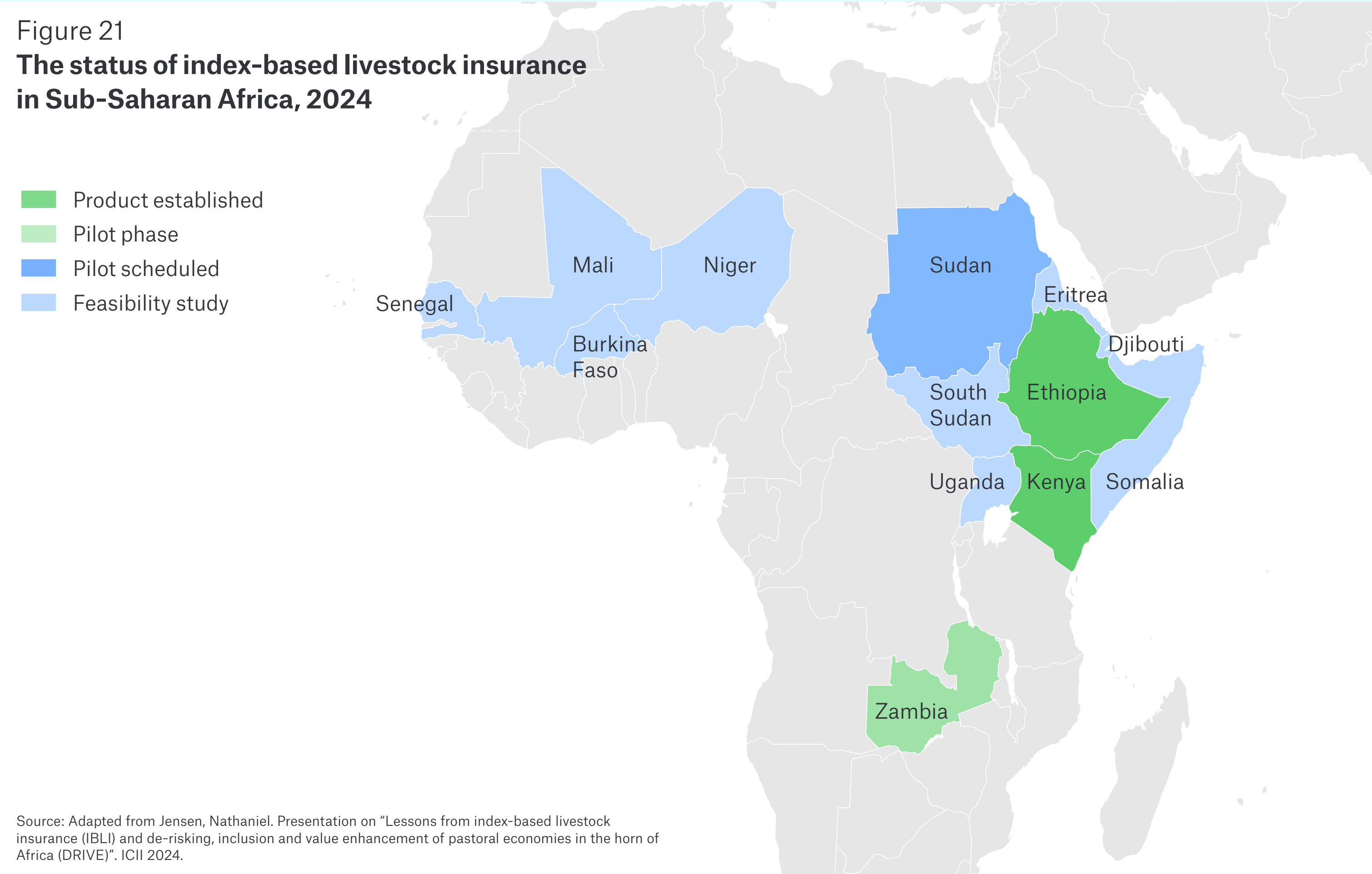
Index-based livestock insurance (IBLI)[12] offers a formal mechanism to mitigate the impact of droughts on pastoral communities. Historical loss data on livestock does not always exist, and the costs to verify the losses incurred by nomadic herds are prohibitive. Using satellite data to run a normalised difference vegetation index (NDVI), livestock health can be correlated with the state of live vegetation. Historical NDVI observations can be used to identify if vegetation levels have fallen below a certain threshold. This can help determine if a pastoralist could be due a payout.

In Sub-Saharan Africa, IBLI has been commercially available for over a decade. IBLI was integrated into the Kenya Livestock Insurance Programme in 2015, which purchased IBLI on behalf of 18,000 households until 2022. Since 2018, the World Food Programme (WFP) has been using IBLI for its Satellite Index Insurance for Pastoralists in Ethiopia (SIIPE) programme. It has insured 28,000 households in the Somali region of Ethiopia and piloted SIIPE in Zambia with 5,000 households. Several countries, mostly in the Sahel, have completed feasibility studies (Figure 21).

Academic research has found that IBLI offers short-term benefits. It has enabled pastoralists in the Horn of Africa to transition from maintaining small, easily sellable assets (e.g. goats) as savings to investing in larger, more productive livestock (e.g. camels and cattle). This has allowed pastoralists to maintain their human capital. This shift reflects the security that insurance can provide, reducing the need for liquid assets and allowing households to focus on investment and long-term asset growth.

12 Index-Based Livestock Insurance

Figure 21
The status of index-based livestock insurance in Sub-Saharan Africa, 2024



Source: Adapted from Jensen, Nathaniel. Presentation on "Lessons from index-based livestock insurance (IBLI) and de-risking, inclusion and value enhancement of pastoral economies in the horn of Africa (DRIVE)". ICII 2024.

IBLI 2.0: The De-Risking Pastoral Economies (DRIVE) initiative

Launched by the World Bank in June 2022, DRIVE integrates insurance with savings and financial education to mitigate the effect of drought in the Horn of Africa.[13] NDVI is used to assess vegetation health and trigger payouts to pastoralists in Djibouti, Ethiopia, Kenya and Somalia. Collaboration with governments, insurers and local stakeholders has enabled a regional approach to financial inclusion. The scheme includes savings incentives and a digital grievance process to improve its attractiveness. As of 2024, over 2.2 million pastoralists and their dependants had been covered by the programme (Figure 22). This reflects the potential for scaling such interventions.

Like previous IBLI schemes, DRIVE has influenced pastoralists' herd composition. Reducing small stock (i.e. goats) and increasing large stock (i.e. camels) has enhanced pastoralists' economic potential. Larger livestock can generate higher returns through milk and meat production, and are more drought resistant. This has also allowed pastoral households to keep children in education, which has led to increased school attendance, particularly among boys. This shows how IBLI can build resilience and help pastoralists to overcome economic and social vulnerabilities.

13 Zep-Re – The DRIVE Project

Figure 22
DRIVE's total beneficiaries and gender split, by 2024

Country	Policies	% women	Pastoralists covered	Total pastoralists and dependents covered	Groups
Ethiopia	137,451	45%	106,518	681,715	240
Kenya	138,679	60%	131,067	838,829	7,763
Somalia	113,373	59%	112,261	718,470	2,578
Total	**389,503**	**60%**	**349,846**	**2,239,014**	**10,581**

Source: Mbaka, Michael. Presentation on "Lessons from index-based livestock insurance (IBLI) and de-risking, inclusion and value enhancement of pastoral economies in the horn of Africa (DRIVE)". ICII 2024.

DRIVE has experienced several operational challenges, including gender disparities (Figure 23 on page 60). While more trusting of financial institutions, women have lower awareness of insurance than men. Education has bridged this gap and enhanced women's participation in household decision-making. This has led to improved outcomes for some pastoral families and amplified DRIVE's long-term potential. Empowered women often take on leadership roles in their communities, leading to greater knowledge-sharing and collective participation in resilience-building initiatives. In post-intervention assessments, women reported higher confidence in using financial tools.

Scaling DRIVE, including in Uganda and Sudan, requires streamlined approval processes, greater stakeholder engagement, and enhanced data triggers. Accelerating regional outreach also depends on the alignment of public-private partnerships. Encouraging governments to subsidise initial premiums as private-sector investment is phased in can create a sustainable model for long-term growth. Enhanced collaboration with development banks and international donors is equally important to secure the resources required to expand. Finally, improving trigger accuracy may require additional datasets, such as soil moisture indices and water availability.

Figure 23
DRIVE's operational challenges

Challenge	Description	Proposed solutions
Cultural barriers	Taboos against counting livestock hinder accurate data collection.	Community awareness campaigns and cultural sensitivity training for mobilisers.
Infrastructure issues	Lack of roads, digital connectivity, and basic services limits access to insurance.	Digital grievance mechanisms, mobile-based solutions, and partnerships with local governments.
Scalability	High implementation costs and reliance on subsidies reduce the programme's reach.	Streamlined digital platforms, innovative financing models, and increased private-sector involvement.
Low renewal rates	Initial uptake is high, but renewals remain low due to limited awareness and financial constraints.	Financial literacy campaigns, no-claims discounts and loyalty incentives.
Gender disparities	Women's needs are often overlooked in insurance product design.	Tailored savings-linked products, hybrid insurance schemes and gender-specific outreach programmes.

Source: Adapted from the "Lessons from index-based livestock insurance (IBLI) and de-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa (DRIVE)" session. ICII 2024.

The different components of DRIVE

The product and associated financial services	Index-based livestock insurance, with a premium subsidy to help pastoralists cover up to five tropical livestock units (TLU) . A savings account with a sign-up bonus to introduce pastoralists to saving money with a formal financial institution; ongoing bonuses are provided to continue saving money.
Distribution channels	Communities are aggregated through existing groups. Ethiopia has strong cooperative models, while Kenya has women's groups and savings groups.
Outreach and awareness	Capacity building programmes were run for regulators, financial institutions and governments to create a strong understanding of the product. Regulatory advocacy and input helped the Government of Somalia to launch its Insurance and Takaful Bill in 2024. Awareness-raising sessions were run with pastoral communities through workshops, local radio campaigns, comics and other means.
The digital platform	The scheme includes a digital platform that can be accessed via USSD, a mobile app and a web portal. Through mobile phones, pastoralists can register, make payments, purchase fodder for livestock and access markets.

Source: Adapted from Mbaka, Michael. Presentation on "Lessons from index-based livestock insurance (IBLI) and de-risking, inclusion and value enhancement of pastoral economies in the horn of Africa (DRIVE)". ICII 2024.

14 One TLU is equivalent to one cow or 10 goats or sheep, or 0.7 camels.
15 Unstructured Supplementary Service Data.

Parallel session 5
Creating innovation ecosystems through multi-stakeholder practices: examples and outcomes from four A2ii inclusive insurance innovation labs

Hosted by Access to Insurance Initiative (A2ii)

This session highlighted the A2ii Inclusive Insurance Innovation Lab (iii-lab), a capacity-building initiative and platform for collaboration among inclusive insurance stakeholders. The iii-lab enables participants to co-create innovative insurance solutions for their target markets over a year-long cycle. Solutions include new regulations, tools, products, processes and value-added services to build viable inclusive insurance markets. Panellists from the current (fourth) iii-lab cohort engaged in dialogue with iii-lab alumni, who shared their insights on prototypes and the programme's long-term impact in their countries.

Top: **Barbara Chesire,** Managing Director AB Entheos Ltd., Kenya

Bottom left: **Pujan Dhungel Adhikari,** Director, Nepal Insurance Authority (NIA), Nepal (right), moderating a group discussion

Centre: **Suman Ghimire,** CEO/Co-Founder, PlantSat by Seed Innovations, Nepal (left)

Bottom right: **Teresa Pelanda,** Advisor, A2ii, Germany

Key takeaways

The philosophy of the iii-lab prioritises collaboration to develop innovative insurance solutions. The iii-lab is grounded in the principle that no single participant holds all the answers, and collaboration is necessary for innovation. It relies on a social lab methodology that brings together a diverse set of stakeholders to analyse country-specific insurance challenges, gather insights through structured dialogue, and collaborate to design, test and implement innovative solutions.

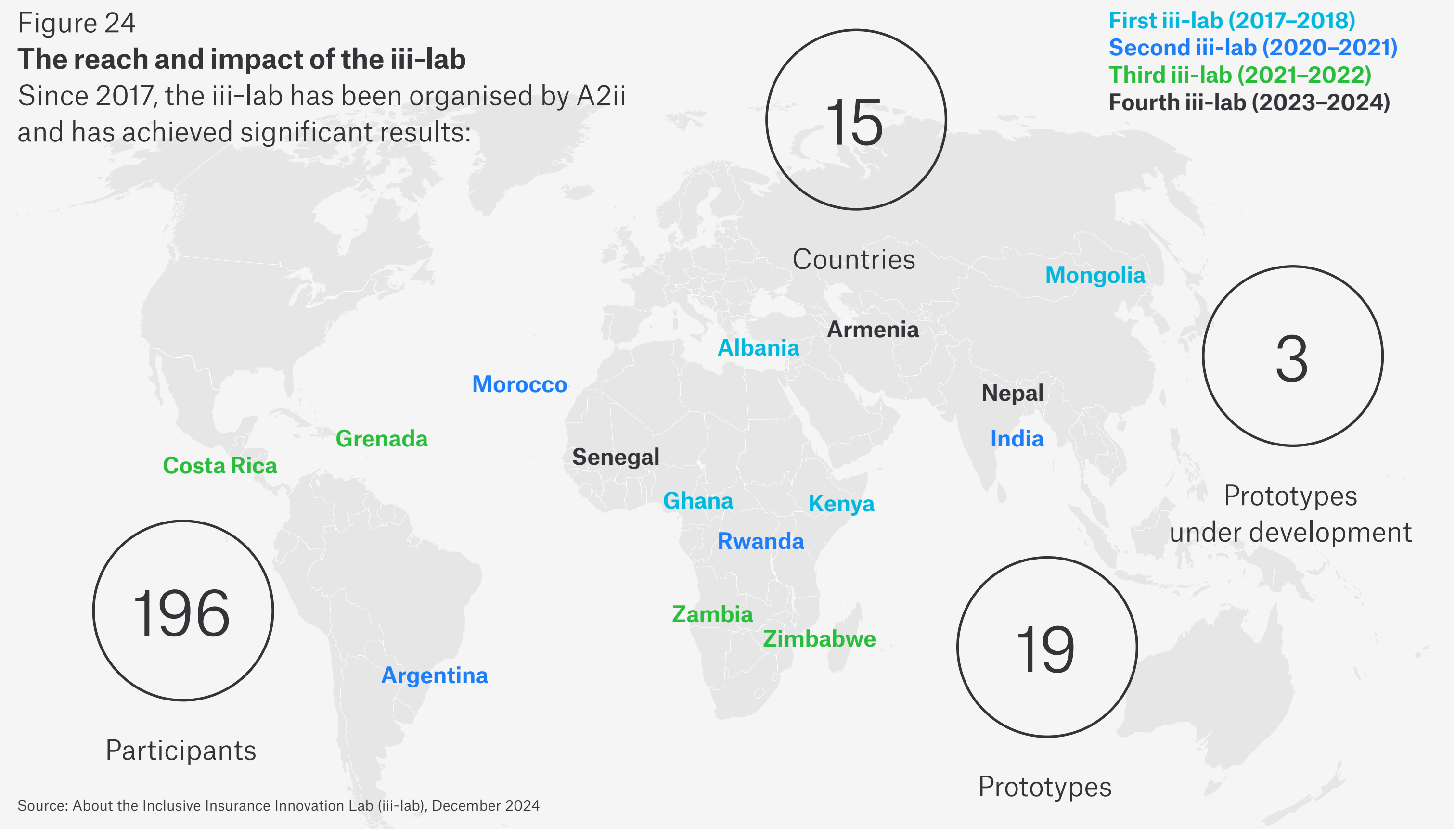
Key elements of the lab's methodology are based on design thinking, broad innovation scope and a flexible format. Design thinking incorporates user research, solution prototyping, testing and iterative redefinition to ensure product relevance and effectiveness. The iii-lab's broad scope defines innovations as any new-to-context change, such as new regulations, regulatory tools, products, processes, distribution channels, payment systems or value-added services (e.g. insurance education). Finally, the lab's flexible format combines national and international workshops conducted both virtually and in person.

Cross-sector collaboration has proven to be important for scaling innovations (Figure 24). Achieving a balance between stakeholders (such as customers, distributors and insurers) requires aligning the product offering with customers' needs. In Kenya, which participated in the first round of the lab, an awareness campaign and new insurance products for low-income women emerged directly from multi-sector engagement.[16] One product has continued to grow in the local insurance market, aided by no-claims bonuses and related value-added services.

Insights from global experiences have helped to inspire local solutions, especially in encouraging stakeholders to share ideas and solutions. For instance, in Nepal, which is participating in the current (fourth) iii-lab, the team identified a lack of awareness and knowledge among target groups as the biggest barrier to inclusive insurance uptake. An interactive voice response system was developed to improve adoption, providing simple, low-tech ways to access insurance information. Over 1,000 users have accessed the system during its pilot phase to learn more about insurance.[17]

16 Interview with Barbara Chesire, Kenya, iii-lab 1
17 4th Inclusive Insurance Innovation Lab (iii-lab)

Figure 24
The reach and impact of the iii-lab
Since 2017, the iii-lab has been organised by A2ii and has achieved significant results:



Source: About the Inclusive Insurance Innovation Lab (iii-lab), December 2024

Parallel session 6
The business case for the cooperative and mutual models in inclusive insurance

Hosted by ICMIF[18]

This session explored the potential of cooperative and mutual insurance models in advancing inclusive insurance, particularly in underserved markets. Panellists shared insights on the motivations, challenges and strategies employed by successful mutual and cooperative insurers. Case studies from India, Malawi, the Philippines and Sri Lanka demonstrated how these models are designed to meet community needs and ensure financial sustainability.

18 ICMIF Foundation

Left to right: **Diana Almoro,** Regional Lead Asia Pacific, UNDP-IRFF, Thailand; **Ahila Devi Subramanian,** CEO, DHAN People Mutual, DHAN Foundation, India; **Zachary Wambugu,** Managing Director CIC Africa Co-operative, Malawi; **Jun Jay Perez,** Executive Director, RIMANSI, Philippines; **Yasaranga Godawela,** Deputy General Manager – Community Sales Channel, Sanasa Life Insurance, Sri Lanka

Key takeaways

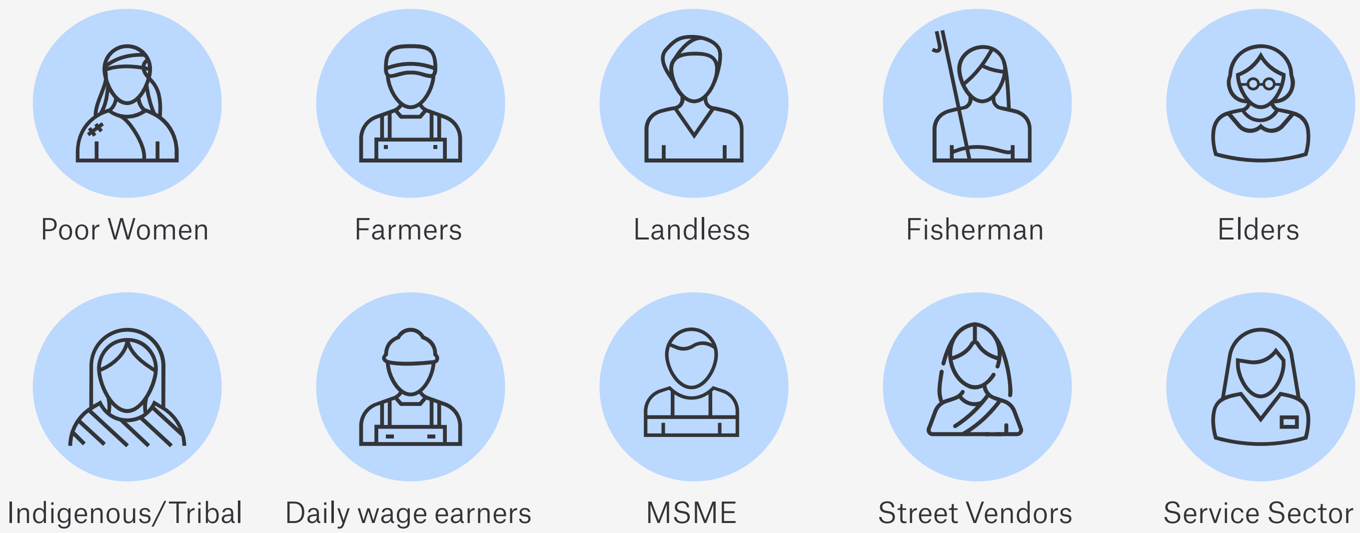
Cooperative and mutual insurance models stand out as innovative ways to meet the needs of under-served populations in the global insurance landscape. These models prioritise community participation and offer affordable, accessible and sustainable insurance cover tailored to local risks. These principles are typically woven into the operational frameworks of successful initiatives. Their emphasis on collective participation, risk-sharing and financial inclusion provides a blueprint for bridging gaps in conventional insurance systems.

DHAN Foundation in India launches products specifically for farmers, women and coastal communities by engaging these groups in the design process (Figure 25). Through direct involvement in product design and claims validation, policyholders feel a sense of ownership and trust that drives annual renewal rates to above 90%. These models focus on holistic coverage: instead of isolating risks into separate policies, they often bundle cover for life, health, agriculture and even disaster-related losses. This bundling has helped to reduce administrative complexity and align products with the interconnected realities of low-income households.

In the Philippines, the Microinsurance Mutual Benefit Association (Mi-MBA) model exemplifies how insurers can embed community involvement for positive effect. By partnering with MFIs, Mi-MBAs can integrate insurance into existing community-based financial services – making insurance more relatable and accessible. The community-driven governance structure of MBAs helps to ensure that the products remain relevant to customers. With customer representation on decision-making boards, policies are shaped by the actual needs of the insured – not distant corporate agendas. This network covers over 56 million people in the Philippines, offering significant potential for scale and impact.

Similarly, in Kenya, innovating through cooperatives can offer a pathway to scale solutions. In 2022, the CIC Insurance Group launched the CoopCare Health Insurance product for cooperatives. The product offers tailored cover for inpatient, outpatient, maternity and dental care. While launching products through cooperatives is not new, CoopCare has eliminated common barriers such as waiting periods and exclusions for pre-existing conditions. Importantly. CIC works with cooperatives of all sizes, allowing even the smallest groups to access insurance. With around 14,000 cooperatives and a collective member base exceeding 14 million people in Kenya, this approach offers much potential for scale.

Figure 25
Profiles of DHAN Foundation's typical policyholders



Source: Subramanian, Ahila Devi. Presentation on "The business case for the co-operative and mutual models in Inclusive Insurance". ICII 2024.

Parallel session 7

Pitching sessions

Speakers

M.K. Balachandran
Head of Growth, IBISA Network, India

Bhakti Dama
Founder, Protector IQ, India

Sarathy Srinivas
Head – International, WRMS Global, India

B. Muthukumarasamy
Programme Leader, DHAN Foundation, India

Facilitator

Richard Leftley
Founder, Wavu Limited, UK

Parallel session 8

Improving the value and viability of inclusive insurance
Hosted by ILO

Speakers

Melinda Grace "Aira" Labao
Vice President and Officer-in-Charge, CARD Pioneer Microinsurance Inc., Philippines

Deanne Bezuidenhout
Head – ESG, Hollard, South Africa

Shubasish Barua
Head of Impact Business and Senior Executive VP, Green Delta Insurance, Bangladesh

Ashok Shah
Group CEO, APA Apollo Group, Kenya

Facilitator

Lisa Morgan
Technical Specialist, ILO, Switzerland

Parallel session 9

Leveraging parametric insurance as an innovative financing mechanism for Anticipatory Action
Hosted by MCII

Speakers

Neha Batra
Head – Underwriting and Data Analytics, WRMS, India

Praneel Pritesh
Regional Technical Specialist, Pacific Insurance and Climate Adaptation Programme, UNCDF, Fiji

Bikram Rana Tharu
Programme Manager Climate Resilience, Practical Action, Nepal

Kate Sinclair
Head of Programme, WFP Guatemala, Canada

Facilitator

Mariam Parekhelashvili
Associate Project Manager, MCII, Georgia

Parallel session 10

Uninsurable? How the Natural Disaster Fund contributes to closing the protection gap

Speakers

Stefan Hirche
Principal Portfolio Manager, KfW, Germany

Daniela Zimmermann
Senior Manager, Hannover Re, Germany

Rajeshwari Gorana
Consultant, Mahila Housing Trust, India

Facilitator

Kay Tuschen
Head of Climate Resilience Solutions, CelsiusPro, Switzerland

Parallel session 11

Growing global actuarial capacity to support sustainable economic and inclusive insurance development
Hosted by Actuarial Society of Nepal

Speakers

Ram Kumar Yadav
CEO, Liberty Micro Life, Nepal

Prechhya Mathema
President, Actuarial Society of Nepal (ASN), Nepal

Michael J. McCord
Managing Director, MicroInsurance Centre at Milliman, USA

Pujan Dhungel Adhikari
Director, Nepal Insurance Authority (NIA), Nepal

Facilitator

Diana Almoro
Regional Lead Asia Pacific, UNDP-IRFF, Thailand

Parallel session 12

New approaches to working with farmer organisations for affordability, sustainability and scale for climate risk insurance
Hosted by Feed the Future Innovation Lab for Markets, Risk and Resilience

Speakers

Tara Chiu
Associate Director, Feed the Future Innovation Lab for Markets, Risk and Resilience, University of California Davis, USA

Benson Mbuthia
Microinsurance Lead, Africa, Rural Inclusion CIC, Kenya

M.K. Balachandran
Head of Growth, IBISA Network, India

Linda Busienei
Programme Manager – Impact Projects and Village Champion Model, ACRE Africa, Kenya

Facilitator

Pranav Prashad
Senior Technical Officer – Impact Insurance Facility, ILO, Switzerland

Parallel session 7
Pitching sessions

Hosted by Munich Re Foundation

A first of its kind at the ICII, this session showcased four innovative insurance products designed to overcome climate risks, distribution bottlenecks and affordability. These solutions integrated cutting-edge technology, grassroots engagement and financial innovation to promote inclusivity and scalability. Four organisations pitched their solutions to the audience, including their implementation, customer base, scaling targets, premium structures and claim payouts.

Top: **M.K. Balachandran**
Head of Growth, IBISA Network, India

Bottom: **Bhakti Dama**
Founder, Protector IQ, India

Top: **Sarathy Srinivas**
Head – International, WRMS Global, India

Bottom: **Richard Leftely**
Founder, Wavu Limited, UK

Key takeaways

SecuRisk is a parametric insurance platform developed by WRMS that aims to provide rapid and efficient risk coverage.[19] It provides solutions to four major challenges: data accuracy, rapid product design, efficient distribution and enhanced transparency for end-users and stakeholders. As of 2024, the platform is available in Bangladesh, India, Indonesia and the Pacific Islands to manage the risk of floods and cyclones. With over 10 million beneficiaries worldwide, SecuRisk plans to cover an additional 5 million beneficiaries by 2026 by focusing on hyper-localised risk solutions. Current premiums range from US$ 3 to US$ 5 per policy, with immediate payouts of up to US$ 500 that are disbursed through mobile wallets or digital transfers.

IBISA's Dairy Heat Index Insurance scheme was launched to help dairy farmers mitigate income losses from the impact of heat stress.[20] During heatwaves, dairy farmers experience reduced milk production, which can lead to a significant drop in income. The Dairy Heat Index product offers insurance cover at an affordable premium of US$ 1 per cow, with payouts triggered when the temperature crosses a predefined threshold. So far, the scheme has proven to be successful. The value of claim payouts grew from US$ 30,000 in 2023 to US$ 300,000 in 2024, reflecting higher adoption rates and more severe heatwaves in 2024. The scheme benefitted from distribution partnerships with milk cooperatives, which ensured accessibility and trust.

DHAN Foundation uses Climate Risk Resilience Centres to enrol farmers into mutual crop and livestock insurance schemes.[21] This initiative currently covers approximately 100,000 farmers in 130 centres across 16 Indian states. Insurance premiums range from US$ 1 to US$ 3 per policy, with beneficiaries receiving payouts of up to US$ 200 per claim. In addition, the Centres use several digital tools to build farmers' resilience. These include nearly 75 WhatsApp groups, over 200 webinars, 75 virtual farm field schools, over 300 YouTube videos, 125 online training courses and a dedicated mobile app. The Foundation plans to scale to 500,000 farmers in southern India over the next five years, with Bangladesh and Nepal being considered for international expansion.

Protector IQ[22] **is a platform that enables insurers and distribution partners to allow customers to try out insurance products before committing to an annual purchase.** The platform offers insurance agents a subscription-based model that includes tools for risk assessment, product comparison and customer management. This trial-based approach has helped to reduce consumer hesitation and build trust. A recent pilot with 500 agents led to business closure times reducing from around 6–7 months to 1–2 months – a 75% decrease. Lead conversion rates also tripled due to targeted risk assessments and product comparisons. In particular, the pilot helped agents target typically underserved customers, such as MSMEs and women-led enterprises.

19 WRMS – SecuRisk
20 IBISA Network
21 Dhan Foundation – People Mutuals
22 Protector-IQ

Panellists' quotes

"SecuRisk [can] transform the scalability and trust of parametric insurance by addressing pain points with precision and innovation."

Sarathy Srinivas
Head – International, WRMS Global, India

"Affordable insurance like the Dairy Heat Index product demonstrates how simple interventions can transform rural livelihoods."

M.K. Balachandran
Head of Growth, IBISA Network, India

"Resilience Centres [can] empower farmers by building capacity and ensuring they are part of the solution to climate challenges."

B. Muthukumarasamy
Programme Leader, DHAN Foundation, India

"Protector IQ equips agents with the tools they need to become trusted advisers, not just policy sellers."

Bhakti Dama
Founder, Protector IQ, India

Spotlight 5
Improving the value and viability of inclusive insurance

Hosted by the ILO

Parallel session 8 focused on the essential strategies and practices that can drive the expansion of inclusive insurance in underserved markets. For over a year, the ILO has been conducting research with a dozen prominent inclusive insurers to better understand the business case and what drives client value[23]. Finding the balance between generating returns and providing excellent client value is not always easy, but it is possible. The panellists identified successful examples that have balanced the business viability and client value of inclusive insurance, and outlined solutions to barriers to market entry.

23 ILO – Improving the viability and value of inclusive insurance

Left to right: **Lisa Morgan,** Technical Specialist, ILO, Switzerland; **Melinda Grace "Aira" Labao,** Vice President/ Officer-in-Charge, CARD Pioneer Microinsurance Inc., Philippines; **Shubasish Barua,** Head of Impact Business and Sr. Executive VP, Green Delta Insurance, Bangladesh; **Ashok Shah,** Group CEO, APA Apollo Group, Kenya; **Deanne Bezuidenhout,** Head – ESG, Hollard, South Africa

Balancing value for customers and business viability is a gradual process

Many inclusive insurance schemes have shown that balancing business viability with social value (i.e. value for the client) can be a gradual process. The first step is to create a level of client value (Figure 26). Client value allows insurance providers to grow new sales, increase customer loyalty and grow retention. After building client value, a natural next step is to enhance the product's value proposition. This can involve using technology to improve distribution, speed up payments or improve the user experience for customers. Once microinsurance providers have established value for customers, it may be easier to pursue trade-offs to achieve business viability.

Figure 26
Understanding client value

What is client value?

It refers to the relative utility or worth that customers derive from a product or service.

Customers are likely to consider a product's benefits relative to its costs and their needs. This may typically involve a comparison with other options.

Source: Morgan, Lisa. Presentation on "Improving the value and viability of inclusive insurance". ICII 2024.

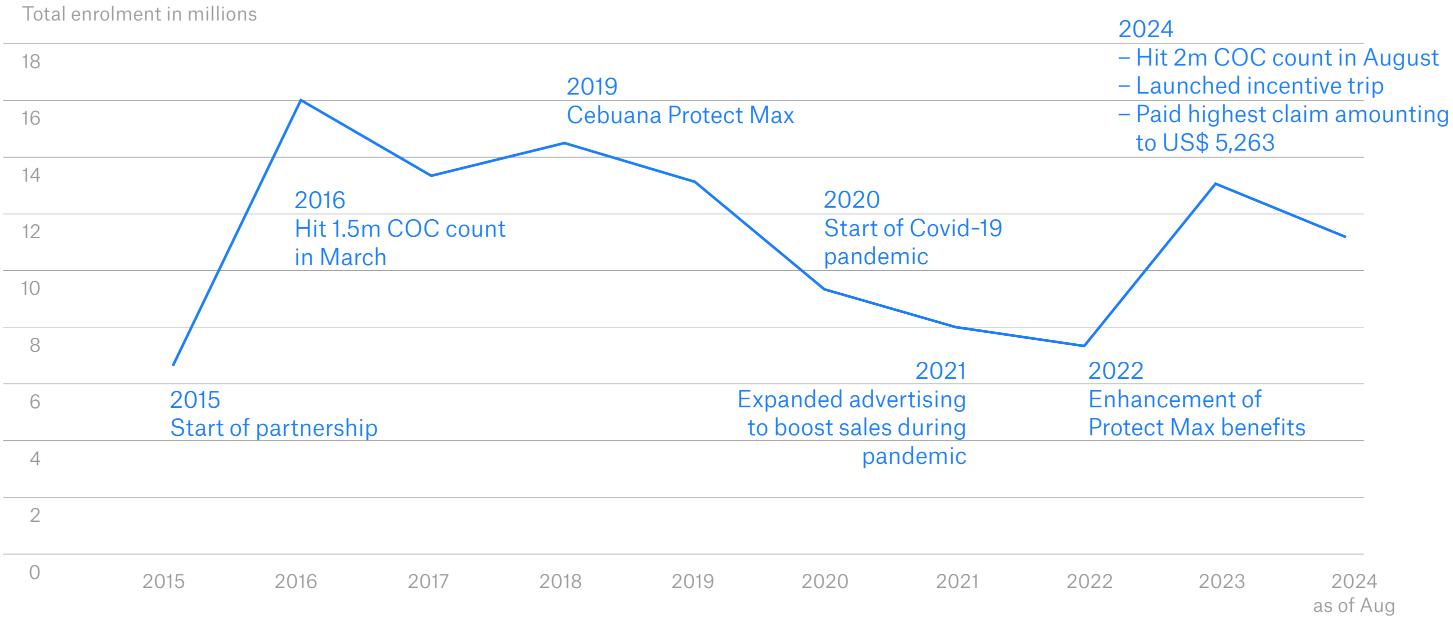
Establishing client value: Pioneer Insurance in the Philippines

Pioneer Insurance's growth is a model approach to creating long-term value. It has focused on designing simple, affordable and easy-to-understand products, combined with effective customer education and swift claims processing. This was supported by internal structures that were geared towards success, such as strong leadership and appointing a microinsurance champion. Through this strategy, Pioneer has built trust among customers and positioned itself as a leader in inclusive insurance in the Philippines.

The company has also formed strategic partnerships with over 100 organisations, such as MFIs and local government bodies, which share its values to keep products relevant and accessible for the target market. For example, Pioneer partnered with Cebuana Lhuillier Insurance Solutions to launch microinsurance cover against fire, personal accident, murder and unprovoked assault. Having started with over six million customers in 2015, by August 2024 the product had evolved to offer life and emergent expense cover to over 11 million people (Figure 27).[24]

24 See "Plenary 3 – Covering Nanay: The microinsurance journey of Card Pioneer Microinsurance in the Philippines" and "Parallel session 6 – The business case for the cooperative and mutual models in inclusive insurance".

Figure 27
Cebuana Lhuillier – Pioneer Microinsurance enrolments



Source: Morgan, Lisa. Presentation on "Improving the value and viability of inclusive insurance". ICII 2024.

Enhancing customer value through partnerships: Hollard Insurance in South Africa

Hollard Insurance's success can be attributed to strong partnerships with retail businesses and MNOs. Through this approach, the company has made use of the extensive reach and trust that retail brands and MNOs have with their customers. By integrating insurance with customers' credit accounts, Hollard has made premiums affordable – reducing lapse rates and increasing customer retention in the process.

Hollard offers insurance products, such as funeral, home and hospital cash insurance, bundled with tangible benefits. These include a monthly cash payment for groceries and airtime. Such value-added services can increase a product's appeal. This approach is applied to complementary products and services. Hollard is working with Lumkani, a company that offers fire detectors for informal settlements, to offer fire protection cover (Umndeni Funeral Cover) with the device. This creates a robust resilience package for informal dwellers (Figure 28).

Figure 28
Umndeni Funeral Cover insurance product details

Risks covered	Fire
Property types covered	Businesses and homes
Cover offered	Fire cover for the building structure, belongings or stock; funeral cover for the policyholder, their spouse and up to five children
Maximum claim amount	Up to US$ 2,140
Premium range	US$ 9 per month

Source: Lumkani website. January 2025

Using technology to enhance customer value: Green Delta Insurance in Bangladesh

While several agriculture insurance schemes have been launched in Bangladesh, few have achieved lasting scale. This can be attributed to insufficient data availability and poor product design. Green Delta relies on technology to overcome significant barriers in agriculture insurance in Bangladesh. Going digital has allowed the company to lower its operating costs, allowing cheaper premiums and a transparent claims process (Figure 29).

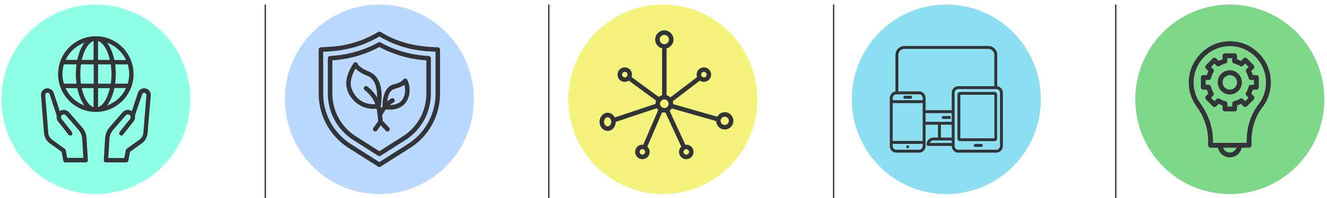
Figure 29
Green Delta Insurance, Bangladesh – microinsurance footprint as of 2024

Products offered	Crop, livestock, health
Total beneficiaries	Over 2.09 million
Livestock insured	Over 3,000 cattle
Women insured	Over 360,000

Source: Barua, Shubasish. Presentation on "Improving the value and viability of inclusive insurance". ICII 2024.

Green Delta uses technology in several ways. Data from unmanned aerial vehicles and satellites (Figure 30) is used to provide crop insurance to more than 1.3 million people. This has enabled better crop health monitoring, land identification via satellite imagery, and plant protection guidance. It has also improved Green Delta's livestock product by using a web-based cattle insurance management system. In addition, the company provides farmers with real-time information by providing weather forecasts and crop advisory services through outbound calls.

Figure 30
How Green Delta uses data from multiple satellite sources



- Modis Satellite data for flood monitoring and product designing
- Crop protection solution services from Farmneed
- Interpolated data portal (Skymet); an amalgamation of Bangladesh Meteorological Department (BMD) data. It provides 10 kilometres of weather data in Bangladesh.
- Uses fusion data which will be an amalgamation of Modis and Sentinel. Modis Satellite has good historical data, while Sentinel offers good quality data for recent years.
- Fully relaying satellite, such as "Chirps 5" which provides high-resolution rainfall data.

Source: Morgan, Lisa. Presentation on "Improving the value and viability of inclusive insurance". ICII 2024.

Achieving customer value and business viability: APA Insurance in Kenya

APA Insurance in Kenya enhanced customer value by designing a micro-property insurance product for a gas distributor in Kenya's rural areas and slums. The product was bundled with existing microinsurance hospital cash and funeral products. While accidents involving gas can lead to injuries and loss of life, this cover takes into account damage to buildings that could leave an already vulnerable family destitute. Enrolment occurs automatically once customers purchase gas cylinders – albeit with their knowledge. Cover is offered monthly, which allows customers to pay premiums suited to their respective budgets (Figure 31).

Figure 31
APA Insurance micro-property insurance product details

Risks covered	Fire, lightning, water, wind, hail, limited explosions, burglary, theft, political violence and terrorism
Property types covered	Businesses and homes
Cover offered	Accidental death, total permanent disability, medical expenses and funeral expenses
Maximum claim amount	Up to US$ 31,000
Premium range	US$ 8 per year onwards

Source: APA website. January 2025

APA's approach shows that partnership alignment is key to offering value to the clients. A clear distribution model with partners that can directly access the end users can offer significant reach and keep costs low. According to the ILO, products are more likely to achieve client value if they follow the "AAARS" model. Products should be appropriate, accessible, affordable, responsive to shocks and simple. Using this model, it is clear that APA's micro-property product was developed along these principles to achieve client value (Figure 32).

Figure 32
Assessing APA's micro-property products against the "AAARS" model

A ppropriate	• The product has a range of benefits • Information on the benefits and limits is clear
A ccessible	• The partner has several distribution depots • The insurance service is bundled
A ffordable	• The cover is offered monthly, keeping premiums affordable • The product does not have any sign-up costs
R esponsive	• The product is designed to meet customers' needs • Claims settlement times are quick
S imple	• The product is easy to understand • Enrolment is automatic through purchasing gas • A flat sum payment limits documents when claiming

Source: Morgan, Lisa. Presentation on "Improving the value and viability of inclusive insurance". ICII 2024.

While achieving client value, business viability requires additional ingredients. Risk pooling in Kenya has helped APA to keep costs low and develop a sustainable model. This is especially necessary for products that carry higher risks, such as agricultural insurance. Investment in technology is necessary to improve efficiency and lower costs, but can be costly for many insurance providers. APA has worked with several partners with established digital platforms, without losing sight of the need for agents. While agents help to create visibility, paying out claims can lead to more customer trust, brand visibility and higher insurance uptake.

Lessons learnt

- Products should be designed following the ILO's AAARS model to ensure viability
- Strategic partnerships can expand reach and ensure sustainability
- Insurers entering the inclusive insurance market should start with simple products and be patient about growth
- Balancing client value and business viability is essential for sustainable insurance models
- Flexible pricing models, such as monthly payments, can improve product affordability and accessibility

Parallel session 9
Leveraging parametric insurance as an innovative financing mechanism for anticipatory action

Hosted by MCII

The session explored the use of parametric insurance for anticipatory action, and focused on collaborative frameworks to build disaster resilience and reduce vulnerabilities. Case studies from Fiji, Guatemala and Nepal were used to highlight how some of these approaches had been implemented. As part of this, the panellists also discussed related best practices and the challenges of scaling such models.

Top: **Praneel Pritesh,** Regional Technical Specialist, Pacific Insurance and Climate Adaptation Programme, UNCDF, Fiji, presenting at the session.

Bottom left: **Kate Sinclair,** Head of Programme, WFP Guatemala, Canada

Bottom right: Left to right: **Mariam Parekhelashvili,** Associate Project Manager, MCII, Georgia; **Neha Batra,** Vice President – Risk & DataManaging Director, WRMS, India; **Bikram Rana Tharu,** Programme Manager Climate Resilience, Practical Action, Nepal; **Kate Sinclair,** Head of Programme, WFP Guatemala, Canada; **Praneel Pritesh,** Regional Technical Specialist, Pacific Insurance and Climate Adaptation Programme, UNCDF, Fiji, presenting at the session.

Key takeaways

Forecast-based payouts for anticipatory action can improve response times and ensure that communities have the necessary resources before a disaster. This can significantly reduce post-event recovery costs. Parametric insurance can be used to provide pre-event payouts based on forecast triggers, allowing anticipatory action before disasters occur. Shifting from post-disaster response to disaster preparedness can help to reduce humanitarian needs and disaster impacts by enabling communities to act in advance. However, developing such systems requires collaboration across sectors and investment in data infrastructure to ensure accurate forecasts and payouts.

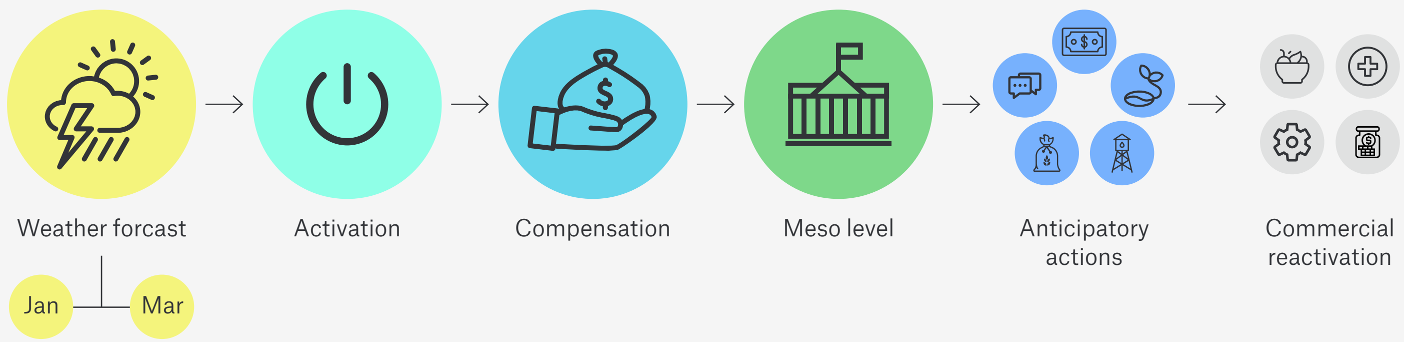
Using a diversified disaster risk finance strategy can enhance communities' capacity to respond to slow-onset and extreme weather events. In Guatemala, the WFP has designed a forecast index insurance (FII) scheme as part of an integrated approach.[25] The FII relies on 30-day drought forecasts to make insurance payouts. This has enabled municipalities to distribute drought-resistant seeds, build water reservoirs and provide cash transfers to vulnerable households (Figure 33). The programme aligns with the Government of Guatemala's emergency response plans, ensuring its sustainability and scalability.

25 WFP – Climate risk management, insurance and financing
26 UNCDF – Pacific Insurance and Climate Adaptation Programme (PICAP)

Market-based, meso-level insurance can be used to provide rapid pre-disaster liquidity and long-term resilience through user-pay principles and sustainability. The Pacific Insurance and Climate Adaptation Programme (PICAP), together with United Nations Disaster Risk Reduction, offers a combined meso-level insurance and anticipatory action scheme in Fiji.[26] The scheme provides pre-cyclone payouts for preparedness activities. Pre-cyclone payouts are triggered by forecast wind speeds, enabling at-risk communities to implement preparedness activities. By using market-based products, PICAP can ensure the products' long-term viability.

Effective anticipatory actions depend on robust early warning systems that empower communities to take proactive measures before a disaster strikes. Early warning systems can trigger early actions and allow vulnerable communities to act before a disaster occurs. In Nepal, early warning systems have been used to prompt flood preparedness activities. Led by Practical Action, index-based flood insurance (IBFI) in Nepal integrates community-led flood alerts with parametric insurance for farmers. Policies are triggered by flood levels recorded via flood early warning systems, which can lead to pre-disaster payouts to safeguard crops and livelihoods. In 2023, over 4,200 farmers with IBFI policies received timely payouts that reduced recovery time and costs.

Figure 33
How the WFP's forecast index insurance scheme works



Source: Parekhelashvili, Mariam. Presentation on "Leveraging parametric insurance as an innovative financing mechanism for Anticipatory Action (AA)". ICII 2024.

Parallel session 10
Uninsurable? How the Natural Disaster Fund contributes to closing the protection gap

Hosted by CelsiusPro

This session explored how the Natural Disaster Fund (NDF) has helped to close the protection gap for vulnerable communities through innovative, donor-backed financial solutions.[27] The panel discussion focused on a pioneering heatwave insurance project in Gujarat, India, which insured 26,000 low-income women workers against climate risks. The session also highlighted the NDF's unique approach to supporting parametric insurance products, empowering informal workers and creating scalable models for resilience.

27 The NDF operates as a public-private partnership with capital committed by the UK government's Foreign, Commonwealth and Development Office; and via Germany's development bank KfW on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Left to right: **Daniela Zimmermann,** Senior Manager, Hannover Re, Germany; **Stefan Hirche,** Principal Portfolio Manager, KfW, Germany; **Rajeswari Gorana,** Consultant, Mahila Housing Trust, India; **Kay Tuschen,** Head of Climate Resilience Solutions, CelsiusPro, Switzerland

Key takeaways

Droughts and heatwaves disproportionately affect vulnerable communities, many of whom lack access to traditional insurance. The NDF specialises in supporting climate risk protection solutions in markets where private insurance is unavailable or insufficient. Its operations are underpinned by a unique combination of risk capital and technical advisory services. The NDF acts as a risk aggregator, enabling insurance solutions for small businesses, agribusinesses, MFIs and regional risk pools. The NDF's technical advisory facility provides funds to design and implement parametric insurance products, ensuring they align with local conditions.

The NDF has supported initiatives to tackle droughts in Sub-Saharan Africa, cyclone risks in the Caribbean and, more recently, a heat insurance pilot in Gujarat, India. The heat parametric insurance project exemplifies the NDF's ability to adapt solutions to local needs. It was implemented in partnership with the Mahila Housing Trust (MHT) and Howden India. The product covered informal women micro-entrepreneurs against heatwaves in three cities: Ahmedabad, Surat and Vadodara. Beneficiaries received 2–4 days of income as a direct benefit (Figure 34).

Several stakeholders were responsible for the pilot's successful implementation, with MHT playing an anchor role. It was responsible for coordinating all other partners and identifying the target women micro-entrepreneurs (Figure 35). Together with its credit cooperative partner, MHT was responsible for customer education and oversaw the enrolment process. Howden India and Global Parametrics were responsible for designing the product, based on a temperature threshold and the beneficiaries' activities and profile. Reinsurance capacity was provided by the NDF, which was managed by Global Parametrics. A local underwriter was also involved.

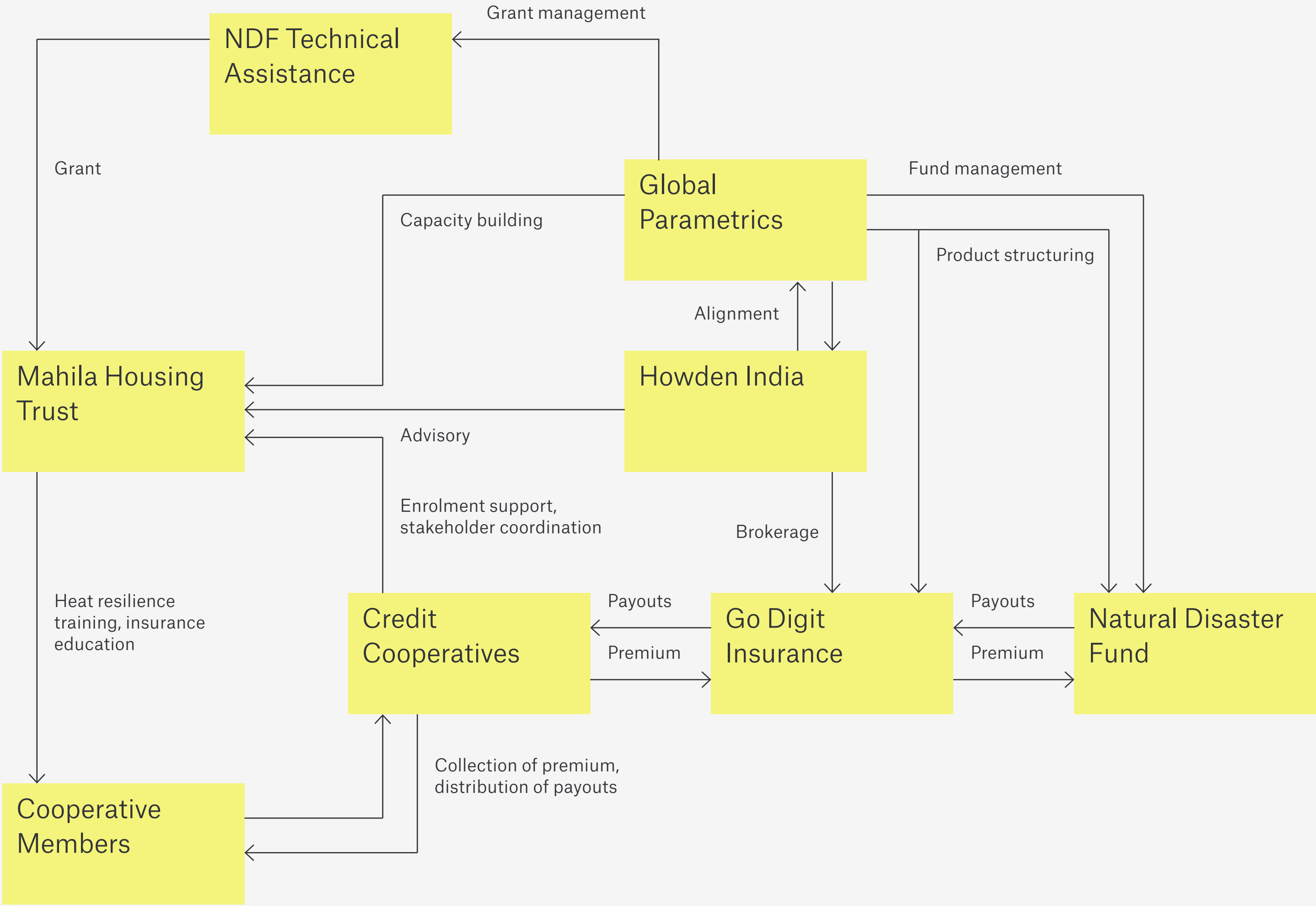
The Gujarat pilot faced challenges, such as building customers' trust, data accuracy and transparency, and keeping premiums affordable. Beneficiaries were unfamiliar with insurance. MHT ran workshops with local credit cooperatives to simplify insurance terms, ensuring universal understanding and trust. Aligning global heat indices with local conditions was challenging. Collaboration between technical teams and community representatives helped calibrate triggers for payouts to reflect real-world experiences. Finally, while donor funding subsidised the premiums during the pilot phase, transitioning to a self-sustaining model remains a challenge.

Figure 34
Key features of the Gujarat heat index insurance product

Feature	Details
Product term	1 April to 31 July 2024
Premium per member	US$3.60
Temperature triggers	Two consecutive days of heat
Payout range per beneficiary	US$9–15
Individuals covered	26,000 women in Ahmedabad, Surat and Vadodara
Beneficiaries paid out	2,000

Source: Tuschen, Kay. Presentation on "Climate Risk Insurance Parametric (excess temperature) Insurance or women members of credit cooperatives" ICII 2024.

Figure 35
The risk transfer product framework for MHT's heat index insurance pilot



Source: Tuschen, Kay. Presentation on "Climate Risk Insurance Parametric (excess temperature) Insurance or women members of credit cooperatives". ICII 2024

Parallel session 11
Growing global actuarial capacity to support sustainable economic and inclusive insurance development

Hosted by the Actuarial Society of Nepal

This session highlighted the important role that actuaries play in developing inclusive insurance markets and the need to continue building actuarial capacity in developing countries. The panellists discussed the achievements, challenges and opportunities for strengthening the actuarial professions in emerging economies. As an example, the session looked at Nepal's experience as part of the UNDP-Milliman Global Actuarial Initiative (GAIN)[28]. The discussion also explored the approaches taken by global and local organisations, such as regulators and development agencies, to foster growth, sustainability and resource retention in the actuarial field.

Left to right: **Diana Almoro,** Regional Lead Asia Pacific, UNDP-IRFF, Thailand; **Pujan Dhungel Adhikari,** Director, Nepal Insurance Authority (NIA), Nepal; **Michael J. McCord,** Managing Director, MicroInsurance Centre at Milliman, USA; **Ram Kumar Yadav,** CEO, Liberty Micro Life, Nepal; **Prechhya Mathema,** President, Actuarial Society of Nepal (ASN), Nepal

28 For more information on GAIN, see the summary on "Workshop 2 – Top-line and bottom-line strategies for inclusive insurance" and https://www.milliman.com/en/milliman-undp-global-actuarial-initiative

Key takeaways

Building actuarial capacity can involve significant challenges, particularly in LMICs. The main issues are talent scarcity, limited awareness and retention difficulties. In addition, many developing countries lack a basic framework to support actuarial training. For instance, in Nepal, the actuarial profession was virtually non-existent until the Actuarial Society of Nepal (ASN) was established in 2019. Today, the ASN – with the support of GAIN – collaborates with the Nepal Insurance Authority (NIA) to integrate actuaries into the insurance ecosystem.

GAIN prioritises education to build actuarial capacity and improve awareness. In Nepal, the ASN and NIA have jointly created actuarial education pathways. The ASN runs workshops and mentorship programmes for students, while the NIA encourages insurers to employ more actuaries in key roles. This strategy has transformed Nepal's insurance landscape, making it a model for other nations looking to build actuarial capacity and establish the actuarial profession.

Regulators can play a catalytic role in developing the actuarial profession (Figure 36). GAIN works with regulators to define the role of actuaries in insurance regulations. In Nepal, the NIA has mandated insurers to have actuaries on their teams. In addition, regulators are trained to understand actuarial reports, enabling them to make informed decisions. Once regulators value actuarial work, insurers are more likely to integrate actuaries into strategic decision-making processes. This can create a ripple effect, encouraging further investment in actuarial capacity.

Retaining actuarial talent is perhaps the most significant challenge that insurers face in most LMICs. Many actuarial graduates from developing countries leave for better-paying jobs abroad, leading to a brain drain that weakens local industries. In some countries, local actuarial societies have created a supportive ecosystem for such professionals. For example, the ASN in Nepal offers actuarial exam subsidies, runs mentorship programmes and creates networking opportunities to encourage students to pursue actuarial careers within the country.

Figure 36
Regulatory initiatives implemented to develop the actuarial profession in Nepal

1	Establishment of the actuarial analyst function	A provision was highlighted in the Guidelines Related to the Actuary Appointment for Insurers, 2024 (BS 2081)
2	A memorandum of understanding for further collaboration	The NIA aims to sign an MoU with the ASN and Tribhuvan University (TU) to further develop actuarial capacity
3	Partnership with GAIN	This includes a mentorship programme, webinar for senior management, training for experts and capacity building for NIA staff

Source: Dhungel Adhikari, Pujan. Presentation on "Growing global actuarial capacity to support sustainable economic and inclusive insurance development". ICII 2024.

Parallel session 12
New approaches to working with farmer organisations for affordability, sustainability and scale for climate risk insurance

Hosted by Feed the Future Innovation Lab for Markets, Risk & Resilience

This session focused on innovative approaches to overcoming issues such as affordability, trust and literacy in inclusive insurance for farmers through farmer organisations. Engaging with farmer organisations allows insurance providers to offer smallholders climate risk insurance. The panellists highlighted practical models (Figure 37), including savings-based insurance mechanisms, community-led outreach and technology-enhanced claims platforms – all designed to improve insurance access and resilience in vulnerable populations.

Left to right: **Pranav Prashad,** Senior Technical Officer – Impact Insurance Facility, ILO, Switzerland, Switzerland; **M.K. Balachandran,** Head of Growth, IBISA Network, India; **Tara Chiu,** Associate Director, Feed the Future Innovation Lab for Markets, Risk & Resilience, University of California Davis, USA; **Linda Busienei,** Programme Manager – Impact Projects and Village Champion Model, ACRE Africa, Kenya; **Benson Mbuthia,** Microinsurance Lead, Africa, Rural Inclusion CIC, Kenya

Key takeaways

The Feed the Future Innovation Lab trialled the village insurance savings accounts (VISA)[29] model to make insurance more available to low-income households. The model integrates incremental savings with community education. Participants can regularly save small amounts over a specified period to overcome paying a large, lump-sum premium. The scheme was piloted in 2024 in Kenya with 430 savings groups; the experimental group recorded a 41% uptake compared to 33% in the control group. Participants were set specific savings targets aligned with their insurance needs, making premiums more manageable. The educational component focused on enhancing participants' ability to make informed decisions about risks and insurance coverage.

ACRE Africa[30] has used the village champion (VC) model, which relies on trusted community leaders to promote insurance uptake. These leaders help to educate farmers, aggregate demand, and assist with claims processing. Their already-established rapport enables them to bridge any gaps in customer trust and understanding. To date, over 1,000 VCs have been trained in Kenya, Tanzania and Zambia and helped to introduce millions of farmers to insurance. ACRE Africa found that farmers trust initiatives led by their peers or local leaders, making the VC model an effective tool to build insurance awareness and adoption.

Rural Inclusion[31] found that animations have helped educate remote and underserved communities with low literacy levels about the benefits of insurance. Culturally relevant and relatable animated videos were delivered via offline mobile platforms to groups in Kenya and Uganda. These animations helped to simplify complex insurance concepts and built trust among rural communities. Importantly, the animations helped to allay misconceptions that community members had. While producing the videos requires a one-time cost and can be viewed in offline mode, scaling the use of these videos may remain a challenge.

IBISA[32] uses real-time updates on insurance triggers to create transparency and trust between insurers and policyholders. These updates are delivered via a platform that relies on satellite data to deliver daily updates on claim triggers and indices. Farmers are also kept informed about their coverage status, even when no claims have been made, enhancing their trust in the product. The platform has the potential to scale other parametric insurance products but requires reliable data to maintain functionality and expand access to remote areas.

29 Innovations in Index Insurance: Village Insurance Savings Accounts (VISA)
30 ACRE Africa
31 Rural Inclusion
32 BISA Network

Figure 37
A comparison of the different inclusive insurance approaches with farmer organisations

Model	Strengths	Challenges	Best Suited For
VISA model	Affordable, promotes financial discipline and risk awareness.	Requires consistent engagement and skilled facilitation.	Savings groups and low-income communities.
VC model	Builds trust through local leadership; improves adoption.	Champions need diversified income to sustain engagement.	Rural farmers and cooperatives.
Animated videos	Simplifies complex concepts; bridges literacy gaps.	High production costs; limited technology access in remote areas.	Low-literacy populations in underserved areas.
Claims transparency	Builds trust with real-time updates and is scalable.	Data reliability and digital infrastructure limitations.	Parametric insurance and weather-index tools.

Adapted from the panellist presentations for the "New approaches to working with farmer organisations for affordability, sustainability and scale for climate risk insurance" session. ICII 2024.

Plenary 5

The business impact of female agents and the insurance sector as an employer of choice for women
Hosted by ILO and IFC

Speakers

Prapti Sherchan
Operations Officer – Gender and Economic Inclusion Department, IFC, Nepal

Thushari Perera
Director Human Resources, AIA Sri Lanka, Sri Lanka

D.V.S. Ramesh
Chief General Manager, Insurance Regulatory and Development Authority of India (IRDAI), India

Facilitator

Lisa Morgan
Technical Specialist, Actuary, ILO's Impact Insurance Facility, Switzerland

Plenary 6

Financial resilience towards climate adaptation
Hosted by UNDP

Speakers

Sabnam Shivakoti Aryal
Joint Secretary, Ministry of Agriculture, Nepal

Musa Lukwago
Principal Economist, Ministry of Finance, Planning and Economic Development, Uganda

Patricio Salas
Executive Secretary, FEDESEG, Ecuador

Ajaykaran Singh
PMFBY National Project Coordinator, UNDP India

Facilitator

Enock Sing'oei
Agricultural Insurance Specialist, UNDP IRFF, Kenya

Plenary 7

20th International Conference on Inclusive Insurance: Looking back at key trends, successes and failures in selected countries
Hosted by Munich Re Foundation

Speakers

Eduardo Morón
President of APESEG (Peruvian Association of Insurance Companies), Peru

Farzanah Chowdhury
Managing Director and CEO, Green Delta Insurance, Bangladesh

Lemmy Manje
CEO and Founder, FinProbity Solutions, Zambia

Facilitators

Dirk Reinhard
Vice Chair, Munich Re Foundation, Germany

Craig Churchill
Chief, ILO's Social Finance Programme, Switzerland

Plenary 8

Closing ceremony and outlook for 2025

Speakers

Pujan Dhungel Adhikari
Director, Nepal Insurance Authority (NIA), Nepal

Lorenzo Chan
CEO, Pioneer Insurance, Philippines and Chair of the Board, Microinsurance Network, Luxembourg

Facilitators

Dirk Reinhard
Vice Chair, Munich Re Foundation, Germany

Patricio Salas
Executive Secretary, FEDESEG, Ecuador

Plenary 5
The business impact of female agents and the insurance sector as an employer of choice for women

Hosted by the ILO and IFC

This session highlighted the importance of women distribution agents, gender sensitivity training and the insurance sector as employers of women. The discussion shed light on how women employees and agents foster inclusive growth for the industry. The session also introduced In4Women[33], the IFC-ILO Community of Practice (CoP) and how interested organisations can participate in this virtual CoP. In4Women aims to increase the insurance industry's knowledge about the women's insurance market opportunity and help insurers become employers of choice for women.

33 ILO – Targeting women in insurance

Left to right: **D.V.S. Ramesh,** Chief General Manager, Insurance Regulatory and Development Authority of India (IRDAI), India; **Thushari Perera,** Director Human Resources, AIA Sri Lanka, Sri Lanka; **Lisa Morgan,** Technical Specialist, Actuary, ILO's Impact Insurance Facility, Switzerland; **Prapti Sherchan,** Operations Officer – Gender and Economic Inclusion Department, IFC, Nepal

Key takeaways

According to the IFC, women represent a significant and growing market opportunity for insurers, estimated to rise to around US$1.7 trillion by 2030. LMICs are expected to account for 50% of this – an increase from just 10% in 2013. Globally, women control around three-quarters of discretionary spending. This is equivalent to an annual total of US$20 trillion. However, despite such financial influence, women remain underserved in the insurance sector: only 31% of women entrepreneurs hold life or business insurance policies. This is often due to a lack of awareness of insurance as a risk management tool. This represents a significant opportunity for insurers.

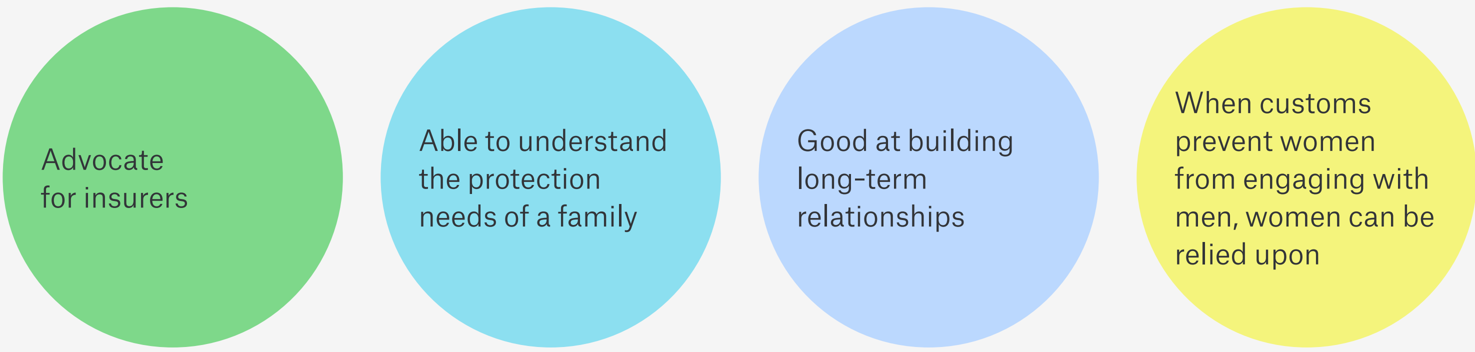
Women agents are more likely to lead to a higher uptake of insurance for both men and women (Figure 38). Women agents are well-positioned to engage with underserved women in LMICs, given their ability to understand women's specific financial needs. Among communities where women do not typically interact with male agents, women agents are essential in bridging the gender insurance gap. Women agents are more adept at building trust and managing long-term relationships. Despite the growing use of digital technology, female agents remain highly relevant, as technology alone cannot replace trust and relationship-building.

Studies on the insurance gender gap have found that women-led insurance teams can attract more women retail customers, helping to close the gender protection gap. Employing women across the different functions in an insurance company can help to consider women's needs and perspectives earlier in product design. In general, women-led insurance teams can attract more women retail customers. In Sri Lanka, women comprised 46% of AIA Sri Lanka's agency workforce in 2024. This has helped to broaden client reach, improve retention rates and drive business growth. This can impact financial performance too: research by Swiss Re found that insurers with more women in leadership roles achieved an additional 3–5% return on equity.

Some regulators are also playing a leading role in narrowing the gender gap, such as India's Insurance Regulatory and Development Authority (IRDAI). Through its Bima Vahak initiative, IRDAI is integrating women entrepreneurs into insurance distribution, particularly in underserved areas. The scheme aims to increase insurance penetration across the country and create more jobs too. This is being done by training local women to become insurance agents and equipped with digital tools to sell and service insurance policies. This also allows women agents to understand local needs and feed this back to product development.[34]

34 IRDAI Bima Vahak Guidelines, 2023

Figure 38
How female agents remain relevant for women's insurance



Source: Sherchan, Prapti. Presentation on "The business impact of female agents and the insurance sector as an employer of choice for women". ICII 2024.

Plenary 6
Financial resilience towards climate adaptation

Hosted by the UNDP

This workshop focused on the role of agricultural insurance in helping vulnerable communities adapt to climate change. Climate-related disasters can have a disproportionate impact on smallholder farmers, the backbone of agricultural production. During the session, agricultural insurance was presented as a solution to unlock investment and proactively manage risks. During the session, experts from Africa, Asia and Latin America each explained how innovative insurance schemes are enabling communities in their regions to withstand and adapt to these growing risks.

Top left: **Sabnam Shivakoti Aryal,** Joint Secretary, Ministry of Agriculture, Nepal

Top right: **Enock Sing'oei,** Agricultural Insurance Specialist, UNDP IRFF, Kenya

Bottom: Left to right: **Ajaykaran Singh,** PMBFY National Project Coordinator, UNDP India; **Patricio Salas,** Executive Secretary, FEDESEG, Ecuador; **Musa Lukwago,** Principal Economist, Ministry of Finance, Planning and Economic Development, Uganda

Key takeaways

India's Pradhan Mantri Fasal Bima Yojana (PMFBY)[35] crop insurance scheme is a case study on how technology can drive efficiency and scale in agricultural insurance (Figure 39 on page 88). Now covering over 42 million farmers annually, PMFBY is one of the largest global insurance programmes. The scheme uses remote-sensing technology and automated yield estimation to reduce delays in the claims process. Linking insurance to digital land records has also eliminated fraud – enhancing trust and transparency in the process. PMFBY also includes a centralised grievance mechanism to ensure that farmers' concerns are heard. This makes the programme efficient and empathetic.

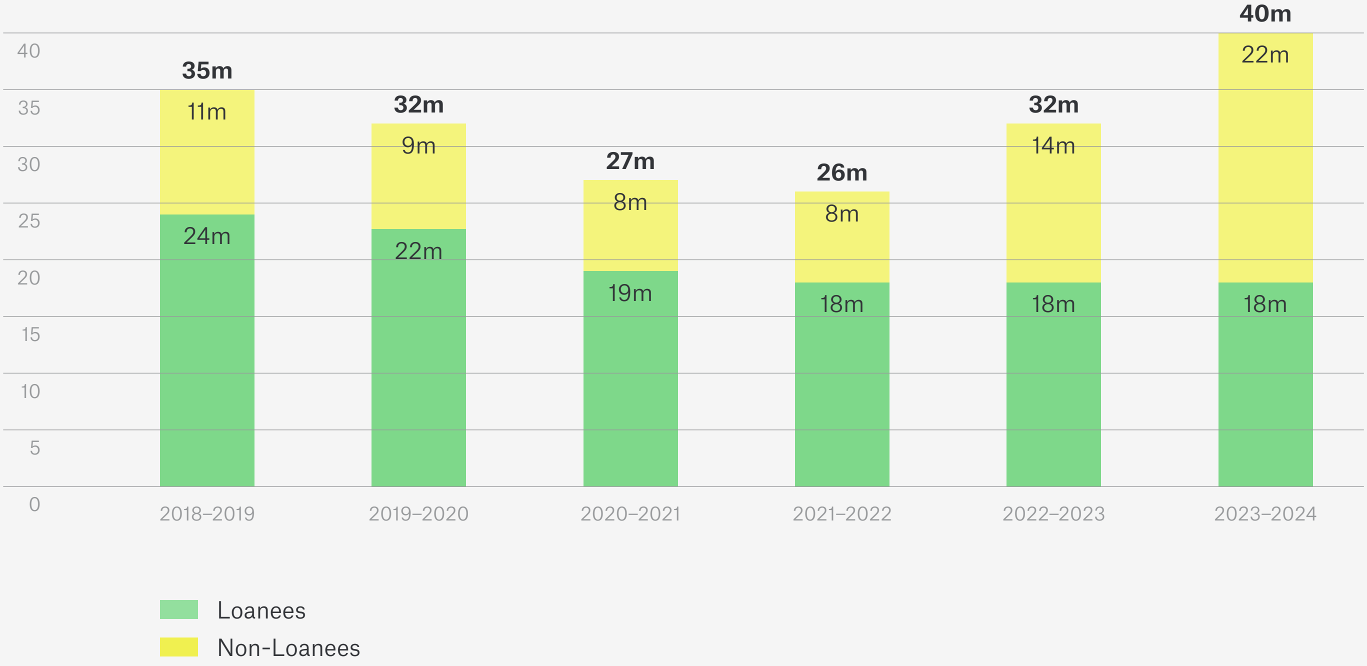
Uganda's Agricultural Insurance Scheme (UAIS)[36] operates through a public-private partnership that integrates insurance with access to finance. Premium subsidies of up to 50% have enabled even the most vulnerable farmers to access insurance. Partnerships with banks have allowed the scheme to distribute insurance with agricultural credit. With this safety net in place, the scheme has enabled farmers to invest in modern farming techniques. Since its inception, the programme has insured over 850,000 farmers across Uganda. This level of adoption has led to financial stability and poverty reduction in drought-prone areas.

Nepal's Agricultural Insurance Programme[37] relies on cooperatives to support rural livelihoods. The programme includes government-subsidised premiums, while the cooperatives provide a distribution network. The scheme includes capacity building for agricultural technicians and insurance agents to ensure effective distribution. The cooperative model helps to reduce administrative costs, keeping the insurance cover affordable. The programme has led to greater access to insurance for farmers and has strengthened rural resilience. This is important in Nepal, where many rural Nepalese live as part of communities with strong bonds based on trust.

Ecuador has piloted a parametric insurance initiative, CampoSeguro, to speed up claims for smallholder maize and rice farmers affected by disasters. Launched by the Ministry of Agriculture and Livestock, the scheme makes payouts based on predefined thresholds for excess rainfall. It relies on a combination of data from satellites and weather stations to ensure that the index triggers are accurate and transparent. The initiative has helped to reduce financial stress among vulnerable communities and enhance their resilience. As of August 2024, nearly 2,350 maize farmers in the Manabí District had been paid out around US$ 560,000.

35 Pradhan Mantri Fasal Bima Yojana
36 Agro Consortium – Uganda Agriculture Insurance Scheme
37 Nepal Insurance Authority – Agriculture Insurance Data

Figure 39
PMFBY farmer enrolment (millions)



Source: Singh, Ajaykaran. Presentation on "Financial resilience towards climate adaptation". ICII 2024.

Spotlight 6
The 20th ICII: Looking back at key trends, successes and failures in selected countries

Hosted by the Munich Re Foundation

The ICII 2024 marked the 20th International Conference on Inclusive Insurance. Over the last 20 years, microinsurance has enabled financial inclusion and risk mitigation for underserved communities worldwide. Plenary 7 shed light on the inclusive insurance journey in some of the countries that hosted the ICII in the recent past. Previous organisers from Peru, Zambia and Bangladesh shared the lessons learnt in markets after hosting the ICII.

Left: **Craig Churchill,** Chief, ILO's Social Finance Programme, Switzerland

Right: **Dirk Reinhard,** Vice Chair, Munich Re Foundation, Chair of the Conference Steering Committee of the ICII

Left: **Lemmy Manje,** CEO & Founder, FinProbity Solutions, Zambia (right)

Right: **Farzanah Chowdhury,** MD and CEO, Green Delta Insurance, Bangladesh

Twenty years of learning and sharing

The early years of the ICII, previously known as the International Microinsurance Conference (IMC), focused on microinsurance. The conference's discussions centred on defining microinsurance, exploring different models (e.g. community-based, partner agent and direct) and structuring these initiatives. Insurer involvement was not a given. However, there was an emphasis on the link between social protection and private insurance, and how the public and private sectors could collaborate. From a product perspective, these conversations revolved around credit life and health insurance. There was also strong interest in the role of regulators in creating an enabling environment for microinsurance. Climate risk insurance was not yet a priority.

During the ICII's middle years, an academic track was added to allow more analysis, especially on the social impact of microinsurance. By then, the event had become an established meeting point for the microinsurance community and was attracting a large audience. Even during these early editions, the ICII's diverse attendance showed that inclusive insurance should be a collaborative effort. The events' themes covered national strategies, a broader range of products (e.g. life, health, agriculture and property insurance) and the emergence of innovation through technology. Importantly, there was a growing recognition that inclusive insurance was becoming a commercial topic rather than solely a development agenda.

The ICII's third stage can be described as its teenage years, during which insurers became central to the conversation, with some proactively seeking business opportunities. Markets driven by entrepreneurial insurers saw the most significant growth. This was partly driven by regulatory progress, as several countries had introduced microinsurance regulations. Thematically, the conference explored how to unlock opportunities for low-income households and MSMEs, the role of data and associated infrastructure, and the need for government-backed smart subsidies. Health insurance remained core to product conversations, while agriculture and climate risk insurance became a big challenge for inclusive insurers.

How the ICII helped to grow the insurance industry's interest

Several industry developments during the "teenage years" show how important a phase it was for inclusive insurance. By this time, mobile technology had emerged, offering wide customer reach and an unparalleled opportunity for scale. Unfortunately, neither MNOs nor inclusive insurance providers truly benefitted from collaboration; the excitement of using mobile for distribution wore off. This did not dampen microinsurance's potential. Instead, there was growing interest in promoting resilience – insurance was considered as part of a wider toolkit to protect lives and livelihoods. The conference also focused on the quality of the microinsurance products offered, encouraging participants to share their successes and failures.

The last five years have seen the IMC evolve into the ICII, reflecting a broader understanding of underserved markets. The focus has shifted from developing solutions for just low-income households to include women, smallholder farmers, MSMEs and other segments. Client-centricity and human-centred design are now key to understanding market segments and creating targeted insurance solutions. Discussions around public-private partnerships (PPPs) and their role in achieving public policy objectives have become more prominent. The conference's expanding footprint has created more opportunities to share expertise and engage with markets that are still in the early stages of inclusive insurance development.

The ICII has evolved from defining and exploring microinsurance to a platform for discussing and promoting inclusive insurance solutions across a range of products and markets. The COVID-19 pandemic has significantly disrupted the landscape, highlighting climate risks as a major concern. Parametric insurance, previously a side-show, has gained mainstream attention, though implementation challenges remain. Fintechs and platforms are once again central to the conversation. Overall, the ICII has brought together diverse stakeholders to foster collaboration and drive progress in inclusive insurance. This is highlighted by the experiences of previous host countries: Peru (2017), Zambia (2018) and Bangladesh (2019).

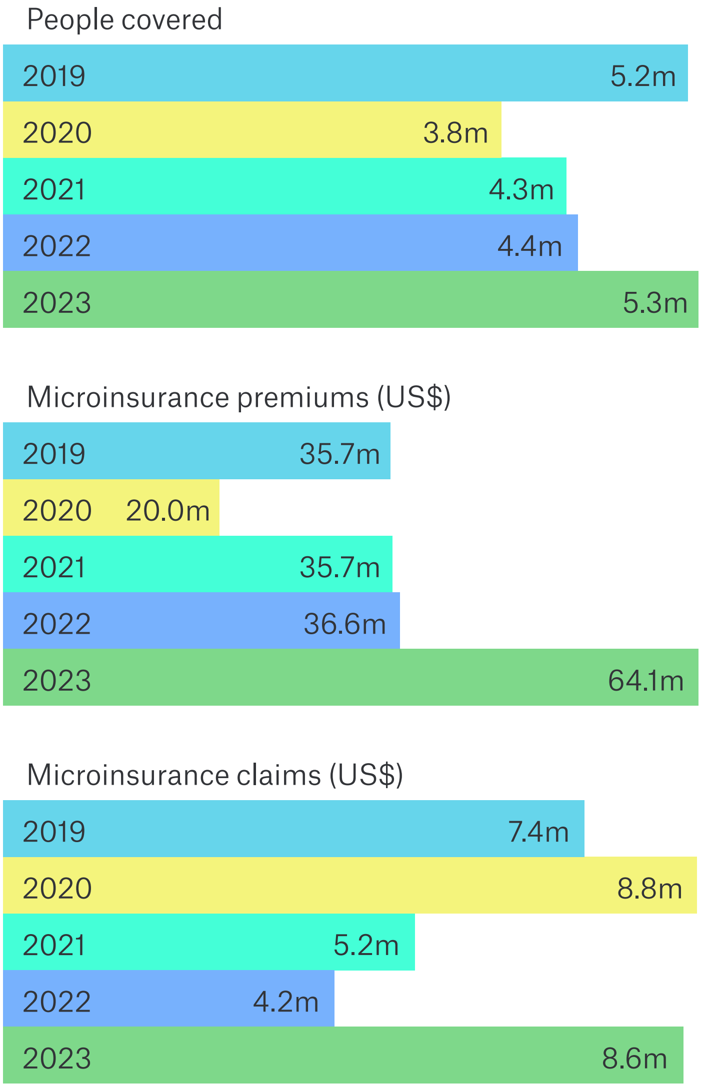
Eduardo Morón, President of APESEG, The Peruvian Association of Insurance Companies, presenting online (centre screen)

Lessons from Peru: Increase the diversity of distribution channels

Although over five million people (out of 30 million) are covered, microinsurance adoption in Peru is still lagging, with low premiums and claims (Figure 40). Life insurance is the most common product. Insurance penetration remains low in Peru due to a lack of trust in insurance companies, poor perceived value and a focus on profit-making over actual protection for the population. The COVID-19 pandemic highlighted the importance of insurance and presented a powerful message about its benefits, yet Peru faces barriers to distribution and product design.

The main challenge in Peru is a large informal workforce which lacks access to formal financial services. Lack of access to social protection also makes informal workers highly vulnerable to economic shocks. Microinsurance providers have typically struggled to reach this segment. Current offerings often don't meet the users' needs, as evidenced by low premiums, claims and average annual premiums. Progress has also been compounded by high distribution commissions, limiting the ability to employ a customer-centric approach to product development.

Figure 40
The evolution of microinsurance in Peru, 2019–2024



Source: Morón, Eduardo. Presentation on "20th International Conference on Inclusive Insurance: Looking back at key trends, successes and failures in selected countries". ICII 2024.

Box 1
Key microinsurance developments in Peru

- Specific regulation has been developed with the industry's active participation, which has been revised and improved at specific points (i.e. in 2007, 2009, 2016 and 2024)
- The Government of Peru has provided financial inclusion initiatives. This has led to synergy when targeting the same population
- The industry has developed new microinsurance products, while MFIs have played a key role as distribution channels for the target population
- The ICII 2017 was held in Lima, Peru

Lessons from Zambia: Using a multi-stakeholder group to launch growth

In 2009, after a country diagnostic was published, Zambia established the Technical Advisory Group (TAG) – a multi-stakeholder group to overcome the diagnostic's key constraints. This led to new micro-insurance regulations, a marketplace and the integration of insurance into the Farmer Input Support Programme. Mobile microinsurance was explored with Airtel and MTN, though both initiatives did not flourish. Despite these setbacks, as of October 2024, over four million people were covered by microinsurance, up from 100,000 in 2009. Around 86% of products remain voluntary (Figure 41).

Zambia is seen as a pioneer in mobile microin-surance models. This can be attributed to TAG promoting industry collaboration, tailored capacity building, support from development agencies and public-private partnerships. However, the country's experience demonstrates the complexities of building a microinsurance market. Challenges arose from an overemphasis on scale and digital solutions, weak partnerships, small pilots, weak organisational structures and prioritising awareness before demon-strating value. Lessons from Zambia's initiatives point to a need for a long-term, adaptive approach with strong collaboration and a focus on understanding and meeting customer needs.

Figure 41
A snapshot of microinsurance in Zambia, 2024

Over 4m people are covered by microinsurance annually	86% of products require voluntary uptake
<100,000 people were covered in 2009 (credit-life products only)	76% of policies are for individual cover
32 products were available in 2024	40% of products are for funeral coverage

Source: Manje, Lemmy. Presentation on "20th International Conference on Inclusive Insurance: Looking back at key trends, successes and failures in selected countries". ICII 2024.

Box 2
Key microinsurance developments in Zambia

- 2009: The Microinsurance Technical Advisory Group (TAG) was established after the country diagnostic study, and a country coordinator was appointed
- 2014: Over one million farmers were insured through a public-private model for agricultural insurance, while mobile microinsurance services began to emerge
- 2018: The 14th IMC was held in Lusaka, Zambia
- 2021: A new Insurance Act was passed by the Government of Zambia
- 2024: New microinsurance regulations were launched by Zambia's Pensions and Insurance Authority

Lessons from Bangladesh: Overcoming early challenges to create future potential

While Bangladesh has a population of 174 million, microinsurance penetration remains below 1%. The country's microinsurance journey began in the early 1970s through government-funded initiatives, many of which failed due to moral hazard and poor underwriting. Since then, subsequent efforts have helped to increase the involvement of the private sector and NGOs. Despite some progress, significant challenges persist. This includes a lack of insurance awareness among the population, high poverty rates and a challenging regulatory environment (Figure 42).

Despite these barriers, there is significant potential for growth in areas such as crop, agricultural and health insurance. Technology is seen as a key enabler for future growth. There are over 212 million mobile financial services accounts as of 2024, of which around 42% are held by women. This offers a significant opportunity to target underserved users through digital distribution channels. To achieve improved distribution and scale microinsurance in Bangladesh, there is a need for more and constant research and development (R&D). More targeted R&D could be used to analyse data on past lessons and increase collaboration with the technology sector.

Figure 42
Challenges and opportunities to scale for inclusive insurance in Bangladesh

1 Despite an economic growth rate of 5.2%, insurance penetration is 0.5%. This reflects untapped market potential.

2 Bangladesh requires US$12.5 billion (or 3% of GDP) for climate action.

3 The agricultural industry contributes 11.4% to GDP, highlighting the need for tailored insurance products to safeguard farmers' livelihoods and productivity.

4 Around 19% of the population lives below the poverty line. Affordable insurance can help to provide financial security and resilience.

5 About three-quarters of personal funds being used for out-of-pocket expenditure highlights the need for health insurance.

6 With the youth comprising 46 million people, Bangladesh has a large demographic to target with innovative inclusive insurance products.

Source: Chowdhury, Farzanah. Presentation on "20th International Conference on Inclusive Insurance: Looking back at key trends, successes and failures in selected countries". ICII 2024.

Box 3
Key microinsurance highlights in Bangladesh

- 1972 to present: Around 1.2 million beneficiaries have received claim payouts as part of the Ganoshasthya Kendra inclusive health insurance scheme
- 1977–1995: The Sadharan Bima Corporation (SBC) ran a multi-peril crop insurance scheme. Loss ratios reached 500% due to moral hazard
- 1981–2008: A cattle insurance pilot was run by the SBC. The programme was terminated due to poor underwriting and a lack of demand
- 2010–2014: Palli Karma-Sahayak Foundation ran a scheme with Sajida Foundation to insure women against accident and natural disasters. Around 150,000 beneficiaries received claim payouts
- 2014 to present: Over 600,000 women have benefitted from Nibedita, a women-focused inclusive insurance scheme
- 2015–2023: Over 207,000 individuals and their families benefitted from the Government of Bangladesh's Shasthyo Shuroksha Karmasuchi health insurance scheme
- 2018: The International Conference on Inclusive Insurance (rebranded from IMC) was held in Dhaka, Bangladesh
- 2019 to present: At least 1.39 million farmers have benefitted from a weather index insurance scheme run by Green Delta Insurance and the IFC

Plenary 8
Closing and outlook for 2025

The conference ended with an invitation to the ICII 2025 by Patricio Salas, the Executive Secretary of FEDESEG – the Ecuadorian Federation of Insurance Companies. This was followed by a summary of the ICII 2024 by the conference organisers.

In a video message, María Paulina Vela Zambrano, President of the Ecuadorian Supervisory Authority, invites the participants of the conference to take part in the ICII 2025 that will take place in Quito from the 13th to the 17th of October.

Key takeaways

Continuing the mission: Narrowing the insurance gap is still the end goal
Dirk Reinhard, the Vice Chair of the Munich Re Foundation, customarily delivered a summary of lessons learnt during the event. He reminded the participants that 2.6 billion people still lack any form of insurance. To close this gap, multi-stakeholder engagement is key. Lorenzo Chan, the Chair of the Board of the Microinsurance Network, emphasised the importance of political will and collaboration in developing effective microinsurance solutions. He highlighted the possibility of achieving both profit and purpose, citing several such examples that the conference covered.

Lessons from the experience should be used towards meaningful change
Pujan Dhungel Adhikari, Director of the Nepal Insurance Authority, highlighted the fresh perspectives gained on familiar topics. In particular, she highlighted the opportunity for the Nepalese inclusive insurance community to learn from admired experts that many had not previously met. She urged inclusive insurance practitioners to use the lessons from the ICII to rethink approaches towards meaningful change in society. In particular, she encouraged participants to remember the insights from the sessions on the Landscape of Microinsurance and the CARD Pioneer partnership.

"We must seize ... renewed energy from this conference and ... look beyond how things are"
The closing ceremony brought the ICII 2024 to a formal end on a high note. Many participants left the event with a greater sense of purpose, ambition and desire to continue working towards the growth of inclusive insurance. During the ceremony, all speakers expressed their gratitude to the organisers, sponsors and participants for helping to make the 2024 conference the most successful ICII yet. In particular, Dirk Reinhard thanked all members of the Nepal organising committee for their tireless efforts and commitment over many months. Lorenzo Chan urged all participants to leave the conference with renewed energy to go beyond the status quo.

Greater participation from all regions can create and maintain lasting change
Patricio Salas, Executive Secretary of FEDESEG, reflected on his long journey to reach Nepal from Ecuador – a worthwhile experience to learn from and interact with the global inclusive insurance community. He explained that Ecuador had a high protection gap (81%), despite ongoing efforts to implement financial inclusion and education policies. Given this, he felt it was an ideal time for Latin America to host the conference and drive positive and lasting change in the region. He extended a warm invitation to all participants to attend the ICII 2025 in Quito, Ecuador, from 13 to 17 October 2025.

Pujan Dhungel Adhikari
Director, Nepal Insurance Authority (NIA), Nepal

Lorenzo Chan
CEO, Pioneer Insurance, Philippines / Chair of the Board, Microinsurance Network, Luxemburg

Dirk Reinhard
Vice Chair, Munich Re Foundation

Patricio Salas
Executive Secretary, FEDESEG, Ecuador

Field trip highlights
Exploring the success of microinsurance in Gagalphedi, Nepal

Field trip organised by the Nepal Insurers' Association (NIA)

Nepal has made significant progress towards sustainable development in recent years. The growth of an inclusive agricultural insurance sector is an important aspect of this journey. On Friday 25 October, around 50 participants attended the ICII's field trip to learn about agricultural and livestock microinsurance in Gagalphedi – an hour northeast of Kathmandu.

Several years ago, dairy farmers in the area formed the Kageshwori Milk Production Cooperative to share the cost of collecting and distributing milk, and its derivative products. The cooperative is an important source of income in Gagalphedi. With around 500 members, it receives around 2,000 litres of milk every day. Farmers can earn around US$ 1,500 per cow per year, with payments made weekly – usually in cash – to ensure a steady income.

Box 4
Background on agricultural and livestock insurance in Nepal

Inclusive insurance in Nepal is broadly categorised into two classes: agriculture insurance and microinsurance. The Agriculture Insurance Directive, issued by the insurance regulator in 2013, marked the beginning of a new era in agriculture insurance. Prior to this, non-insurance organisations, such as NGOs, international NGOs and village communities, provided agricultural insurance services. Nepal has also been practicing the "Guthi" system, a community-based socio-cultural group that provides insurance-like benefits to its members.

The Agri Insurance Directive outlines the terms and conditions for insurance policies, including premium rates, insurable livestock types, age bars, sum insured limits and claims procedures. Initially, only seven agri-insurance policies were permitted in 2013. Today, there are 32 agri-insurance policies, including:

- Livestock insurance policies (7)
- Crop insurance policies – input-value basis (6)
- Crop insurance policies – yield-value basis (17)
- Herbs insurance policies – yield-value basis (2)

Premium rates for agriculture insurance policies vary across different categories, ranging from 1.25% for poultry (broiler only) to 7% for goat (up to 90 days and above 5 years), vegetable (yield value), fodder grass, ginger and walnuts (yield value).

The Government of Nepal offers premium subsidies to farmers, at the following rates:

- 50% for insured values above US$ 72,200
- 65% for insured values above US$ 36,100 and below US$ 72,200
- 80% for insured values below US$ 36,100
- 0% for Nepali pheasant, Sechuan seed and mint index-based flood insurance

Agriculture insurance covers perils such as fire, acts of God (e.g. earthquake, flood, landslide, drought, storm), accidents, wild animal damage, disease and damage by insects. However, certain exclusions apply, such as late claim reporting, missing tags, accidents over five kilometres away from the shed and use for other purposes. All 77 districts in Nepal are allocated to insurance companies, with each company responsible for three to 20 districts. After mergers, six merged companies now manage 7–8 districts each.

Why Gagalphedi is a model for rural insurance distributed through a cooperative

Through the cooperative, the farmers have been able to access insurance – initially for their cows and buffaloes. As of 2024, farmers can also insure other livestock (such as goats and chickens), crops and their property. Encouraged by the positive experience with livestock insurance, many farmers have also purchased home and personal accident insurance. This has improved the overall financial security of many farmers. The cooperative's support system and use of insurance have made Gagalphedi a model for how microinsurance can improve rural livelihoods in Nepal.

Nearly 99% of the cooperative's members had insured their livestock (mainly cattle). This high uptake reflects the community's trust in the cooperative and farmers' confidence in investing in insurance to protect themselves from unexpected risks. The cooperative typically helps farmers explore insurance options and helps them with claims, actively reinforcing the importance of insurance for resilience in the process.

Sarthak Raj Pandey of Shikhar Insurance explains how cattle are insured. The animals are given an ear tag, and their birthmarks are videotaped so that they can be identified for re-tagging even if the ear tag is lost. The value of the cow is assessed by a veterinarian, which is equal to the sum insured. Insurance policies are issued on an annual basis.

Insurance awareness is significantly higher in Gagalphedi than in many other rural parts of the country, due to initiatives by providers such as Shikhar Insurance and the support of local cooperatives. While most cattle are insured, around 45% of goats are covered too. Poultry insurance was recently introduced, though its adoption currently remains low. Despite these successes, overall insurance coverage and awareness generally remain low in the rural areas of Nepal.

There are digital opportunities and protection gaps beyond agriculture

Most farmers in Gagalphedi have smartphones and are aware of digital payment services such as eSewa, Namaste Pay and IME Pay. However, many still use cash for regular payments and to receive their agricultural income – despite the lack of a formal bank in the district. Instead, the cooperative fulfils this role by providing loans at interest rates between 6% and 12%. This access to credit has helped farmers manage their finances effectively and improve their access to other financial services and products, such as insurance.

“It is their daily go-to bank, so they have trust in it.” Farmer and member of the Kageshwori Milk Production Cooperative, Gagalphedi, Nepal.

Participants also learned first-hand from women in Gagalphedi, several of whom confidently demonstrated significant financial autonomy. One woman entrepreneur even explained that she had been able to save US$ 300 every month. Financial independence has enabled women in the district to contribute significantly to and manage household finances. This also highlights the cooperative's role in promoting gender financial equality in the community.

Beyond the cooperative enabling improved access to credit and narrowing the gender gap, there remains an opportunity to continue scaling other types of insurance products. While livestock insurance is widespread, health insurance use is still limited. Some farmers pay US$ 26 per year for a policy that offers hospital cash benefits of up to US$ 750 for treatment for a family of five. However, limited healthcare facilities mean that many residents in Gagalphedi often rely on personal savings for medical expenses – highlighting a gap in healthcare access.

A farmer in front of her poultry farm with around 2,000 birds. "I would also like to insure my house," she said when the insurance representatives visited her.

Environmental adaptation and community-based conservation are still important

While many farmers in Gagalphedi use insurance, it is still common for most to adapt their agricultural techniques to cope with changing weather patterns (such as early monsoon rains). This includes adjusting their cropping calendars by planting rice 15–20 days earlier than usual. Despite this and other modifications, several farmers expressed concern about the growing use of hybrid seeds and livestock: while hybrid varieties can lead to higher yields, they are considered less resilient than traditional breeds, creating a new challenge for farmers.

As part of its strategy to adapt to climate change, the community is committed to maintaining environmental sustainability. This includes reforestation: for every tree cut down, around five or six are replanted. As part of a typical South Asian cultural tradition, farmers' daughters “marry” plants. These approaches reflect the community's innate relationship with the environment and their commitment to conservation.

Members of the cooperative share their views and insights with field trip participants. Umesh Dhakal (third from the right, standing), agricultural insurance expert from Sagarmatha Lumbini Insurance (SALICO), was one of the contributors to the field trip discussions. His insights were particularly relevant to the session on the impact of insurance on women's independence and resilience.

Future outlook

The ICII 2024 field trip highlighted the importance of cooperatives and the role that targeted insurance solutions can play in securing rural livelihoods. Shikhar Insurance, Kageshwori Milk Production Cooperative and local farmers have created a model risk management system to promote financial security in Gagalphedi. The district's success shows that, with the right support and partnerships, inclusive insurance can lead to greater prosperity and resilience among rural farming communities.

The lessons learnt during the field trip demonstrated the impact of inclusive insurance on rural communities in Nepal. The district is a notable example of effective insurance uptake and use in the country, and is now being used as a benchmark for insurance penetration in other rural areas. Its success is based on a trusted cooperative system that farmers can rely on for financial stability and growth. However, farmers in Gagalphedi – as in other parts of Nepal – remain vulnerable to climate change, reinforcing the need for holistic, inclusive insurance solutions.

A diary farm visited by participants of the field trip in the Gagalphedi region.

Registered organisations

Bahrain
Dhaif Re
Protection Re

Bangladesh
BRAC
Chartered Life Insurance
Green Delta Insurance
Guardian Life Insurance
Ministry of Finance
Oxfam
Practical Action
UNDP
World Food Programme

Belgium
Microinsurance Master
Milliman

Bhutan
Bhutan Insurance
FAO Bhutan
Ministry of Agriculture and Livestock
Ministry of Finance
World Food Programme

Brazil
SUSEP

Cambodia
Chamroeun Microfinance Plc.
Forte
ILO
Insurance Regulatory Authority

Canada
Toronto Centre

Ecudaor
FEDESEG

Egypt
Financial Regulatory Authority

Fiji
UNCDF

France
AXA
CGAP/World Bank
VisionFund International – World Vision International

Germany
a2ii
Access to Insurance Initiative (A2ii)
Allianz Commercial
GIZ
Global Shield
Hannover Re
KfW Development Bank
Munich Climate Insurance Initiative (MCII)
Munich Re Foundation
Technical University Munich
UNCDF
UNU-EHS

Ghana
Enterprise Life

Guatemala
WFP

India
Annapurna Finance Pvt Ltd
CreditAccess Life Insurance Limited
DHAN Foundation
Howden
IBISA
Indian Institute of Management Lucknow
IRDA
J.B.BODA
Mahila Housing Trust
Maj Invest
Munich Re
Protector IQ
Prudent Insurance Brokers
Self Employed Women's Association (SEWA)
The Insurance Times
Womens World Banking
WRMS Global

Indonesia
World Bank

Italy
The Boston Consulting Group

Ivory Coast
Inclusive Guarantee Holding

Kenya
AB Entheos
ACRE Africa
APA Apollo
Busara Center for Behavioral Economics
CIC Insurance
Jetsure Agritech
One Acre Fund
Pula Advisors
Turaco
Underwriting Africa Specialty
ZEP-RE (PTA Reinsurance Company)

Luxembourg
Barents Reinsurance SA
Microinsurance Network
MiN

Malaysia
Milliman

Mozambique
CONFIANCA MICRO-SEGUROS SA

Nepal (A—N)
Asian Life Insurance
Citizen Life Insurance
Crest Micro Life Insurance
Danish Red Cross
eSewa
Guardian Micro Life Insurance
Habitat for Humanity
Helvatas Nepal
Himalayan Everest Insurance
Himalayan Life Insurance
Himalayan Reinsurance
I.M.E. Life Insurance
IFC
IGI Prudential Insurance
J B BODA
Liberty Micro Life Insurance
LIC
Mavel Reinsurance Brokers
MetLife Nepal
Ministry of Agriculture and Livestock Development
National Insurance Company
National Life Insurance
Neco Insurance
Nepal Bankers Association
Nepal Insurance Authority
Nepal Insurers' Association
Nepal Micro Insurance Company
Nepal Re
NLG Insurance

Nepal (P—W)
PlantSat by Seed Innovations
Prabhu Insurance
Prabhu Mahalaxmi Life Insurance
Protective Micro Insurance
Protective Micro Insurance Lit.
Rastriya Jeewan Beema
Reliable Nepal Life Insurance
Sagarmatha Lumbini Insurance
Sanima GIC Insurance
School of Mathemarics
Shikhar Insurance
Siddhartha Premier Insurance Ltd
Star Micro Insurance
Stonestep
Sun Nepal Life Insurance
Suryajyoti Life Insurance
The Oriental Insurance
Trust Micro Insurance
UIB ASIA Reinsurance Brokers
United Ajod Insurance
World Food Programme

Netherlands
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)
Utrecht University
Wageningen University & Research

Oman
Financial Services Authority

Pakistan
1LINK
EFU Life Assurance Co Ltd
GIZ
Jazz
Kashf Foundation
Pakistan Microfinance Network
SAFCO Microfinance Company
Tagmu

Peru
APESEG

Philippines
Asian Development Bank
CARD MBA
CARD MRI
CARD Pioneer Microinsurance Inc.
MI Healthcare
MiMAP (RIMANSI)
Pioneer
World Food Programme

Rwanda
Access to Finance Rwanda
Radiant Yacu

Singapore
BlueOrchard Finance
Global Asia Insurance Partnership
Munich Re

South Africa
Hollard
International Finance Corporation
Lumkani

Sri Lanka
AIA Insurance Lanka
Regional Development Bank
SANASA Life
SLYCAN Trust

Switzerland
CelsiusPro Group
ILO
International Association of Insurance Supervisors (IAIS)
UNEP FI
UNEP FI – V20 Sustainable Insurance Facility

Tanzania
Grand Reinsurance Tanzania
Tanzania Insurance Regulatory Authority (TIRA)

Uganda
Ministry of Finance, Planning and Economic Development

United Arab Emirates
Manoj Reinsurance Brokers

United Kingdom
Humanity Insured
ICMIF Foundation
Insurance Development Forum (IDF)
Rural Inclusion
University of Edinburgh
Vark Consulting
World Food Programme

United States
Blue Marble
CGAP
ESB Consulting LLC
Feed the Future Innovation Lab for Markets, Risk & Resilience
Gates Foundation
Georgia State University
Global Insurance Consulting
Katie School of Insurance and Risk Management
MicroInsurance Centre at Milliman
USAID

Zambia
FinProbity Solutions

Acronyms

A2ii
Access to Insurance Initiative

APESEG
Asociación Peruana de Empresas de Seguros (Peruvian Association of Insurance Companies)

ASN
Actuarial Society of Nepal

B2B2C
Business-to-business-to-customer

B2C
Business-to-customer

CARD MRI
CARD Mutually Reinforcing Institutions

CEAR
Center for the Economic Analysis of Risk

CGAP
Consultative Group to Assist the Poor

CoP
Community of Practice

COVID-19
Coronavirus disease of 2019

CPMI
CARD Pioneer Microinsurance Inc

DRIVE
De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

FEDESEG
Federación Ecuatoriana de Empresas de Seguros (Ecuadorian Federation of Insurance Companies)

FII
Forecast index insurance

FISP
Farmer Support Input Programme

FRA
Financial Regulatory Authority (Egypt)

GAIN
UNDP-Milliman Global Actuarial Initiative

GDP
Gross domestic product

GIZ
Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation)

IAIS
International Association of Insurance Supervisors

IBFI
Index-based flood insurance

IBLI
Index-based livestock insurance

IDF
Insurance Development Forum

IFC
International Finance Corporation

ILO
International Labour Organization

IMC
International Microinsurance Conference

IRDAI
Insurance Regulatory and Development Authority of India

IRFF
Insurance and Risk Finance Facility

JPRF
Junta de Política y Regulación Financiera (Financial Policy and Regulation Board)

KfW
Kreditanstalt für Wiederaufbau (German state-owned investment and development bank)

LMICs
Low- and middle-income countries

MCII
Munich Climate Insurance Initiative

MFI
Microfinance institution

MHT
Mahila Housing Trust

Mi-MBA
Microinsurance Mutual Benefit Association

MiN
Microinsurance Network

MNO
Mobile network operator

MSMEs
Micro, small and medium enterprises

NDF
Natural Disaster Fund

NDVI
Normalised difference vegetation index

NFIS
National Financial Inclusion Strategy

NGO
Non-governmental organisation

NIA
Nepal Insurance Authority

PICAP
Pacific Insurance and Climate Adaptation Programme

PMFBY
Pradhan Mantri Fasal Bima Yojana

R&D
Research and development

RMSG
Risk Modelling Steering Group

SBC
Sadharan Bima Corporation

SCVS
Superintendencia de Compañías, Valores y Seguros (Insurance Regulator of Ecuador)

SDGs
Sustainable Development Goals

SEWA
Self-Employed Women's Association

SIIPE
Satellite Index Insurance for Pastoralists in Ethiopia

SUSEP
Superintendência de Seguros Privados (Superintendency of Private Insurance, Brazil)

TAG
Technical Advisory Group

TLU
Tropical livestock unit

TU
Tribhuvan University

UAIS
Uganda Agricultural Insurance Scheme

UNCDF
United Nations Capital Development Fund

UNDP
United Nations Development Programme

UNEP
United National Environment Programme

UNU-EHS
United Nations University – Institute for Environment and Human Security

USSD
Unstructured Supplementary Service Data

V20
Vulnerable Twenty Group (of countries)

VC
Village champion

VISA
Village insurance savings accounts

WFP
World Food Programme

WMO
World Meteorological Organisation

"There is no scarcity of insurers, just a shortage of those willing to look beyond the traditional business case of the micro-market."

Lorenzo Chan
Group Head, Pioneer Insurance, Philippines
Chair of the Board of the Microinsurance Network
Member of the Steering Committee of the ICII 2024

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