



Inclusive Insurance

FOR POVERTY REDUCTION

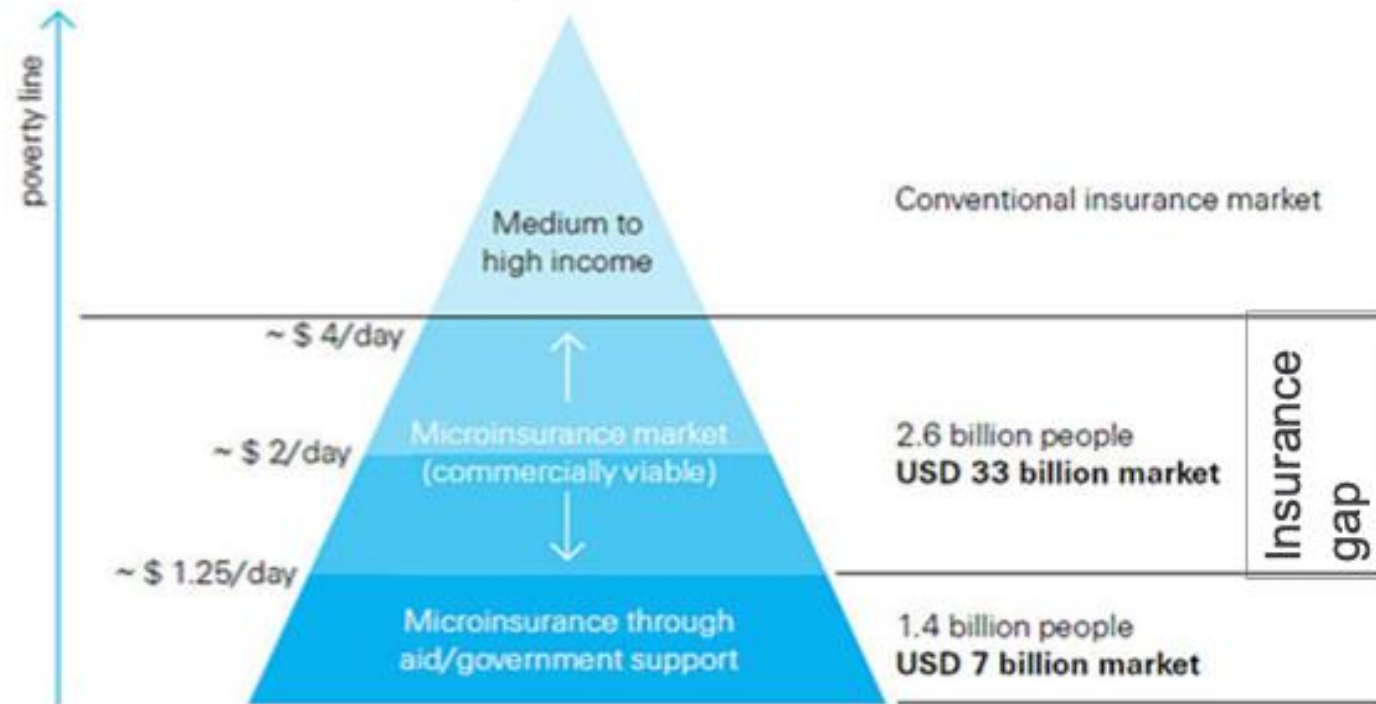
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Stich, Yasser Arafat Tackie, Leonie Wellmer
14th April, 2023

Content

- 1) Definition of Inclusive Insurance
- 2) Inclusive Health Insurances in Asia, Africa and South America
- 3) Examples of Inclusive Health Insurances | SWOT Analysis
- 4) Exemplary application | transfer task

Microinsurance – addressing poor but economically active people

Figure 6
Potential market estimates of the global microinsurance market



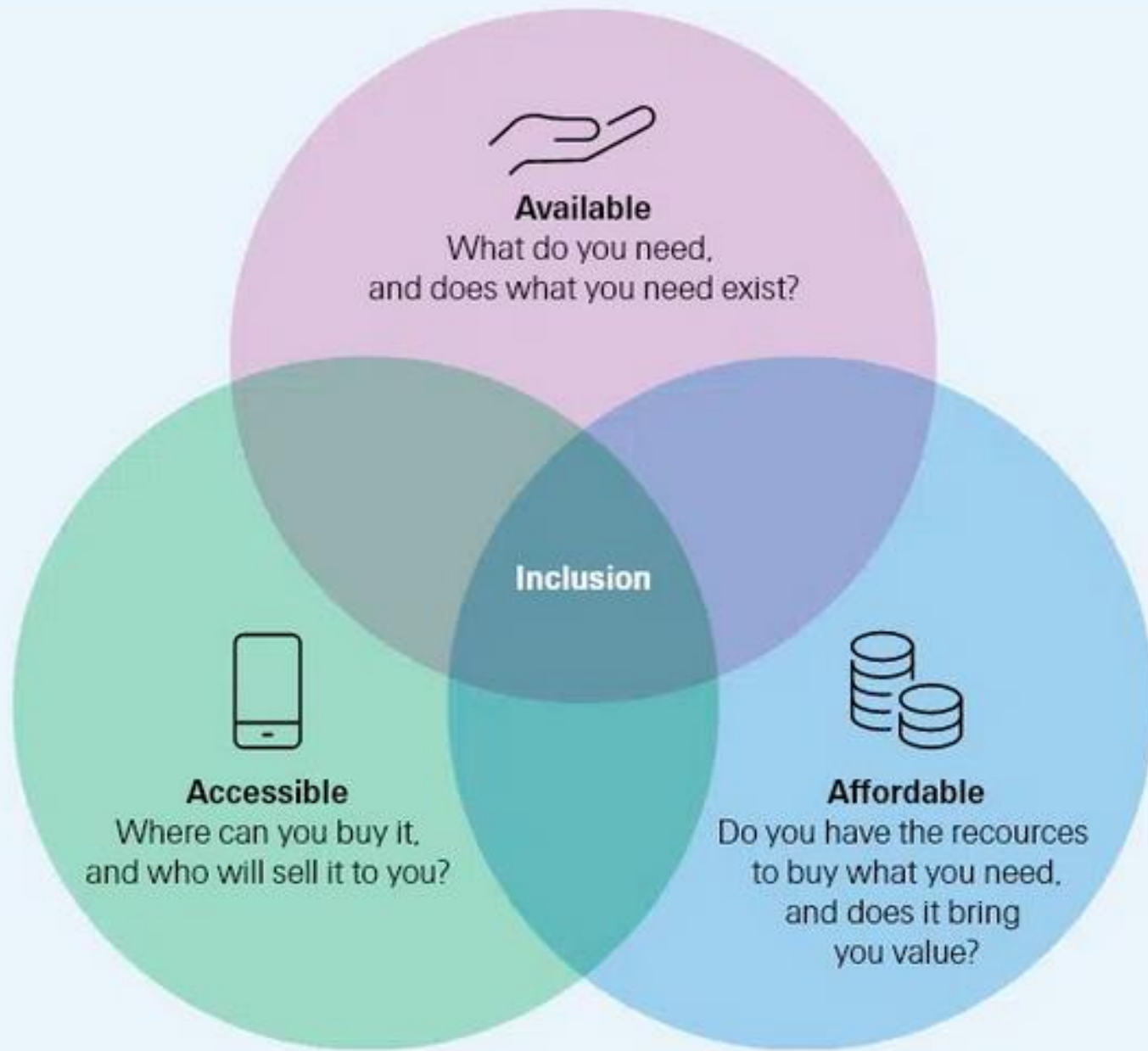
Note: \$ amounts refer to the poverty line in 2005 Purchasing Power Parity international dollars (PovcalNet/World Bank). The data may differ from other sources due to various possible reasons including number of countries covered.

Sources: Swiss Re Economic Research & Consulting; PovcalNet: the on-line tool for poverty measurement developed by the Development Research Group of the World Bank (<http://iresearch.worldbank.org/PovcalNet/>)

Knowledge sharing and distribution

Collecting and providing data

Raising awareness amongst regulatory authorities



(Aggarwal et.al. 2023)

Definition

"Inclusive insurance encompass many different approaches to reaching the unserved, underserved, vulnerable, or low-income populations in emerging markets with appropriate and affordable insurance products. These range from microinsurance for people with very little disposable income to new products and services for an emerging middle class around the globe who have not been served by traditional insurance."

(Zheng and Su 2022, 2)

SDG 3: Ensure healthy lives and promote well-being for all at all ages



Insurance and social protection can play complementary roles to cover a range of household health care costs.

Insurance improves health-care seeking behaviour.



Inclusive Insurances & Health

(Wanczeck et.al. 2017)

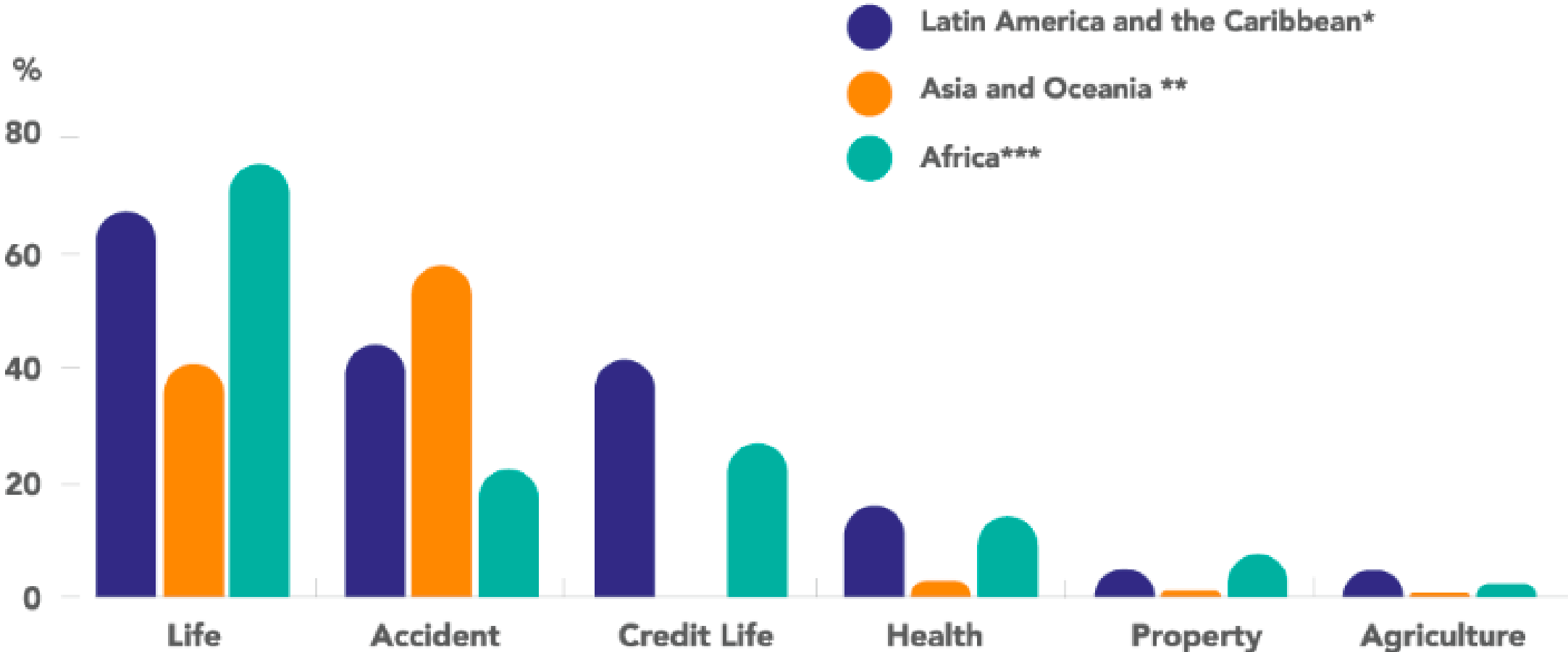
Universal Health Coverage (UHC)

"Universal health coverage is the goal that all people obtain the health services they need without risking financial hardship from unaffordable out-of-pocket payments." (Evans et al. 2013, 546)

- Physical accessibility
- Acceptability
- **Financial affordability**

NUMBER OF MAJOR INSURANCE COMPANIES INVOLVED IN INCLUSIVE INSURANCE

There are regional disparities in microinsurance's coverage. This chart documents the percent of total lives covered, by product.



(Cheston 2018, 13)

Inclusive Health Insurances

- ✓ **Social Health Insurance (SHI):**
mandatory, often on national level, government-funded
- ✓ **Private Health Insurance (PHI):**
voluntary, on individual level, premium-funded
- ✓ **Community-based Health Insurance (CBHI):**
voluntary, target specific population groups, premium- but group-funded

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Claim ratios are still very low! 14% in Africa, 27% in Asia, 9% in Latin America (Merry 2020)



Inclusive Health

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"From a social inclusion viewpoint, health insurance has not yet shown to serve as an optimal tool to UHC, in a way that vulnerable groups are covered, from being aware and enrolled in health insurance schemes to proven impact on financial protection and improved health outcomes once carrying a health insurance card."
(van Hees et.al. 2019, 15)



Comparison: Africa, Asia, South America

WORLD MAP OF INCLUSIVE INSURANCE REGULATION IN 2019 FROM THE ACCESS TO INSURANCE INITIATIVE (AZII)^a

25

IMPLEMENTED

AFRICA
CIMA*
Egypt
Ethiopia
Ghana
Mozambique
Nigeria
Rwanda
South Africa
Tanzania
Zimbabwe

LATIN AMERICA AND THE CARIBBEAN

Argentina
Brazil
Mexico
Nicaragua
Peru
Venezuela

ASIA

Cambodia
China
Chinese Taipei
India
Indonesia
Nepal
Pakistan
Philippines
Thailand

23

UNDER DEVELOPMENT

AFRICA
Kenya
Malawi
Lesotho
Namibia
Swaziland
Tunisia
Uganda
Zambia

LATIN AMERICA

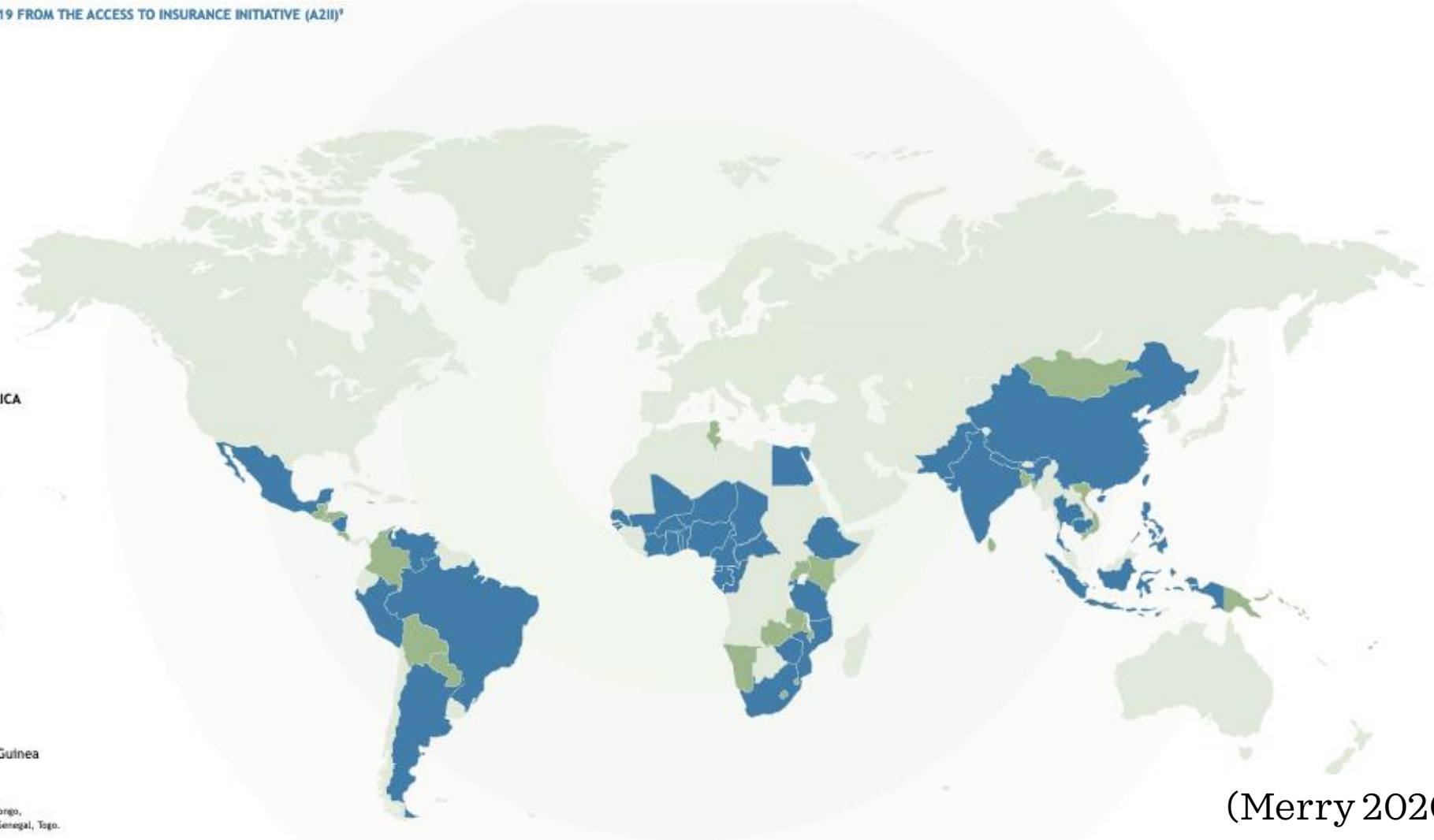
Belize
Bolivia
Colombia
Costa Rica
El Salvador
Guatemala
Honduras
Jamaica
Paraguay

ASIA

Bangladesh
Mongolia
Sri Lanka
Vietnam

PACIFIC

Fiji
Papua New Guinea

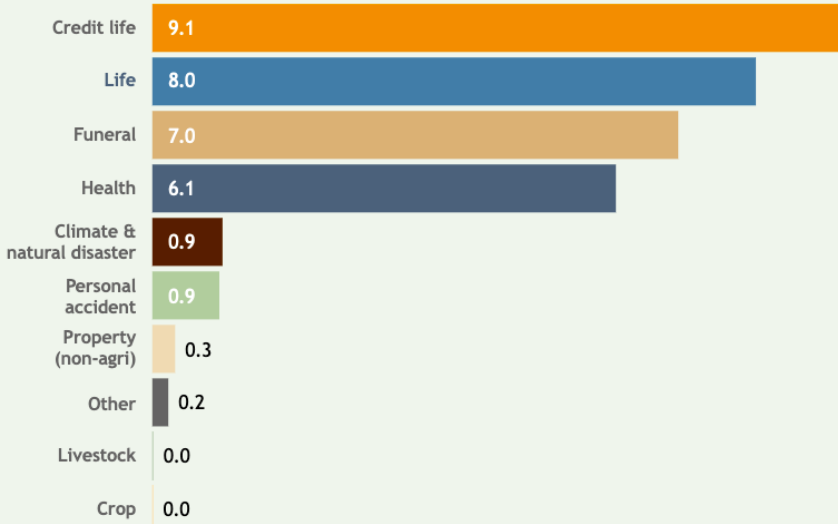


(Merry 2020)

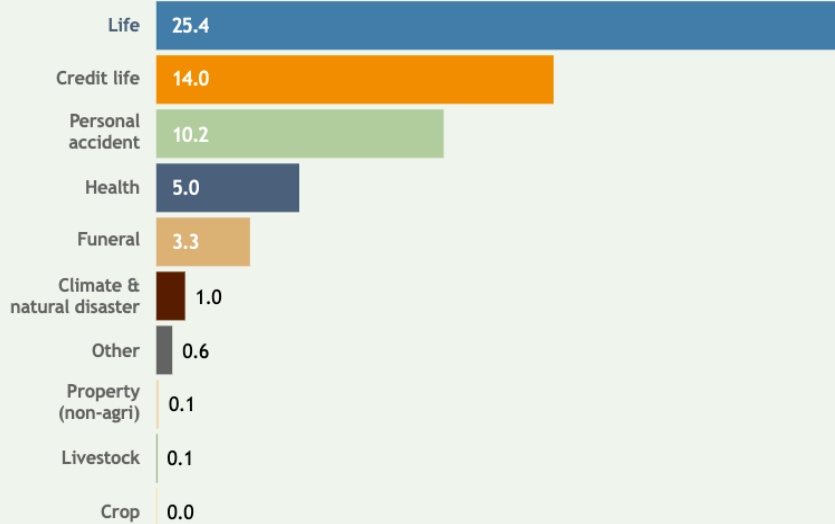
^aBenin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal, Togo.

Comparison: Africa, Asia, South America

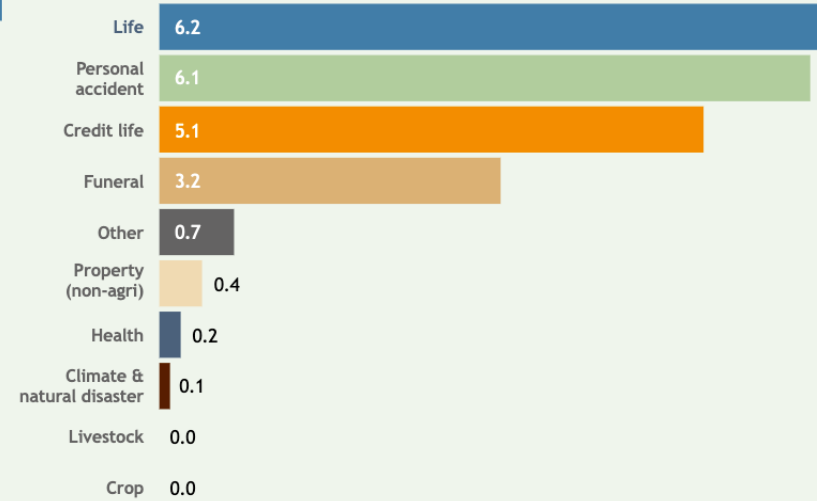
PEOPLE COVERED (MILLIONS) BY PRODUCT LINE IN AFRICA



PEOPLE COVERED (IN MILLIONS) IN ASIA BY PRODUCT LINE

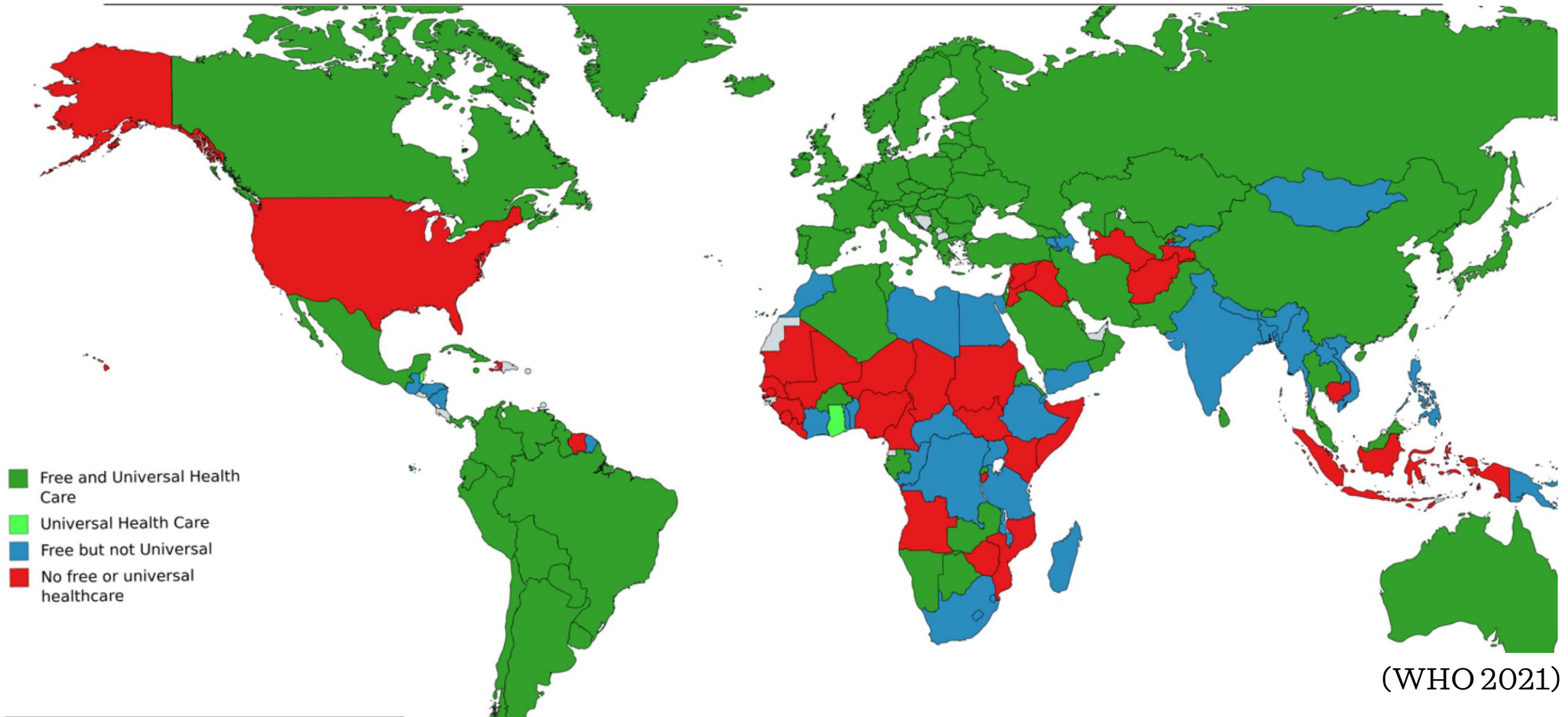


NUMBER OF PEOPLE COVERED BY PRODUCT LINE IN LATIN AMERICA AND THE CARIBBEAN



(Merry 2020)

Comparison: Africa, Asia, South America

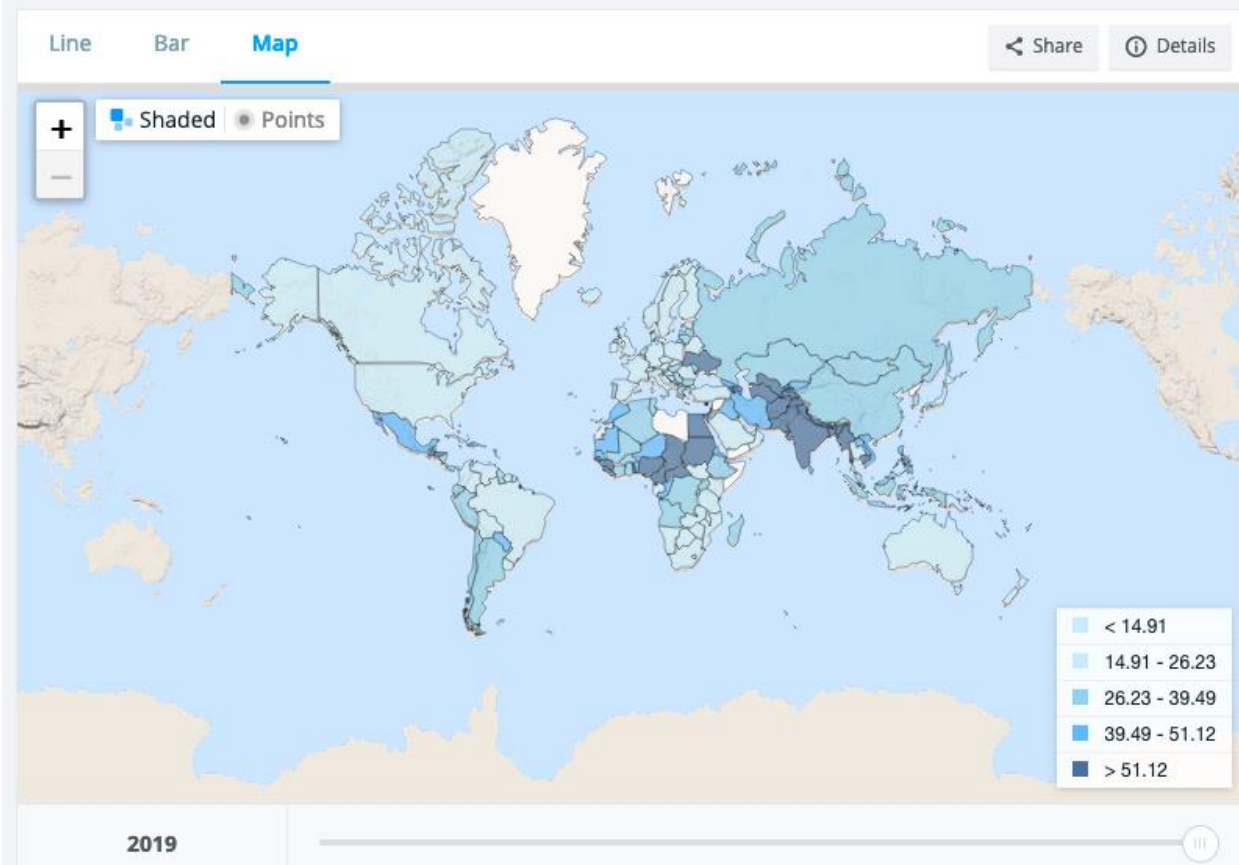


Comparison: Africa, Asia, South America

Out-of-pocket expenditure (% of current health expenditure)

World Health Organization Global Health Expenditure database (apps.who.int/nha/database). The data was retrieved on January 30, 2022.

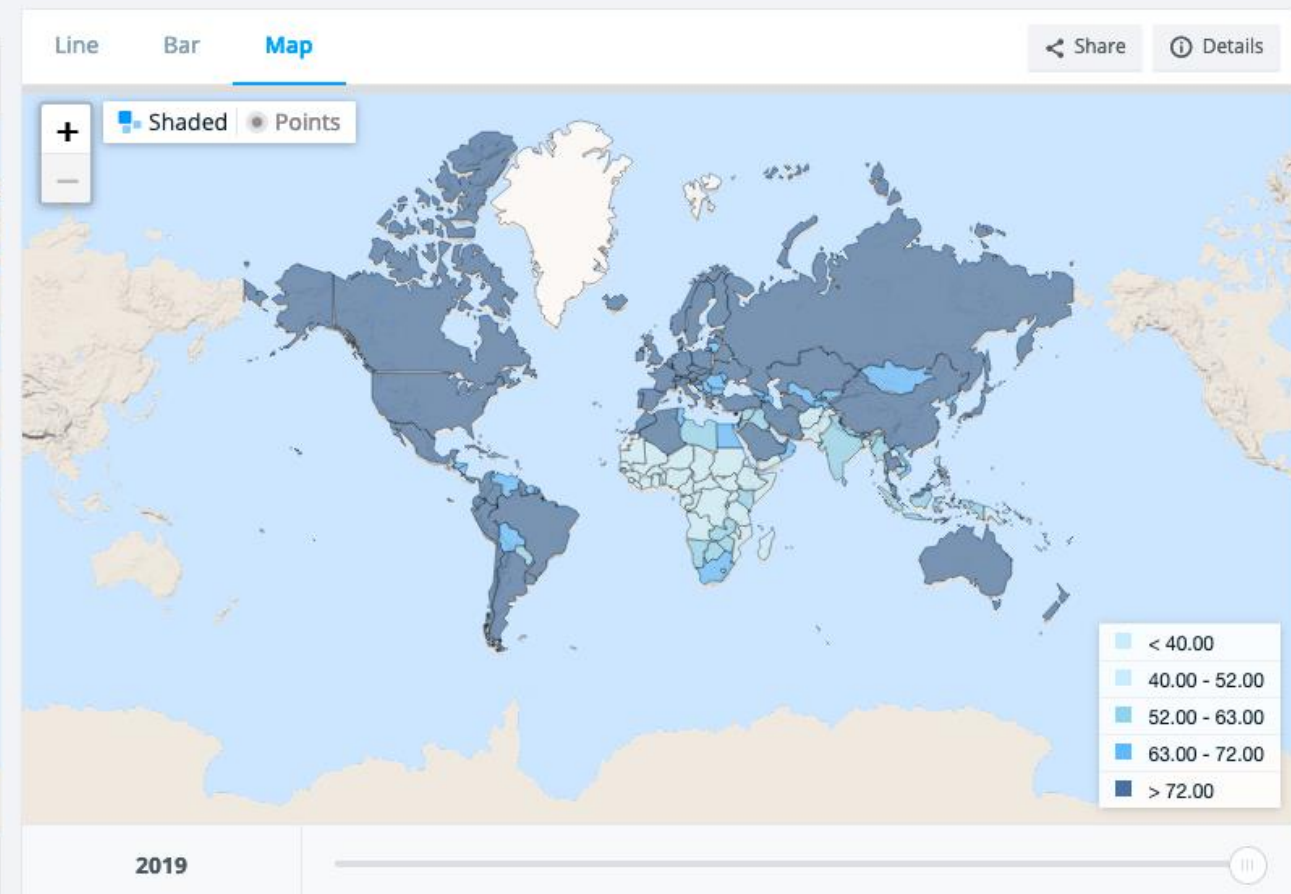
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UHC service coverage index

World Health Organization, Global Health Observatory Data Repository (who.int/data/gho).

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Examples of Inclusive Health Insurance

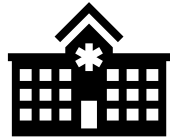
Caregiver

- Hospital cash product launched by the Women's World Bank in 2009
- More than 2 million beneficiaries reached
 - Especially focused on low-income women
- Implementation in different countries of the Global South



(Women's World Banking 2016, 2)

Development of Caregiver



**Selection
of financial
institution &
insurer**

**Research on
healthcare
context &
clients**

**Understanding
the partners**

**Relevant,
Simple,
Affordable yet
Sustainable**

Product Delivery of Caregiver (e.g. Jordan)



**Insurance
company** as
risk carrier

Jordan Insurance
Company

**Financial
institution** as
intermediary

Microfund for
Women

Client of
financial &
insurance
product

Microcredit & Health
Microinsurance for
Jordanian Women

- ❖ Empowerment of women's health care independence
- ❖ Based on research
- ❖ Need-orientated

- ❖ Adaptation to circumstances of the respective country
- ❖ Inclusion of all stakeholder needs (win-win)



- ❖ Dependent on donors
- ❖ Reliable on cooperation and flexibility of different partners
- ❖ Insufficient funding stream
- ❖ Lacking IT infrastructure for insurance operations
- ❖ Lacking infrastructure of public health services

Inclusive Health Insurances

COMMUNITY BASE HEALTH INSURANCE SCHEME

Is a system of collective health insurance that allows families to pay premiums in order to be protected and receive medical care.



- ❖ State owned
- ❖ Simple and affordable

- ❖ Household members get it easily to access health care
- ❖ Third party sponsorship



- ❖ Primarily depends on the presence and survival of household members
- ❖ Not enough brand recognition

- ❖ Tough competition as a complementary product
- ❖ The scope of coverage is relatively basic

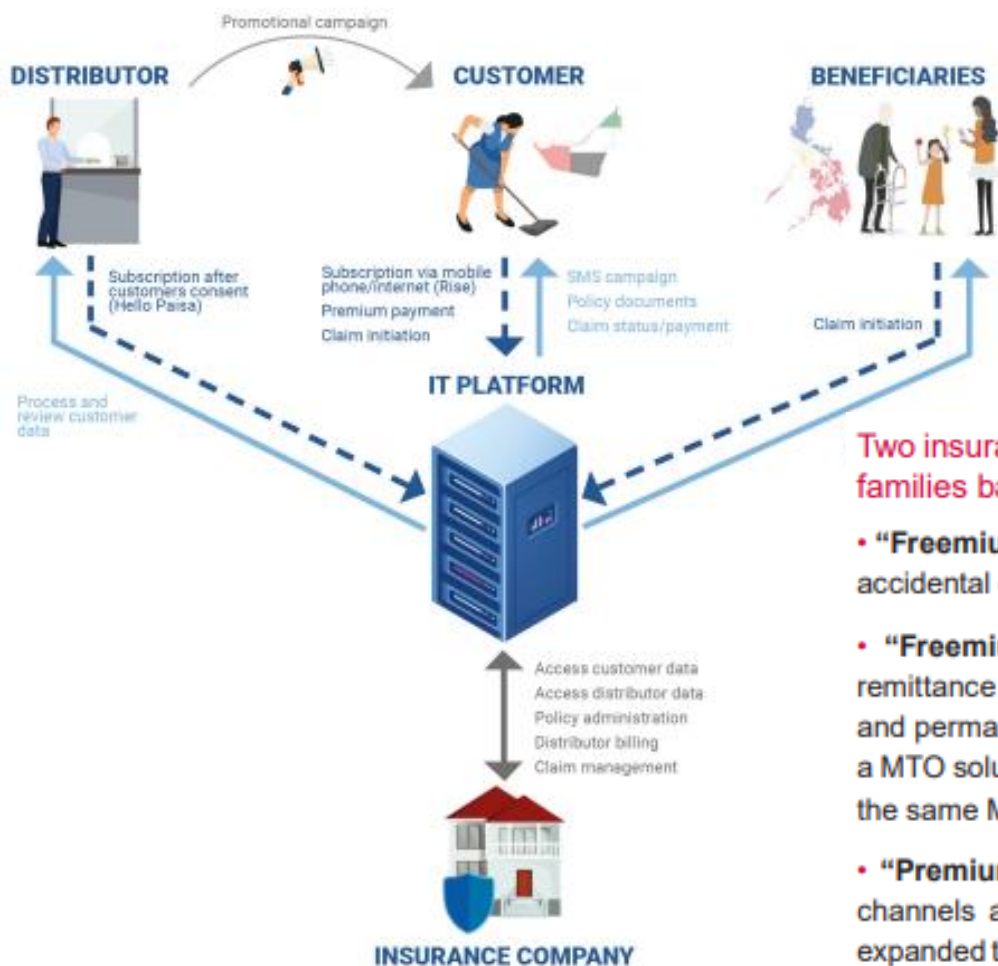
Appui au développement autonome

INCLUSIVE INSURANCE



Linking insurance with remittances to improve resilience among migrant-sending families

Enabling Gulf Cooperation Council (GCC) migrant workers to access insurance products to protect the income and living condition of their family members back home, through an innovative technology solution linked to remittances.



Two insurance products (freemium and premium) were developed and launched and one product directly targeting the families back home is currently under development

- **“Freemium” pilot product 1** – the product offered a 90-day policy to preselected customers. The policy covered customers for accidental death and permanent disablement up to a sum of AED 3,000 (EUR 690) at no extra cost for the customer.
- **“Freemium” pilot product 2 “HelloProtect”** – the product is bundled with each remittance transaction and covers customers for a period of 30 days for accidental death and permanent disablement up to a sum of AED 3,000 (EUR 690) when they remit through a MTO solution. The policy is renewable each month subject to customers remitting through the same MTO again.
- **“Premium” product** – launched by the distributor through its social media and SMS channels as a paid alternative to replace the “freemium” pilot. The policy duration was expanded to cover a 365-day period with accidental death and permanent disability insurance up to a sum of AED 25,000 (EUR 5,747). This includes one month of free teleconsultations and medical expenses in the case of partial disability, and repatriation expenses in the case of death. The premium is payable either monthly (AED 7 / EUR 1.6) or annually (AED 70 / EUR 16.1).
- **Family product** – currently under development, the product, paid by the migrant in the UAE, aims to provide insurance for the migrant families back home.

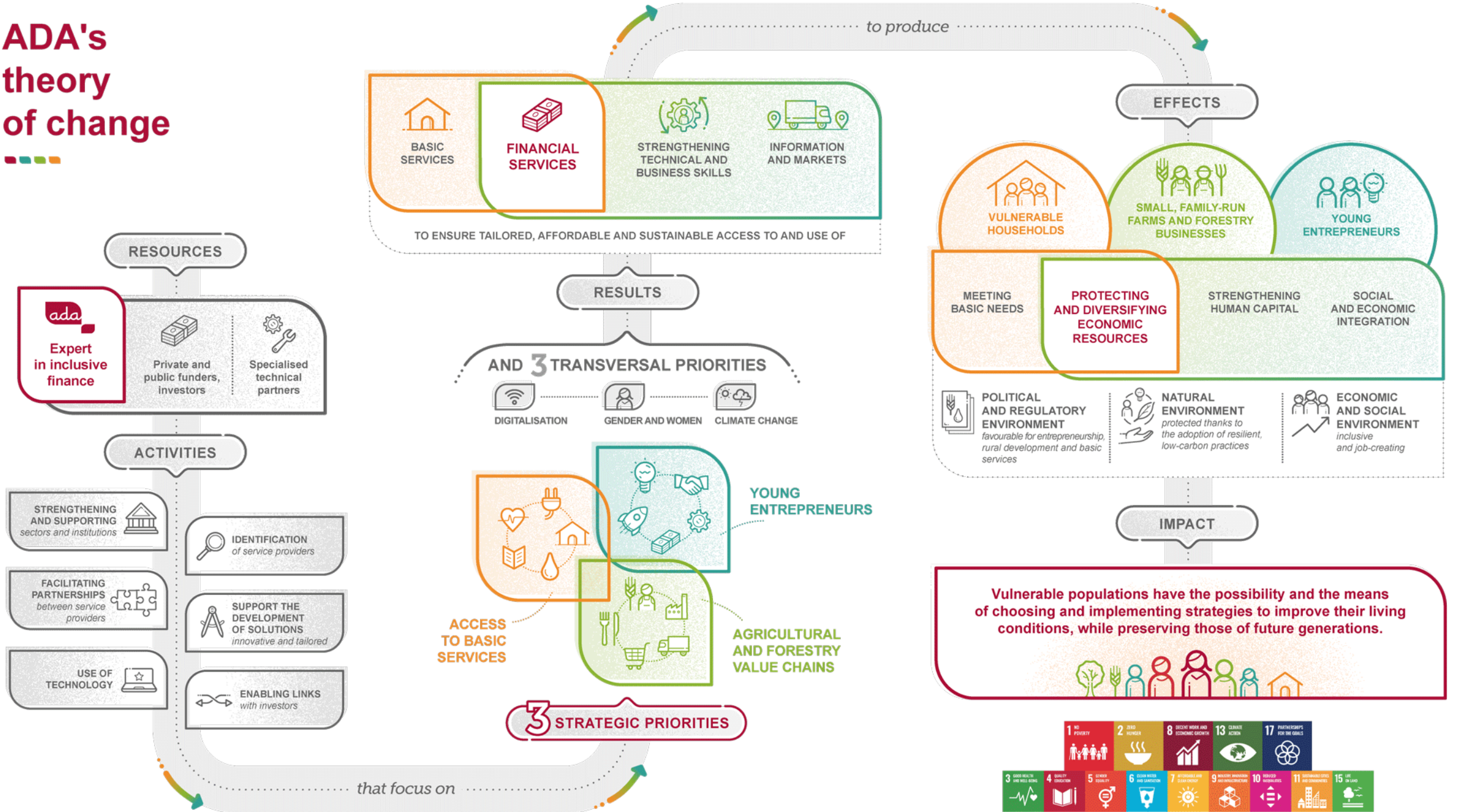


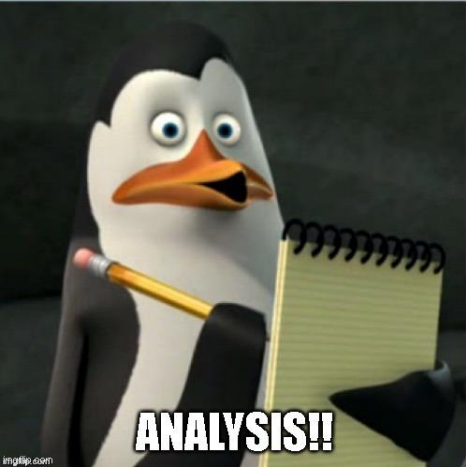
Number of beneficiaries

More than 13,000 migrants in the UAE accessed insurance products, of which:

- Around 1/3 are women
- Around 1/3 are Filipinos
- Around 1/2 are Pakistanis

ADA's theory of change





- ❖ Unique, alternative channel with far reach and moderate budget
- ❖ User friendly
- ❖ IT reduces the friction between stakeholders
- ❖ Measurable impact

- ❖ Vertically and horizontally scalable vision
- ❖ Word of mouth and family bonds
- ❖ Adding upsales



- ❖ Educational foundation
- ❖ Post-sales communication
- ❖ Infrastructure related exclusivity

- ❖ Regulatory hurdles
- ❖ Reputation in the beginning
- ❖ Post sale delivery

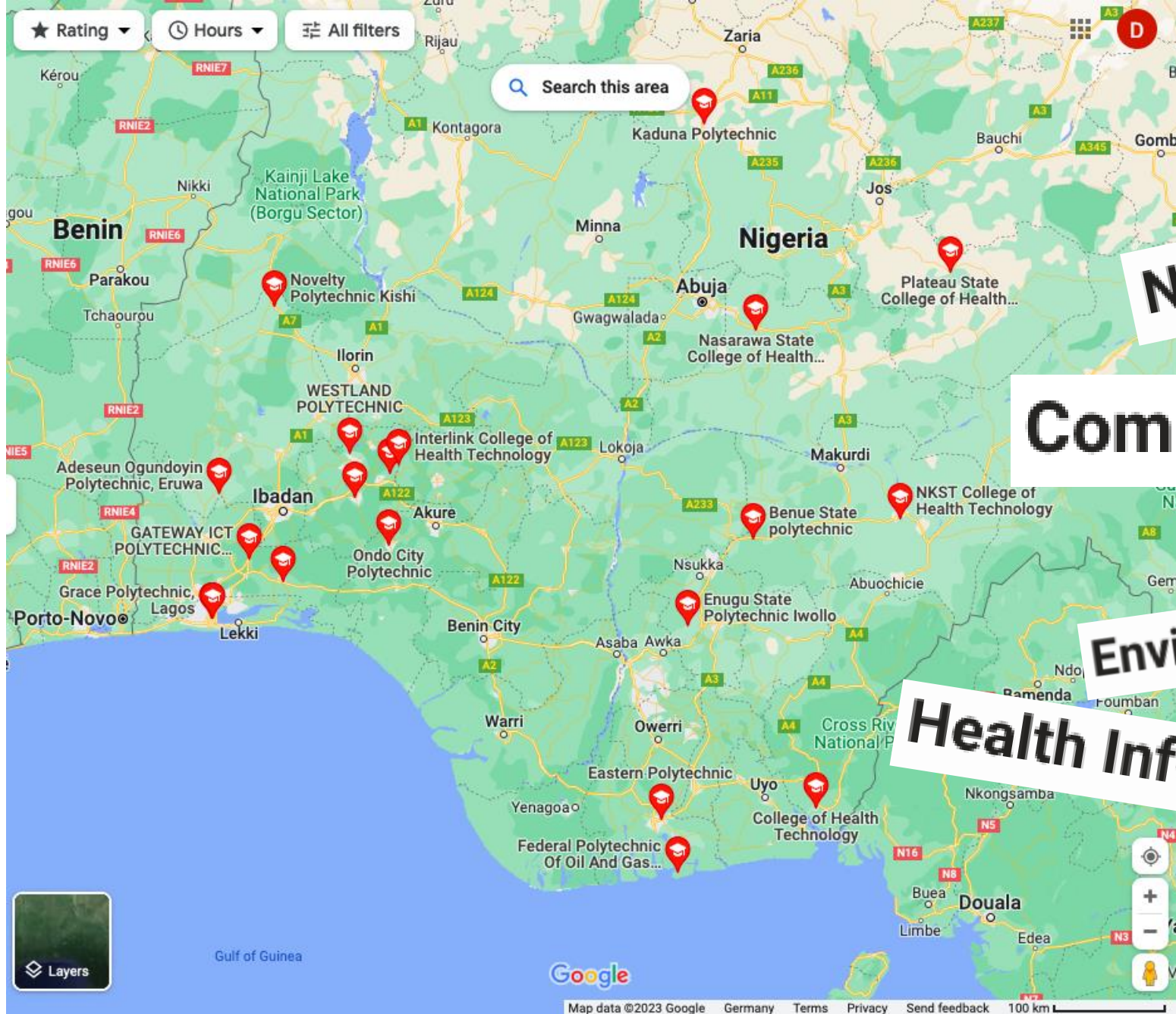


Transfer

Education & Health Microinsurance

"... financial literacy is a predominantly significant factor in insurance purchase and marketing in Nigeria as a whole."

(Obuseh et.al. 2022, 12)



Nutrition and Dietetics

Community Health

Environmental Health Technology

Health Information Management



(Gopalakrishna 2020)

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