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* Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia

Foreword

“Mainstreaming Gender and Targeting Women in Inclusive Insurance: Perspectives and Emerging Lessons - A Compendium of Technical Notes and Case Studies” was prepared for the G20 Global Partnership for Financial Inclusion (GPFI) by the IFC Gender Secretariat, Finance & Markets, and the Financial Institutions Group, GIZ’s Sector Initiatives Social Protection and Global Initiative for Access to Insurance on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and Women’s World Banking, in collaboration with the Access to Insurance Initiative and the Self-Employed Women’s Association. The compendium addresses the GPFI’s cross cutting focus on women’s economic empowerment through financial inclusion. I commend the compendium partners for their collaborative effort in highlighting the extent to which gender is currently mainstreamed and women are targeted as a client segment through inclusive insurance from diverse stakeholder perspectives. It also highlights opportunities for the way forward, towards a gender-sensitive approach in inclusive insurance, driven by public and private stakeholders.

The financial sector is recognizing increasingly that the client profile of women is different from men, due to their gender-diverse life cycle needs and associated risks, resulting from cultural norms, socio-economic patterns and biological differences. Addressing these needs of women’s client segments present a market opportunity for insurers and intermediaries. But as this compendium highlights, to seize this opportunity will require gender differentiated product and distribution strategies, as well as committed authorities, complemented with focused support of the development cooperation agencies. The case studies from Women’s World Banking and other practitioners from Jordan, the Philippines and India, highlight emerging examples of how the industry is responding to leverage off this opportunity benefitting women and their families as well as the economy at large.

Women’s enhanced access to inclusive insurance as a risk protection mechanism matters for policymakers. This publication highlights various government stakeholder interests and perspectives on furthering this agenda, from that of insurance regulators and supervisors, social protection policy makers and development cooperation agencies. Among others, it highlights the critical role of these stakeholders in enhancing gender-differentiated data collection and financial literacy on insurance for women.

This compendium identifies the potential entry points for gender-sensitive insurance approaches and proposes ways for implementing those more effectively. It is hoped that all stakeholders draw on these recommendations to further promote women’s access to inclusive insurance towards the wider goals of financial inclusion and sustainable development.

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Box 1: Mainstreaming Gender and Targeting Women in Inclusive Insurance

Key Findings

- There is both a clear business and social case for mainstreaming gender and targeting women in inclusive insurance with benefits to increase insurance penetration and risk protection of the vulnerable in society.
- Women and men customer profiles exhibit different characteristics. A tailored inclusive insurance proposition for women can meet their gender-specific needs and be commercially viable.
- Although there are some examples of women-centric approaches to insurance, they remain ad hoc and difficult to replicate.

Recommendations

- Make the policy and regulatory environment favorable for gender-sensitive inclusive insurance.
- Provide technical support to collect and analyze inclusive insurance sex-dis-aggregated data on both the supply and demand side.
- Engage in addressing legal and policy constraints which indirectly place constraints on women related to their access to and usage of insurance.
- Promote gender diversity in the insurance industry.
- Build stakeholders' capacity on gender and inclusive insurance.
- Encourage market research for inclusive insurance and innovation regarding new product and distribution channels to target women clients.
- Make financial literacy programs more responsive to women clients.
- Establish a "good practice coalition" among development cooperation agencies, insurance supervisors and policy-makers, the insurance industry and others.

Executive Summary

The Rationale for a Focus on Women and Inclusive Insurance: The compendium “Mainstreaming Gender and Targeting Women in Inclusive Insurance: Perspectives and Emerging Lessons” provides a variety of articles and case studies on the state and potential of gender mainstreaming and targeting women in insurance in developing and emerging economies. It considers inclusive insurance as broader than microinsurance¹ so that all underserved women clients in these markets can be included. At its heart, this compendium is based on the knowledge that gender and biological differences between women and men affect their life cycle risks with implications for their needs and preferences for inclusive insurance products and services. The compendium also recognizes that women represent a significant entry point to the family wallet, and hence a market opportunity for insurers due to their traditional role of acting as conduits for their families and communities.

Inclusive insurance is a strategy to promote broad-based access to insurance for the “un- and underserved” and includes different classes of insurance. The concept of inclusive insurance has broadened in recent years inspired by wider discussions in inclusive finance. Women are increasingly recognized as an un- and underserved market for inclusive insurance with high growth potential. For example, IFC, AXA and Accenture estimate that the annual women’s market opportunity for the insurance industry globally will represent between US\$ 1.45 and US\$ 1.7 trillion by 2030.² Women are willing to spend between 10-15 percent of their income on insurance, especially on health insurance according to the same research. Furthermore, it is well accepted that women reinvest up to 90 percent of their income back into their children’s education, nutrition, and health needs.³

This is in a context where persistent gender inequalities remain on a global level, with women facing greater levels of disadvantage and poverty. As such, the inclusive insurance client profile of women is different from male clients and many of women’s risks and needs require special approaches. For example, in its latest research the World Bank Group’s “Women Business and the Law” found that 155 of 173 economies still have at least one law restricting women’s economic opportunities.⁴ Literacy levels remain lower for women despite the fact that mean years of education have increased faster for women than for men in most regions, leading to narrowing gender gaps in education.⁵ Furthermore, according to UN Women, women are more likely to live in poverty in 41 out of 75 countries researched with a greater risk of poverty among separated women, widows, and single mothers, including heads of household without a male partner.⁶

What Can Access to Inclusive Insurance for Women Achieve?

Inclusive insurance for women can contribute to sustainable economic development

Inclusive insurance is recognized as a valuable means to stabilize and even improve income for individuals, households, and businesses. It can be used alongside credit, savings, and transfers to mitigate and financially relieve the potential financial losses faced by middle or low-income individuals and micro, small and medium sized enterprises (MSMEs). These include health, disability, and accident related risks, or the death of a family member. Insurance can also protect assets including houses, livestock, or vehicles, against the repercussions of theft, fire, death, loss, or the impacts of natural disaster and climate change.⁷ It is widely recognized that, over time, inclusive insurance can improve welfare. It builds financial resilience, cushioning individuals, households, businesses, and communities from economic shocks, preventing them from falling into poverty or becoming poorer. It contributes to financial sector development and, importantly, protects the gains of many other development agendas, such as poverty alleviation, employment generation, agricultural development, food security, health and social protection.

Enhancing access to inclusive insurance for women can alleviate poverty

Given that women are disproportionately represented among the poor, access to insurance can help increase their ability to mitigate risks and effectively manage shocks. Inclusive insurance prevents women from relying only on traditional risk management mechanisms such as selling assets, informal lending – often at high interest rates – or pulling children out of school. Consequently, inclusive insurance can empower women and generate positive impacts on women’s labor and asset productivity, children’s education, health and thereby contribute to a stabilization of income and finally, improve conditions that can help to alleviate poverty.

The Role of Diverse Stakeholders

All Insurance industry stakeholders have a role to play to address this unmet inclusive insurance demand and address the needs of the women’s market.

- **Insurers:** The women’s market represents a commercial opportunity for insurance companies. Women are likely to be more profitable clients for inclusive insurers, just as they have proven to be in the microcredit industry.
- **Intermediaries:** It takes women to reach women. Leveraging women as distributors of insurance will increase the uptake of insurance among low-income women clients. There is a strong business case for distribution channels to employ women as staff or agents.
- **Governments:** By promoting women’s access to inclusive insurance, governments can support their existing global commitments such as the Sustainable Development Goals (SDGs) and the Universal Declaration of Human Rights (UDHR), or commitments through the G20 Platform for Financial Inclusion. The UDHR recognizes the right to social security as a human right. Additionally, governments are legally bound to respect, protect, and fulfill women’s rights. In this context, government support for women’s access to inclusive insurance can be seen as complementing other government policies such as poverty alleviation.

- **Financial sector policymakers, central bankers, and insurance supervisors:** Creating an enabling environment for women’s access to inclusive insurance can support financial sector policy objectives such as promoting financial stability, financial integrity and consumer protection.⁸ Given the growing recognition of the link between financial stability and financial inclusion, women’s access to financial services, including insurance, is already gaining prominence among financial policymakers, central bankers, and insurance supervisors.⁹

- **Development cooperation agencies:** Promoting women’s access to insurance supports the sustainable development agenda, and specifically contributes towards the achievement of gender equality and empowerment of women and girls, set out in Sustainable Development Goal 5. It also delivers to development cooperation agencies’ institutional commitments to gender equality and financial sector development.

Key Findings and Conclusions

There is both a clear business and social case for mainstreaming gender and targeting women in inclusive insurance with benefits for both expanding insurance industry penetration and for risk protection of the vulnerable in society. Yet, currently, the potential of gender mainstreaming and targeting women in inclusive insurance in developing economies has yet to be realized.

Motivations for focusing on women in inclusive insurance may differ between stakeholder groups; however, at the intersection of these diverse interests is the recognition that the customer profile of women is different from men customers. While women are not a homogenous customer segment, in general they respond to risks differently from men and have unique protection needs, which are intensified by longer life expectancies and women-specific health risks such as pregnancy and childbirth. They are more likely to be self-employed, and are more likely to be in the informal economy, with limited discretionary spending due to societal constraints. Women often have fluctuating cash flows and own fewer assets, problems that are compounded by inheritance customs, restrictions on land and asset ownership, and divorce practices, which tend to favor men. Moreover, their ability to participate in the formal sector may be restricted by unpaid caring responsibilities and lower levels of education and literacy. As a result, they are more vulnerable to a range of risk factors than male customers.

A tailored inclusive insurance proposition for women can meet these needs and be commercially viable. Women are generally more risk aware and open to seeking mitigation measures than men. They are also better at saving, and are more reliable and effective borrowers and investors. Women are constantly looking for peace of mind, especially concerning their children. As their labor force participation and education levels are increasing, so too will their interest in and ability to afford inclusive insurance. As such, it is anticipated that the market for serving women has significant growth potential. When women become clients, there is evidence that they are more profitable, exhibit less fraudulent claims activity, and can be more loyal customers and even motivate others to use a certain service.¹⁰

Women are disproportionately more represented among the poor and informal sector. Insurance can provide significant positive developmental impacts on women, as it can help them to effectively manage economic shocks. It can prevent them from using other mitigation strategies such as selling assets, informal lending, or pulling children out of school. In turn, this can generate positive impacts on women's labor and asset productivity, children's education, and health, thereby contributing to a more stable income and alleviation of poverty.

Many examples of women-centric approaches to insurance exist. Yet, to grow the women's inclusive insurance market and achieve these social returns and business benefits, a number of challenges need to be overcome. In principle, solutions to these barriers have in many instances already been identified and it is now time to focus on implementation. The following entry points for each main stakeholder category have been identified:

Insurers and intermediaries: The engagement of insurers and intermediaries is crucial to generate more gender-sensitive approaches in inclusive insurance. Examples of underwriters and distributors from the Philippines to Jordan indicate that there is some practice in diverse regions, related to a variety of insurance product offerings where the insurance industry has already begun to reach out to women. It may be that more examples do exist but have yet to be identified. Nevertheless, it suggests that the inclusive insurance industry could do more to take a gender sensitive and participatory approach when developing products, and also, document and disseminate existing approaches and track their effectiveness. This, often male dominated, industry faces challenges, including: a lack of data on women clients and their insurance usage patterns; weak consideration of strategies in distribution that work

for women including preferences for certain sales channels; and, a lack of a tailored value proposition for women. The low participation of women in the workforce of insurers and intermediaries adds to the barriers. Addressing these challenges can capitalize on women's savings behaviors. In turn, this can build the client base of insurers, and simultaneously deliver a social impact by helping women to support their families, provide for their health needs, and open-up paths to retirement pensions.

Financial sector policymakers, central bankers and insurance supervisors: Women's access to insurance is in the interest of insurance supervisors based on their functions including formulating regulatory frameworks, supervisory guidelines and administrative procedures that promote customer protection. There is the potential for insurance supervisors to routinely consider whether financial sector policies and regulations adequately protect women and does not disproportionately impact them. Moreover, there is scope for insurance supervisors to improve access to formal insurance for women. For example, by licensing of insurers and intermediaries that focus on women, introducing gender-sensitizing complaints mechanisms and addressing regulatory barriers facing women more strongly such as KYC requirements. In terms of additional areas for authorities and insurance supervisors to enhance women's access to inclusive insurance, there is an opportunity for the development of gender sensitive national financial inclusion strategies (NFIS) and financial education strategies, and also, through the analysis of sex-disaggregated supply side data.

Social protection policymakers: Women-targeted inclusive insurance within social protection policymaking serves as an interim step towards reaching comprehensive social protection. The challenges of integrating a gender dimension into government policies and programs, particularly in the area of inclusive and social insurance, include the need to balance affordability and client value. Social protection policymakers can engage more with women on their specific protection needs, and set-up or strengthen public-private partnerships to deliver this type of inclusive insurance. In doing so, governments can leverage the intersection of gender strategies with other development strategies such as poverty-alleviation, financial sector development, social protection, food security, and climate change. This will enable them to reach out to poorer women and their family members and small firms, while using insurance to help prevent more women from becoming poor.

Development cooperation agencies: Development cooperation agencies play an important catalyzing role to advance sustainable gender-sensitive inclusive insurance markets as a funder of public goods, and a promoter of innovation. Engagements in inclusive insurance and gender are framed in the context of international commitments to financial inclusion, poverty alleviation, and climate-change related programming among others, which draw on inclusive insurance as a mechanism to support their development goals. In this context, there are multifaceted examples where development cooperation agencies have been engaged in mainstreaming gender in inclusive insurance by explicitly targeting women in their strategies, programming, or tools. However, the engagement on women-centric inclusive insurance can benefit from a stronger focus like the one in place on women's access to credit and savings products. Ad-hoc measures need continuity, scaling up, and a deeper and more concerted effort by development cooperation agencies to systematically engage on this path. Going forward, the existing efforts to mainstream gender through inclusive insurance provide the foundations on which to build enhanced and more concerted support towards a greater developmental impact on gender equality and poverty alleviation.

Clients: A major barrier for improving up-take of insurance is that existing and potential female clients lack awareness and knowledge of the relevance and concept of insurance and associated products. They are also limited in their ability to pay for insurance in the formal sector. As such, there is scope for more financial literacy programs that better focus on women's needs and their financial risk management behavior in terms of both their content and delivery mechanisms.

Recommendations

All stakeholders are called upon to mainstream gender and focus on targeting women and the sub-segments of the women's market through inclusive insurance. This compendium points to a series of high-level recommendations relevant to public and private stakeholders committed to advance this topic as follows:

- **Collection and analysis of sex-disaggregated inclusive insurance data.** Diverse stakeholders in the ecosystem should support the collection and analysis of sex-disaggregated data on women's risk management behavior and inclusive insurance demand as well as data on supply side at a global, regional, and national level. Each stakeholder will have a different role to play and have diverse motivations for collecting and using such data. Nevertheless, there is interdependency within the system which suggests there is value in coordination. The individual data collection purposes and roles are for example:
 - **Product and client data:** Insurance companies and intermediaries offering inclusive insurance products can determine the baseline of women's market at the institutional level and analyze the gender information collected. This may include data on women clients, their customer loyalty, profitability and insurance usage patterns/claims behavior, as well as sales channel usage. This information can help identify characteristics of the women's market in general and sub-segments as women are not homogeneous market segment.
 - **Sector development, performance data, and demand data:** National governments, ministries, central banks, and insurance supervisors can collect and analyze sex-disaggregated data gathered by the entities they supervise at a national level, as well as create incentives for this data collection and reporting at an institutional level.
 - **Technical support for sex-disaggregated data collection and analysis:** Development cooperation agencies can facilitate the support and integrate the collection of relevant sex-disaggregated data at the national and institutional level. At the national level, they can support systems and process adaptations, establishing institutional gender base lines and collecting impact data on the effectiveness of existing attempts to increase access to insurance for women. At the international level, they can support the inclusion of sex-disaggregated insurance data in supply and demand side surveys.
- **Make financial literacy programs more responsive to women clients.** The perspective of women can inform the development of gender-sensitive financial literacy strategies/programs. To support this, multiple stakeholders can collaborate to undertake market research and consultations with existing and potential women clients from the formal and informal sector to establish their level of financial literacy around the concept of inclusive insurance and awareness of diverse product types. These consultations can inform needed interventions about financial literacy content and channels to reach women effectively through these programs.

- **Make the financial sector policy and regulatory environment favorable for gender-inclusive insurance.** This can include identifying and removing regulatory barriers that hinder women's access to insurance; for example, improving KYC requirements or allowing innovative delivery channels that enhance women's access to insurance. In addition, including specific support measures in national financial inclusion strategies to help make gender-sensitive approaches more prominent. All stakeholders have a role to play in both feedback to insurance supervisors where these barriers exist and in the attempts to overcome them through financial sector and insurance regulation and policymaking, as well as capacity development measures for supervisors.
- **Engage in addressing legal and policy constraints from other policy spheres which indirectly restrict women's access to and usage of insurance.** Among those are themes like legal impediments related to personal identify documents. Insurers, intermediaries, NGOs, insurance supervisors, and development cooperation agencies can all play a role in identifying and addressing these constraints by advocating for changes with government agencies and policy makers.
- **Stimulate inclusive insurance market research and innovation regarding new product and distribution channel development to target women clients.** Non-traditional partnerships and new technology can be used to support innovation to better service women clients. For example, different stakeholders such as industry associations and development cooperation agencies can collaborate in market research to identify the risk protection needs of women to inform the development of products and new distribution channels. Customized gender-sensitive insurance products can be piloted, through the support of development cooperation challenge funds or other forms of investment. If successful, these can be scaled up and potentially replicated in diverse geographies by industry and NGO partnerships.
- **Build all stakeholder's capacity on gender and inclusive insurance.** There is a need to sensitize gender experts, including women's organizations, on inclusive insurance. Vice versa, there is the opportunity to build the gender capacity of those with technical expertise on inclusive insurance from industry, business associations and insurance supervisors, for example, through dedicated training programs.
- **Promote gender diversity in the insurance industry.** Gender workforce diversity can confer a number of benefits for organizations, including the ability to access the women's market and to innovate. The sector can commit to increasing the number of women at senior management and board level in a context where it is well established that gender diversity enhances decision-making and governance.
- **Establish a "good practice coalition" among diverse stakeholders.** Multi-stakeholder collaboration on research can establish the evidence base related to the opportunities and constraints of mainstreaming gender in inclusive insurance. A "good-practice coalition" of development cooperation agencies, supervisors and policymakers, as well as industry and others, can shed light on what was tried, and what works when targeting women through inclusive insurance.

Endnotes

- 1 Microinsurance typically refers to insurance services offered primarily to clients with low income and limited access to mainstream insurance services and other means of effectively coping with risk", MIN 2015.
- 2 IFC, AXA and Accenture 2015.
- 3 Borges, 2007.
- 4 World Bank 2015.
- 5 GBA 2014; UN Women 2015; The proxy compares the percentage of working age women living in poor households - the bottom 20 percent of households- to the percentage of working age men in such households.
- 6 UN Women 2015.
- 7 See: A2ii Note "inclusive insurance protects households and promotes economic growth."
- 8 GBA, IDB and Data 2 X, 2015; <http://www.iaisweb.org/page/about-the-iais>
- 9 ADBI 2010; CGAP & IFC 2013.
- 10 IFC, AXA and Accenture 2015.



What Can Insurers Do to Reach More Low-Income Women? ¹

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Creating Markets, Creating Opportunities

Introduction: Microinsurance has grown from a market of 78 million lives covered in 2005 to 263 million lives in 2013,² with regions seeing tremendous growth. In Africa, the total of all written microinsurance premiums amounted to almost US\$ 647 million in 2014, with 5.4 percent of the total population covered,³ a 30 percent⁴ increase from 2011. In Latin America and the Caribbean, written premiums amounted to US\$ 828 million, with 7.9 percent of the total population covered (2013).⁵ Gross premiums in Asia and Oceania amounted to US\$ 170 million, with 4.3 percent of the total population covered (2012).⁶

Despite this growth, the majority of low-income population, including women, still remain uninsured. Women represent 70 percent of the world's poor,⁷ and their lower earnings, gender-specific health requirements, and lower access to assets make them highly vulnerable to health and financial risks. Their risk profile has resulted in this segment remaining underserved by the insurance sector.

The 2015 report *SheforShield: Insure Women to Better Protect All* estimates that the global women's insurance market has the opportunity to grow to US\$ 1.7 trillion by 2030. Within this, the low-income women's segment has the potential to become an important market for inclusive insurance, allowing insurers to access new markets and sustainably contribute to development.⁸

Traditionally, microinsurance products have been attached to loans distributed by microfinance institutions (MFIs), and have only been accessible by MFI borrowers for the duration of the loans. However, this paradigm is changing. Community based organizations (CBOs) now also design and distribute their own insurance products. Insurers can use new technologies and innovative distribution channels to reach out to the low-income segment, including women, by offering a variety of microinsurance products.

Due to women's traditional role of acting as conduits for their families and communities, they represent a significant entry point to the family wallet, and hence a market opportunity for insurers. Additionally, targeting the low-income women's market will help insurers broaden their brand and build loyalty among a customer group with the potential to become middle-income consumers in the future. Ultimately, explicitly targeting this segment as a business opportunity will help insurers differentiate and establish themselves in an underserved, yet promising, market for the financial sector. While many insurers were initially attracted to inclusive insurance for philanthropic reasons, many have come to realize that microinsurance can be financially sustainable and profitable.⁹

This note is a call-to-action for commercial insurers to recognize the potential of low-income women as clients and the part commercial insurers can play in accelerating the growth of the microinsurance industry.

Leverage A Great Opportunity – Design for Women

To capture the women's market, insurers should move beyond microinsurance products (e.g. credit-life and agri-index) as some are starting to, and create insurance products such as micro-pension plans, simple hospitalization products, multi-risk products, family covers, life insurance with a cash-value option, and other add-ons based on women's risk profile. Insurers can create products that are basic, affordable, and relevant to low-income women and their families, which will attract and retain them as loyal clients.¹⁰ Due to the rapid growth of mobile technology, insurers are now able to develop and leverage innovative partnerships, which serve as distribution channels to reach low-income women.

Box 1: Low-Income Women Customer Profile

- Wants basic, affordable, and valuable products
- Values relationship with providers
- Focuses on providing for her family's basic needs
- Relies on family, friends, and neighbors for support and financial advice
- Worries about leaving debt to her children
- May live in rural areas, without access to infrastructure or population centers
- Limited use of formal banking services
- Not technologically savvy
- May be financially illiterate

Women respond to risks differently from men and have unique protection needs. Their protection needs are intensified by longer life expectancies and women-specific health risks such as pregnancy and childbirth. They are more likely to be self-employed, and are more likely to be in the informal economy, with limited discretionary spending due to societal constraints. Women often have fluctuating cash flows and own fewer assets, problems that are compounded by inheritance customs, restrictions on land and asset ownership, and divorce practices, which tend to favor men. Moreover, their ability to participate

in the formal sector may be restricted by unpaid caring responsibilities and lower levels of education and literacy. Despite their higher vulnerability and challenging economic options, women tend to be better credit risks than men, as MFIs report that women clients have higher loan repayments and lower default rates, compared to men.¹¹ They are also known to be risk aware,¹² better at saving, and are more reliable and effective investors. Women are constantly looking for peace of mind, especially concerning their children. They are worried about education and the well-being of their children's future in case of an unexpected death. It is critical that insurers carefully consider these concerns and characteristics during product design.

Cater to Women's Insurance Needs

Capitalize on women's saving behaviors: Research suggests that liquidity constraints are a major cause of the low uptake of insurance among the poor.¹³ Savings are also increasingly popular among women, amidst the suite of available financial product offerings. According to Women's World Banking (WWB) research, low-income women are able to save around 10 to 15 percent of their net monthly income, but this rarely covers more than basic household emergencies and minor health related costs.¹⁴ Insurers can capitalize on women's saving behavior by offering savings-linked insurance products. These typically enable long-term savings plans and pensions to reach a wider pool of women, not just the entrepreneurs that credit-life products normally target. Partnering with groups that encourage savings, such as village savings and loan associations (VSLAs), can be advantageous as it can help insurers to reach areas that have no access to formal financial services. For example, CARE and MicroEnsure distribute voluntary funeral insurance to Ugandan farmers through VSLAs.¹⁵

Help women to support their families: Women of all segments prioritize their children's education. This is especially true for low-income women, as they recognize education's importance in helping their children overcome their prevailing financial situation. The majority of borrowers within the low-income population are women. Many loans-linked insurance offerings do not provide coverage for the family and spouse, only protecting the life of the borrower. Instead, insurers could create products that consider the whole family, and which extend beyond the term of the loan. Kshetriya Gramin Financial Services, in India, and Kasf Foundation, in Pakistan, have recognized the need to expand their credit-life insurance to include spouses,¹⁶ as women borrowers were not able to repay their outstanding loans once their husbands died. This was because in addition to losing an important source of income, women faced the cultural stigma associated with

working once widowed.¹⁷ Similarly, the choice to extend insurance to family members can help women maintain their peace of mind. The Self-Employed Women's Association (SEWA) in India offers health insurance bundles to its women clients, with the option to add spouses and children to the scheme.¹⁸

Provide for women's health needs: Women have gender-specific health needs such as pregnancies, ovarian and cervical cancer, etc., which could be addressed by insurers. Furthermore, healthcare costs exert high pressure on poor families, and are the most common cause of strain on women's savings and assets. According to the World Bank, 12.6 and 18 percent of Indian and Indonesian women respectively have outstanding loans on health and emergencies.¹⁹ When designing insurance products and key differentiators in highly competitive markets, it is important that insurers include pregnancy and maternity benefits, and that they cover for whatever illnesses are most prevalent in the area, such as malaria, heart diseases, cancer etc. For instance, LAPO, a microfinance facility in Nigeria, has added coverage for C-sections and malaria to its credit-life policies.²⁰ In Guatemala, where gynecological cancer is one of the leading causes of death among women, savings account holders of Banrural Bank have access to VivoSegura microinsurance, which covers preventative and curative gynecological services, and cancer treatment.²¹

Open up paths to retirement pensions: Low-income women do not have retirement and pension plans available as security nets, as they tend to operate in the informal sector. Due to their longer life expectancy, women are also likely to outlive their spouses, compounding their risk. Women are frequently able to set aside small sums of money, but often lack the means to convert their savings into funds large enough to support them in old age.²² Offering pension or savings products that allow small and flexible payment options, as well as annuitization options, would help to increase their retirement funding. In India, SBI Life insurance's Grameen Shakti product bundles term life insurance with cash benefits for the insured at the end of the term.^{23,24}

Educating women about financial planning for retirement and encouraging them to start saving early is another way to grow the women's inclusive insurance market. As the social fabric fails due to migration and smaller family sizes, the traditional solidarity mechanisms that worked for women in the past will become less reliable. Dhan Foundation, an NGO in Tamil Nadu, India, found that 90 percent of the women surveyed expressed a need for micro-pensions, with younger respondents showing an increased willingness to pay into funds. These younger respondents considered themselves less likely to receive old age support and care from family members.²⁵

Help to protect women's assets: Access to assets and properties not only increases women's financial security, but is also associated with increased household bargaining power. In 35 of the 173 economies covered by the Women, Business and the Law report, female surviving spouses do not have the same inheritance rights as men.²⁶ Divorce and spousal death can leave low-income women without assets, putting them at a greater risk of being pulled back into a vicious poverty cycle. In some parts of Nigeria, women are forbidden from inheriting land or assets that they shared with their spouses before death or divorce; and in parts of India, widows are not allowed to re-marry. Therefore, educating women about asset protection, encouraging them to have their names on legal titles of assets being insured, and offering add-on services that include affordable legal services²⁷ can all help women to better navigate perilous legal contexts and increase the value of insurance policies women customers.

Improve Delivery to Women

Simplify claim processes and policy language: Low-income women often have low financial literacy levels. Complex or lengthy applications or claims documentation requirements and processes increase their distrust in insurance, and decrease their policy uptake and renewal. Policy language, as well as distribution and service mechanisms, should be simple and easy to understand, noting limitations in accessibility and literacy among the customer segment. According to the Morocco-based Al Amana Microfinance, the benefits and claims process for their "L'assistance" microinsurance product needed to be worded simply, and was accompanied by strong visuals. This generated more awareness and usage of their product among its clients (See box 2 – Al Amana Microfinance).²⁸

Educate customers: In addition to improving access to financial products, effective financial inclusion programs can help to improve women's knowledge, agency, and ability to engage in equitable and fulfilling long-term relationships with insurance providers. By helping women to understand how insurance improves their lives and those of their family members, insurers can build product interest, trust, and thereby, sales. Care International's research suggests that prioritizing clients' financial literacy as part of an insurer's strategy can help to increase new insurance enrollments threefold.²⁹ In India, Bajaj Allianz and CARE's microinsurance customers are mainly women, and so these insurers make use of posters, illustrations, role-plays, songs, and theatre to help their clients understand the risks and benefits of insurance.³⁰

Build on female agents: Agents are integral for driving insurance adoption among the low-income women segment. SEWA's experience in India suggests that women value regular face-to-face interactions; these provide the opportunity to ask questions about the policies and discuss risks relating to broader family issues.³¹ In some markets, restrictions on women's movements can mean women are not allowed to interact alone with the opposite sex. Women agents, tend to be more relationship-focused than men, and are thus better at building long term relationships and trust. Therefore, women sales agents, when guiding and explaining products, have been shown to be valuable. This also helps insurers to generate job opportunities for women.

Leverage partnerships: Through partnerships with governments, NGOs, community organizations, and service providers, insurers are able to reach a wider range of women customers. Partnerships with already established local groups will allow access to, and a better understanding, of the local context. This in turn will help insurers to gain insights into the local women's market, garner community level trust, and access a wider range of women customers. For example, Philippine Prudential Life, Malayan Insurance, and Munich Re distribute their products through the Coop-Life Mutual Benefit Services (CLIMBS), an association of 2000 cooperatives with more than a million Filipino members.³² Furthermore, MicroEnsure works with Dutch NGO PharmaAccess and Kilimanjaro Native Cooperative Union (KNCU) to offer KNCU health plans to its members in Moshi, Tanzania.³³

Leverage mobile technology: Mobile insurance is one of the fastest growing "mobile money" services in emerging markets.³⁴ This growth is due to the fact that it increases scalability for insurers and customer penetration for mobile operators. According to GSMA, there is a 14 percent global gender gap in mobile access, and addressing this gap would add an additional US\$ 170 billion in revenue for the mobile industry by 2020.³⁵ While mobile operators are looking for ways to penetrate the women's segment, partnership with insurers can help operators to improve their value proposition through product innovation. For insurers, benefits arise from effective product design, improved distribution, reduced transaction costs, greater back-office efficiency, and the ability to offer affordable premiums.³⁶ For women clients, mobile phone technology can address mobility and access issues that are exacerbated for women in many cultures. MicroEnsure, in partnership with telecom operators, sells affordable life and health insurance products to over 15 million customers across 17 countries in Africa and Asia. It expects to reach 26 million customers by 2018.^{37,38} Mobile insurance programs that specifically target low-income women are still an emerging area. By leveraging mobile technology, insurers can

reach women who are not able to leave their house without a male companion, or those who may not have had access to insurance otherwise. (See case study in box 3 – Orange Mali (Sini Tonon Savings)).

The experience of Mobile Financial Services (MFS) providers suggests that while mobile technology can help to increase penetration, effective and reliable agent networks are still critical for educating, driving adoption, and increasing the usage of mobile financial products, including insurance.³⁹ In addition, there is a persistent gender gap in the access and usage of mobile technology in many countries. This means that women clients themselves are less technologically savvy and less educated, and therefore initially require hand-holding.

Case Studies

Box 2: Education is a Requisite to Usage of Microinsurance

It is in the interests of microinsurance providers to educate policyholders about the benefits of their insurance products. This was the experience of Al Amana Microfinance in Morocco. “L’Assistance” is a microinsurance scheme that is automatically attached to the client’s loans, which pay out during events of stress (e.g. for childbirth, hospitalization, or upon critical illness diagnosis). Despite having 240,000 clients enrolled within a year of introducing the policy, 41 percent of whom were women, only a small number of claims were filed (a 20 percent claims ratio; a target of 50 percent would indicate that the product is good value).

Due to the complex language used to explain the product, and the client’s low financial literacy, clients did not understand how to use the product to pay for financial losses. When the product was explained in simplified terms, using strong visuals, clients, particularly women, were more eager to purchase the product, as they saw its value in addressing their immediate needs. Al Amana is working with WWB to develop a more targeted marketing strategy that simplifies the language, clearly presents the claims process, and trains sales staff in explaining its benefits.

Given the lower level of literacy among low-income women, leaders in the industry recognize the need to develop clear, pictorial language to address and attract women clients.

Source: Women’s World Banking: An Unintended Secret: Micro-insurance in Morocco (2014); SheforShield: Insure Women to Better Protect All (2015)

Box 3: Leveraging Mobile Technology to Reach Women Customers

Only 27 percent of Orange Money subscribers in Mali are women, even though the overall mobile money market in the country is relatively well developed. In December 2014, Orange partnered with Population Services International (PSI), PlaNet Guarantee, and NSIA, an insurance company, to launch Sini Tonon savings product (ST) and Tin Nogoya insurance product (TN). TN’s insurance offerings include life/disability coverage for all customers, and maternity cover to address women’s health needs and help Orange Money reach the previously untapped women’s market in Mali. This was also a first-of-its-kind program by a mobile operator that specifically targeted women in the development and distribution of interlinked mobile savings and insurance products.

Orange Money subscribers can open a ST savings account with an initial minimum deposit of about US\$5, with subsequent deposits of 16 cents. TN is an insurance product linked to ST that activates automatically when the balance reaches US\$ 66. The activation provides the user with 12 months of life/disability and maternal health insurance. Benefits include payout to the beneficiary for death or permanent disability and reimbursements for four major delivery complications (hemorrhage, eclampsia, dystocia complications, and C-section). The product also encourages prenatal care consultations by limiting reimbursement if customers do not make use of the service.

An early customer survey (May 2015) highlighted that ST was encouraging customers to save (55 percent of women and 48 percent of men had not saved before using ST). For 97 percent of the female TN users, this was the first time they had been insured. Over 30 percent of ST users stated that they were using the product because of the possibility of being covered by TN. Initial data also showed that women users had made twice the number of claims as male users, indicating strong interest in the service. The products have also helped to improve Orange Mobile’s image among its customers.

Source: GSMA Connected Women Case Study - Orange Mali: Reaching Women Customers with Mobile Savings and Insurance (2015)

The Way Forward: Challenges and Recommendations

With little money to spare, women seek products that are affordable, easily accessible, and clearly beneficial to them and their families. With inheritance and property rights often applied differently to men and women, low-income women need help in protecting the little assets they may have. Insurers are therefore very well-positioned to help diminish this protection gap and help empower low-income women, their families, and their communities. Some additional challenges that require further attention are listed below.

- Insurers need to gather and analyze sex-disaggregated data for more effective product design. This will also allow them to better monitor and analyze the behaviors, risks, and profitability of the low-income women in their portfolio. According to a recent report by the Global Banking Alliance for Women, while the collection and use of global and national level sex-disaggregated data is improving, there are no reliable and comparable supply-side datasets currently available.⁴⁰ Without data, it will be hard to make a business case for serving women in the inclusive insurance market. Collecting this data will require baseline data collection on existing clients by sex, setting KPIs to track performance, and internal awareness in raising activities to establish an understanding of the value of collecting and analyzing this data.
- Removing barriers to women's ownership of, and control over, assets can help to increase the awareness and uptake of insurance. However, this also requires effective government policies that understand the protection needs of women in local contexts, and support insurance innovation and cultural shifts. Insurers can also play a role in this by advocating for financial inclusion policies that support women clients.
- Mobile technology can help to boost the distribution of insurance products, however women's low financial literacy skills require the continuous presence of agents, as they are the key enablers of insurance adoption among low-income women.
- Partnerships and technology may help to achieve economies of scale, however achieving financial inclusion requires the knowledge and ability to make effective use of products. Insurers need to develop initiatives that will help improve women's awareness and ability to access financial products.
- Insurers are recommended to invest in Women's Market programs with a specific strategy and process, aimed at reaching the underserved women's market including the low-income segment. Such programs require an approach that also considers the importance of women in the insurance value chain as agents, and as leaders for setting the companies' strategic direction having positive impacts on product design. One such example is IFC's Banking on Women (BoW) program. The experiences of BoW have shown that to successfully target the women's market, banks need to adopt a holistic approach. They should aim to be the 'Bank of Choice' and the 'Employer of Choice' for women.⁴¹ Following this approach is not only innovative for the insurance industry, but will also create an impact far beyond the insurer's bottom line. It also presents a great way for insurance companies to differentiate themselves from other players in the market.

Endnotes

- 1 By "Insurers" this focus note refers to commercial insurers, as this note is a call-to-action for commercial insurers to recognize the potential of low-income women as clients and the part commercial insurers can play in accelerating the growth of the microinsurance industry. Although the low-income women's segment by itself can vary based on differing income levels, household statuses, locations and geographies, for the purpose of this note the low-income women's segment has been grouped into one.
- 2 Leach, J; Ncube, S; Menon, A, 2014.
- 3 Microinsurance Center, 2015.
- 4 This comparable growth of 30 percent represents increase for institutions that reported in 2011 and in 2014 out of the 200 providers surveyed for the Microinsurance Center.
- 5 Microinsurance Network and Munich Re Foundation, 2014.
- 6 Microinsurance Center, 2013.
- 7 ILO, 2010.
- 8 The SheforShield report identifies five key segments: salaried women without children, working mothers, retirees, women entrepreneurs and low-income women customers.
- 9 Microinsurance Network, 2013.
- 10 IFC, AXA and Accenture, 2015.
- 11 D'Espallier; Guerin; Mersland and Roy, 2009.
- 12 Stewart, 2013.
- 13 CGAP, 2013.
- 14 Women's World Banking, 2006.

- 15 CARE International, 2011.
- 16 Kasf Foundation, 2016.
- 17 ILO, 2013.
- 18 Banthia, Johnson, McCord and Mathews, 2009.
- 19 The World Bank, 2014.
- 20 Dias, Garand and Swiderek, 2013.
- 21 MicroCapital, 2013.
- 22 Van Dulleman and de Drujin, 2014.
- 23 Caverly, 2013.
- 24 The product by SBI Life Insurance allows flexibility of premium and cover amounts, and premium cost is the same regardless of age or gender.
- 25 Van Dulleman and de Drujin, 2014.
- 26 World Bank Group, 2016.
- 27 Banthia, Johnson, McCord and Mathews, 2009.
- 28 Palmer, 2014.
- 29 Roscoe, 2013.
- 30 Allianz Group, 2010.
- 31 Banthia, Johnson, McCord, and Mathews, 2009.
- 32 Accenture, 2012.
- 33 MicroInsurance Centre, 2013.
- 34 GSMA, 2015.
- 35 GSMA, 2015.
- 36 Tellez, 2012.
- 37 MicroEnsure Website, 2016.
- 38 Technomy, 2015.
- 39 GSMA, 2013.
- 40 GBA; IDB; DATA2X, 2015.
- 41 IFC, 2016.

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Gender-Sensitive Inclusive Insurance Distribution

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Introduction: Gender-sensitive inclusive insurance business models adopt diverse distribution approaches to successfully reach the women’s market. Distribution refers to the channels and actions through which an insurance company markets, sells and services a policy to policyholders.¹ It includes how information about the insurance policy is communicated; the way in which the customer agrees to pay the premium; how it is collected; and avenues for claims processing and complaints. All of these aspects have implications for inclusive insurance business models and may be subject to gender preferences. As such, the type and design of insurance product will have a significant impact on the information that an intermediary must deliver to all clients, including women, to enable full value realization.²

Driven by considerations of how to better serve women and build new business, various distribution models have proved to be both profitable and impactful, enabling insurers to reach potential women clients. But, just as insurance distribution models may be tailored to the wider operating market, legal, and regulatory frameworks, they may also require adjustments to the gender context. Further, the strengths and weaknesses of each channel may pose different risks and opportunities for reaching and servicing different segments of the women’s market. In part this will be based on whether the distribution channel primarily works in the interests of the insurance company or a third party. As such, there is no single answer for insurance distribution to women.

This note provides an overview of how gender considerations could be incorporated into different distribution models of inclusive insurance, including social insurance. It also sets out the case for doing so. Moreover, it considers examples of where some of these approaches have been tried and tested, and makes recommendations for the future.

Gender-Approaches in Inclusive Insurance Distribution

Distribution Models and their Gender Potential

All existing inclusive insurance distribution models are influenced by, and can influence, societal gender norms. Each can be used to create awareness about insurance and can target and service different segments of the female-customer market within the areas of insurance enrollment, premium collection, and claims processing (see Table 1).

Table 1

Intermediary	Description	Role in Reaching Women
Financial Institution (FI)	Commercial or public banks, micro finance institutions, credit unions, and savings and credit cooperatives that offer insurance products both as compulsory insurance or voluntary products through bancassurance.	Women-specific banking products may be coupled with insurance products tailored to the needs of women. They could be sold as part of a bank's broader women's market proposition.
Community Based Organizations	These may be trade unions, cooperatives, NGOs or faith-based organizations offering a variety of compulsory and voluntary products for all kinds of risks.	Low-income women are often organized into community-based organizations to access other financial products. These organizations are uniquely positioned to offer women inclusive insurance products because they are trusted organizations with predominantly women clients. Women-driven finance or other CBOs as potential channel (not only for low-income)
Retailers	Supermarkets and other types of retailers may provide off-the-shelf insurance products without advice.	Depending on the cultural context women can shoulder greater household responsibility for retail purchases. Supermarkets and other retail outlets may have a predominantly female client base that can be reached through products adapted for women and their family's needs.
Mobile Network Operators (MNOs) and other utilities	Telecommunication service providers can provide insurance both passively and actively to their clients.	Time-poor and safety conscious women who might be restricted from accessing other distribution channels, may have telephones and can be cross sold insurance products through this platform.
Agents	Agents might be staff employed with the insurer or outsourced agents that may sell insurance products. They may be clearly linked to one or more insurance provider based on the company they represent and the regulatory context.	Directly employed or outsourced, female direct sales agents can be used to reach women clients face to face, where contact with unrelated males may be prohibited or restricted, and may be more effective at relationship building and understanding the women customer's needs.
Single-Window-Service Centers	Service centers providing social protection including social insurance, employment, and health services may complement basic social protection with options to buy in to social insurance and market-based products.	Women who seek and receive assistance from the government through a Single-Window Service Centre can additionally be informed about their options to buy insurance products that suit their needs. Women whose time and mobility are constrained could overcome barriers of financial illiteracy and information through this approach.

Source: Adapted from ILO 2014

Key themes crossing different distribution models include: 1) the use of women as an insurance sales force; 2) the use of third parties as sellers of insurance leveraging their position as trusted organizations among an existing client base; and 3) digital distribution channels. Each distribution model may have strengths, but also limitations specific to building awareness of insurance among the women's market, and on-going servicing of women clients, some of which are presented below.

Women's Role in Distribution Channels

Women insurance intermediaries can access new markets of excluded or underserved women because they may increase the comfort levels of their clients. These women may be working through direct distribution models, as staff of a distributor, as insurance or mobile money agents, or on behalf of a governmental social insurance scheme. Women may feel greater levels of comfort dealing with other women, particularly in Islamic cultures or in a context where women's mobility and interactions with unrelated males may be restricted due to socio-cultural or financial constraints. Women may also be reluctant to divulge their contact information to male intermediaries who may use the numbers to call and harass them after any transaction, as was found to be the case by bKash in Bangladesh.³

Delta Life in Bangladesh is an example of an insurance company that has used women agents for their intermediation strategy. Likewise, in India, the Self-Employed Women's Association (SEWA), a trade union for poor and self-employed female workers, uses women as grass-roots-level insurance promoters called "aagewans" who, like agents, go from house to house promoting insurance and enrolling members into its product VimoSEWA.⁴

A 2016 Microsave study in India found differences in customer experiences based on whether the agent was a man or a woman. Women agents were discovered to enhance the communication and comfort levels for women customers, resulting in greater client openness for sharing financial information. Consequently, customers were able to receive more appropriate advice.⁵ Female agents may better understand the needs of women clients and entire families, and may outperform their male peers. Female agents may also provide a basis for building a long-term more comprehensive relationship model for female clients and their insurance providers.

There can be gender differences in insurance purchasing preferences as confirmed in a 2012 study conducted by GIZ on gender differences in the use of formal financial services in Namibia.⁶ The study found that while there were no major differences in insurance uptake, women predominately purchase medical, funeral, or education insurance whereas men predominately buy car insurance, followed by funeral and life insurance.⁷ Research on the state of the women's insurance market in developing countries indicated that, in Brazil, female brokers are better able to understand not just the needs of other women but also the protection needs of entire families. Further, the previously mentioned Microsave research discovered that both male and female clients found that women demonstrated a greater level of patience and willingness to clarify questions regarding financial products.⁸ These purchasing preferences can also confer relative advantages and disadvantages of face-to-face contact versus virtual forms of communication, particularly in a context where there is low insurance product awareness.

Employment opportunities in insurance sales can serve individual needs for income generation and women's economic empowerment, while fulfilling the insurance company's and distribution channel's needs. This can create a win-win situation. Yet, despite compelling evidence, there is a need for greater representation of women in the industry beyond Direct Sales Agent roles in some regions. There is a lack of data on women working in different roles within the insurance industry or for the social insurance schemes in developing countries, but it is well established that insurance is a male-dominated industry. Indeed, according to research conducted by the IFC on gender diversity in Jordan in 2015, only 4.04% of board members in the insurance sector are female.⁹

The insurance industry can learn from other sectors about how to sufficiently address women's employment needs to facilitate their engagement in business models. Other sectors relying on low-income women as distributors and trainers have adapted their working practices to address socio-cultural expectations not specific to the insurance industry. For example, this has been done in the retail sector by Jita in Bangladesh.¹⁰ Other gender issues facing women in employment include their need for flexible working arrangements, concerns regarding mobility and safety, and legal restrictions on their working times. Moreover, the limited literacy levels, education, and comfort level with technology among some women have implications for training needs. In India, an insurance advisor recruitment portal has been set up by Bima Business and is explicitly targeting women as part time insurance agents.¹¹

Given the generally male-dominated insurance workforce, there is an opportunity to gender-sensitize male workers operating in diverse distribution models. This may help men better understand gender considerations when targeting female clients. But culture is deeply ingrained and one set of training classes alone will be insufficient to change mind-sets and social norms. Moreover, such gender training is not yet commonplace and the research on the women's insurance market in developing countries found no insurer, agency, or broker that provided standalone gender-sensitive training or integrated it in other sales training.¹²

Scaling-Up Access, and Servicing Clients

A range of distribution approaches can service large numbers of clients and scale up access. Both traditional distribution channels such as the MFIs and also alternative mass-market channels are needed to scale up access to larger numbers of women, although some will need to be incentivized to do this. Working with intermediaries who aggregate a high percentage of women (e.g. community based organizations or mobile network operators) can specifically scale-up distribution to women at a low cost. They can also provide support with servicing women clients, who may require assistance in terms of insurance literacy, claims filing, complaints handling, and policy renewals.¹³ Although in some instances digital distribution channels may not be a substitute for face-to-face communication to build awareness of insurance as a product offering in circumstances where there are low levels of financial literacy. Inclusive insurance schemes can sell insurance as embedded products added to a financial service or another product to expand access; for example, adding insurance to a loan, a savings account, a retail purchase, a utility bill, or a transfer/payment.

Group sales can be used as another avenue to achieve scale, but this is not in itself a distribution channel per se. Traditionally microfinance institutions and self-help groups – many of which are focused only on women – have been collaborating on distributing insurance to their low income female client base and, in the process, adapting the products to these women's specific needs, such as including maternity benefits. Their protection is in the collective interests of MFI's such as Pro Mujer and members of Women's World Banking.

Commercial and public financial service providers have begun to focus increasingly on the female market and have designed differential value propositions for women, for example, providers collaborating through the Global Banking Alliance for Women (GBA). Bancassurance through this channel represents an untapped opportunity. Indeed, in recognition of the interest in the women's market by insurance providers, in October 2015 GBA

announced it was opening up its peer-learning platform to insurance companies to share experiences in targeting the women's segment.¹⁴

Alternative distribution channels have recently emerged, including e-payment providers and mobile network operators (MNOs). Electronic payment platforms and their mobile money agents have been credited with supporting increases in access to finance for both unbanked women and men, bypassing the high infrastructure costs of establishing branches in low population density areas. Some payment platforms have been entering in distribution partnerships with brokers such as BIMA or MNOs. Indeed, MNOs have provided airtime customers with a loyalty product given for free as a value added service in the hope that these customers will later convert to a higher level of premium by spending more airtime. Some MNO-insurer partnerships even offer an upgrade to the free product to encourage the client to pay more for a higher level of cover. As such, payment platforms and MNOs, together or alone, can partner in digital insurance distribution approaches to women and in particular support premium collection and claims processing. This is because a women's mobility, time, and ability to pay for insurance may be constrained by socio-cultural and economic factors related to work, child care, and other household responsibilities.¹⁵

Notably, there are high levels of women's economic participation in mobile distribution channels as agents, brokers, or as vendors for mobile airtime vendors. This type of participation can confer other benefits in terms of economic empowerment and may also correlate with the percentage of women clients. A study on the gender composition of the mobile value chain found that more than 50 percent of sales agents of mobile airtime in select African countries were women.¹⁶ But this varies by country and region. In Bangladesh less than 3 percent of agents are women.¹⁷ There may be higher levels of women participating in the call centers that are serving the MNOs.

Single-window service centers or one-stop shops can offer efficiencies and scale up distribution of social insurance, along with other social protection programs and municipal services. Usually single-window-service centers serve as an entry point for poor and vulnerable population groups, including specific target groups such as the unemployed or informal workers. Moreover, they can link social protection with activation and employment enhancing measures.¹⁸ For example, the Samajik Suvidha Sangam Program in India offers women access to 45 programs from nine departments including a mix of social, employment, health, as well as education and food programs. Access points are Gender Resource Centers, which additionally offer empowerment for women through skill enhancement and networking.¹⁹

Targeted initiatives to boost sales to women clients through these channels could be adopted, while respecting consumer protection guidelines and understanding the differential vulnerabilities of women and men. To support this the inclusive insurance industry can take several steps: evaluate the socio-cultural and legal barriers to accessing and servicing women in an insurance market and understand how they may impact on insurance distribution; instigate gender sensitivity training for existing sales agents and brokers; undertake recruitment campaigns; and adapt employment conditions to increase the number of women agents.

In sum, inclusive insurance distribution approaches are continuously evolving as will the need to consider the gender dimensions of each approach. But what is clear is that there is a lack of research and literature on this topic documenting existing practices. This highlights that there is still more to consider in how existing channels can be gender sensitized to support boosting access to insurance for low and middle-income women in developing countries.

Case Studies

Box 1: Papua New Guinea

MiBank, the Nationwide Microbank Limited, incorporated in Papua New Guinea and licensed and regulated by the Central Bank, Bank of Papua New Guinea, has a strong focus on women's empowerment and a women's banking unit to support its work. It was the first institution to introduce a Microinsurance product in Papua New Guinea called MiLife, a term life or funeral cover that will cover the life of both the husband and wife for a duration of one year and provide a pay-out of K5,000 (US\$1580) in the event of either insured's death. It is the first mobile micro-insurance scheme in the South Pacific as MiLife Insurance is bundled with MiCash Mobile Banking to promote inclusive financial services. MiBank uses partnerships with development partners such as the Asian Development Bank (ADB) to target women in the fishing industry and provide them with financial literacy skills programmes and open a MiCash mobile wallet. This can be a precursor to their purchase of MiLife. Moreover, at MiBank there is strong focus on extending outreach to women and it holds memberships with the Business Coalition for Women, the PNG Women's Chamber of Commerce & Industry, and the Women in Mining & Petroleum.

Source: <http://www.microbank.com.pg/products/MiLife.html>
http://www.microbank.com.pg/about_us/MiBank_AR2015/Download/MiBank_AR_2015_02-16_web.pdf

Box 2: Bajaj Allianz's All-Women Branches in India

In 2014, Bajaj Allianz in India opened an all-women branch in Pune to create a positive work environment for their female employees and intermediaries, as well as to better target women customers. It has only female employees and recruits and trains women agents and intermediaries. The initiative includes extending all possible support, such as childcare facilities, pick up and drop off, home office, and flexible hours. Further programmes empowering female employees and clients at Bajaj Allianz include a programme called WILL (Women Initiative for Leadership Learning), which addresses professional challenges for women workers. In terms of tailored products for women, Bajaj Alliance provides free 24/7 roadside assistance to all female motor insurance policyholders.

Source: https://www.allianz.com/en/press/news/company/human_resources/news_2014-01-09.html and <http://projectm-online.com/markets/girl-power-indian-style/>

Chile: Solidario Programme

The Chilean Solidario Programme acts on behalf of several ministries and other governmental institutions and offers services in the areas of social protection, housing, employment and activation programmes with the objective of reducing poverty and increasing human capital. A social worker accompanies selected clients for two years and develops an exit strategy from poverty. This includes the signing of a 'family contract' to improve their living conditions with the government taking responsibility for supplying them with a range of support services and resources, and the family agreeing to work to overcome barriers to improve their lives. The program's secondary goals are to build women's capacities, empowerment, and gender equity by awarding the social transfer directly to mothers, with the intention to improve the educational levels of daughters and mothers and strengthen the position of women in the family. Although the program has a strong impact on labor market outcomes, it has mainly affected men. Scarlato et al (2014) suggest including more specifically targeted services to women's needs in order to strengthen their empowerment.

Source: <http://socialprotection-humanrights.org/resource/good-practices-on-single-window-services-research-on-existing-single-window-services-around-the-world-india-chile-brazil-south-africa-pakistan-and-key-lessons-to-be-learned-for-cambodia/>

The Way Forward: Challenges and Recommendations

Gender-sensitive approaches in inclusive insurance distribution are emerging. There are some examples highlighted in the case studies but the inclusive insurance providers could do more to take a gender sensitive approach to its diverse distribution models and understand what works, as well as document and disseminate existing approaches. Social protection services have developed gender sensitive approaches to distribution. Although women are a specific target group of some Single-Window-Service Centres and also the final beneficiaries of some government-supported social insurance schemes, political will and action is needed to tailor this distribution approach to the needs of women and girls.

Women can be a critical catalyst to reach female clients. Despite this, there is a need for further research to understand the differential impact of diverse intermediation channels which pose opportunities to reach women in various sub segments, as well as explore the gender related challenges that each distribution channel may pose. This has the potential to inform the adaptation of gender-sensitive private and public distribution strategies in various sub-segments of the women's market, appreciating the potential differences between, for example, low and middle-income women.

Sex-disaggregated industry data on insurance agents and brokers, and their respective client base and beneficiaries of governmental social insurance programs is needed. This will support an enhanced understanding of their behaviors and constraints, as well as the relative success of insurance agents and brokers, and governmental distribution systems at reaching out to, and meeting the specific needs of, women.

There is clearly a role for innovation including the greater use of digital distribution and innovative partnerships to reach the target female segment; governments, trade unions or NGOs, and the private sector all might find ways to reach the female audience. Further experimentation is required related to targeting women using group policies for women's business associations. There is also a role for technology to support the distribution of inclusive insurance. Online platforms may appeal to higher-level segments of the women's market where socio-cultural constraints related to the double burden of 'caring duties' and 'work.' In another example, for lower-income women's market segments, government efforts to leverage technology and roll out biometric smart cards have been capitalized on to support the distribution of social insurance schemes and social transfers.

A variety of gender-sensitive distribution approaches has the scope to enhance and improve women's access to private and public insurance. Key recommendations to leverage this opportunity include:

- Research to evaluate the relative strengths and weaknesses, opportunities and challenges in reaching different segments of the women's market, such as women living in rural and urban areas being informally or formally employed through each distribution channel. In turn, sharing examples of proven and practical tools that work with each segment;
- Increased female representation in the distribution channels to better enable gender sensitivity, focus, and access to potential women clients;
- Impact data collection by governments supported by technical assistance from international cooperation organizations on the effectiveness of existing attempts to increase access to insurance for women through various distribution models;
- Capacity building on gender to be provided to public and private insurers and intermediaries;
- Collaboration between Insurers, MNOs, and insurance supervisors through organizations such as the Global Banking Alliance for Women, Data2X and IDB, in order to understand the opportunities and barriers of collecting sex-disaggregated data on sales agents, insurance clients, and beneficiaries' customers to measure the insurance inclusion of women. This can better enable them to tailor their value proposition to the women's market; and
- Sensitization of women's organizations about their potential role in intermediating insurance.

Endnotes

- 1 A2ii 2014.
- 2 Intermediation is the act of establishing and facilitating the establishment of a coverage obligation between an insurer and a client. The IAIS glossary defines intermediary as any natural person or legal entity that engages in insurance intermediation. A distribution channel is how the process of intermediation through an intermediary happens, e.g. face-to-face, direct, through an agent or a broker, which can be a retailer, bank, or an MNO. An agent is a person who represents one or more insurance companies and sells insurance policies on behalf of the insurer(s) whereas a broker is an individual or company who represents the client rather than the insurance company and offers products from multiple

insurers. Group policyholders are not considered intermediaries even though they are an important way of channelling insurance.

- 3 Carol Realini. September 10, 2015. Bangladesh Mobile Money Empowered by bKash. Available at: <http://www.openfininc.org/2015/09/10/bangladesh-mobile-money-bkash/>
- 4 ILO 2013.
- 5 Samveet Sahoo, Aakanksha Thakur, Prabir Barooah, and Isvary Sivalingam. 28 June 2016. Agency Banking How Female Agents Make a Difference. Available at: <http://www.helix-institute.com/blog/agency-banking-how-female-agents-make-difference>
- 6 GIZ 2012.
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Engaging More Women for a Stronger Insurance Industry

Marieme Esther Dassanou and Prapti Sherchan, IFC



Creating Markets, Creating Opportunities

Introduction: Women's labor force participation can play an important role in increasing a country's GDP or significantly boosting a company's bottom line, as is being increasingly recognized around the world by governments and the private sector. From a macroeconomic perspective, a report by McKinsey's in 2015 suggests that equal participation of women and men in the economy would add up to US\$28 trillion annual global GDP, or 26 percent by 2025. For example, India could increase its GDP by 16 percent, and China by 12 percent.¹ On the microeconomic side, an office evenly split along gender lines functions more effectively and can help increase revenue by roughly 41 percent, according to the Massachusetts Institute of Technology (MIT).² Similarly, companies with diverse executive boards enjoy returns on equity (ROE) that are 53 percent higher, on average, than for those poorly performing on diversity.³ As such, the insurance sector in developing economies can greatly benefit in terms of profitability, enhanced governance and innovation from greater gender diversity in its workforce, and including more women specifically as agents and at senior management level and on the board.

Across the insurance value chain, from the corporate executive to the rural sales agent, including women more effectively in the development, pricing, marketing, and distribution of insurance products enhances the industry's ability to enter the underserved women's market and fully address its needs. In commercially challenging times, tapping into a range of opinions, ideas and experiences can only better position insurance companies to remain relevant to their customers.⁴ Within the low-income segment, this is even more important. Women agents are key to the insurance value chain as they have an advantage in building trust among women who are constrained due to low awareness, cultural norms⁵ and have greater mobility restrictions.⁶ To date, very little has been done by the insurance industry to accelerate the recruiting, retaining, and promoting of women, causing the sector to greatly miss out on key opportunities.

This note seeks to address the importance of leveraging women as part of the insurance value chain as agents and employees. It also identifies the different challenges women face in actively and successfully participating in the insurance industry and provides best practices and recommendations for insurers to consider as they look to increase the uptake of insurance by women in the low income segment.

The Case for Women's Employment to Further the Inclusive Insurance Agenda

For the insurance industry, women are a growth opportunity on the demand side, as well as vital for sustained business success on the supply side. After investing over US\$1 billion in women-owned enterprises via financial intermediaries, IFC's Banking on Women program has learned that, in order to successfully tap into the women's market, it is not enough to be the bank of choice.⁷ Banks need to adopt a holistic women's market approach and also need to become the employer of choice for women in order to successfully target the women's market. The same can be applied for insurance companies.

Women represent more than half of all global graduates and, when trained and given opportunities, a strong performing workforce. With their multi-faceted role in society, women are able to greatly influence the development of insurance products, bringing in their insights as professionals, mothers, and caregivers.

Women can also be strong advocates for the insurance industry as they can develop long-term relationships, thereby improving client recruitment and retention. In addition to this, as women in many instances are leaders of MFIs, NGOs and community groups or self-employed, they can easily become agents or influence the uptake of insurance by women and men. The opportunity is, therefore, twofold: women in leadership at corporate level and women as sales staff or agents.

Women in insurance leadership positions

Diversity is key for innovation, for the bottom line and for employee morale. If given the right opportunities, women employees in the insurance industry, including those at leadership levels, can bring a fresh perspective. Women either make or influence up to 80 percent of purchasing

decisions, and as employees women can bring a better understanding of household risk mitigation concerns of female clients.⁸ They can influence insurance product development, pricing and marketing to better address the needs of women consumers at all levels, including the low-income segment. An analysis of the S&P Composite 1500 found that firms with women in top management roles experienced an increase in “innovation intensity” and were worth on average about US\$40m more than companies with only male leaders. In addition, gender diverse teams are better at logical analysis, coordination and problem solving.⁹ Furthermore, studies suggest that companies with a gender-diverse leadership and board perform significantly better than their competition. This includes a 42 percent higher return in sales, 66 percent greater return on invested capital, and 53 percent higher return on equity.¹⁰

Despite strong evidence, women feel undervalued by the insurance industry. Whether it is senior, middle management or board positions, women find it hard to break through the glass ceiling and walls that silo them in “pink ghettos” and restrict their chances of getting positions linked with profit and loss responsibilities.¹¹ This is the case within insurance companies, brokers and within associations. Women are up against an unconscious bias, occupational sex segregation, and stereotypes, which increase turnover and drain good talent out of the industry. However, it is crucial that gender diversity in the workforce and senior leadership reflect the diversity in the consumer base. Women in leadership positions are able to guide the organization’s strategic direction, and help influence the creation of inclusive products, which would lead to more women consumers purchasing insurance. In addition, women at this level become role models for other female employees, including agents who aspire for stable and successful careers in the industry. While there is evidence of the benefits of hiring women in corporate leadership, the insurance industry has been slow to capitalize on the opportunity. Recent Ernst and Young research shows that only 6 percent of insurers believe that the number of women in leadership positions will increase in the next 5 years, while only 45 percent think they have been effective in promoting women in the last 5 years. Additionally, within the financial sector, women state insurance to be the least attractive career. Some of the barriers women encounter include:

- **A male dominated industry:** Due to its reputation of being a “male” industry, women find insurance a poor career choice, especially those who want to raise a family. PwC reports that out of 10,000 young professional women interviewed in over 70 countries, fewer than 13 percent would want to work for an insurer and 80 percent of women believe that insurance companies are not interested or serious about workforce diversity.¹²

- **Lack of role models** and an under-representation of women in leadership and board roles suggest lower opportunity for career progression for women. A study by the Jacobson group show that globally women make up only 12 percent of board seats, and 6 percent of top management positions within the insurance industry.¹³ In the Middle East, among the CEOs of the 88 Gulf Cooperation Council (GCC) listed insurance entities, only one CEO is a woman and only 26 percent of senior and managerial positions are held by women.¹⁴ The absence of women role models can discourage bright, ambitious and career-minded women from joining the workforce. In addition, encouraging more women to join the industry is important to building the pipeline of future women leaders within the industry.

- **Bias in advancement and lack of professional development opportunities** are a big barrier for women seeking leadership opportunities, according to a survey conducted by the Insurance Industry Charitable Foundation (IICF).¹⁵ According to Catalyst, male senior managers determine who gets the promotion, and have the tendency to select protégés who resemble them.¹⁶ Although this is changing, insurers have been slow in providing specific training and professional opportunities for women to help them succeed in the industry. According to an Oliver Wyman survey of 800 professionals worldwide within the financial services industry including insurance, 55 percent of women agreed, “it is harder for women to reach senior leadership roles in financial services than it is for men”.¹⁷ Women also tend to be less represented in profit making positions, such as underwriting and actuaries, lowering their chances of accessing senior management positions, which usually require such a profile.

- **Work-life balance** is an issue for women working in the insurance industry. Long hours and client entertaining duties can be restrictive, especially for women who have parental and caregiving obligations. Although in some instances men may also share similar responsibilities, most often women are likely to bear the majority of the responsibility.¹⁸ A recent Overseas Development Institute policy brief shows that when paid and unpaid care responsibilities are combined, women still do overwhelmingly more work, working up to five extra weeks or more per year.¹⁹

Quick Facts on women in the Insurance Industry

- Women's distinct contribution is their ability to develop long-term client relationships.
- Investing in women employees and agents can yield tremendous benefits for insurers: A minimum increase of 66 percent on invested capital, a return sales increase of at least 42 percent, and an average return on equity increase of at least 53 percent.
- Fewer than 13 percent of women globally would want to work for the insurance industry.
- 80 percent of women have the perception that insurers are not interested in gender diversity, but rather are more concerned with profit making.
- Only 6 percent of insurers expect an increase in the number of women in leadership in the next 5 years.
- 63 percent of insurers agree that they do not have sufficient diversity of thought and experience within their leadership team.

Sources: IFC, SheforShield Report 2015; Mercer, When Women Thrive 2013; EY, Navigating disruption without gender diversity? Think again 2016

Women agents – a valuable asset

The reputation of the insurance industry and insurers are critical for building trust and increasing sales within the low-income segment. A 2013 microinsurance study by UNDP shows that surveyed participants, of whom 74 percent were women, would prefer the convenience of a trusted insurance agent who can explain the product, collect their premiums, and settle claims in person.²⁰ According to India's Self Employed Women's Association's (SEWA) experience, women value regular face-to-face interactions with agents and the opportunity to ask questions about the policies and to discuss risks relating to broader family issues.²¹

Women agents are particularly well suited for the low-income sector where women represent the majority of the population. Their close involvement in planning for their family and children's future, and their ability to build strong and lasting relationships with their clients, especially other women, enables them to access a relatively untapped customer segment. Women can leverage their networks, gathering other fellow-women to sell insurance policies using Avon or Tupperware. In addition, women's ability to gain trust within their community and provide financial advice through informal savings mechanisms, such as "Susus" in Eastern Africa or village savings loans groups (VSLG), or the Microinsurance Mutual Benefit

Associations like in the Philippines, making them an important asset for the insurance industry.

Even in an era when mobile insurance is one of the fastest growing business models among mobile financial services,²² agents will likely remain an integral part of the insurance sales process. As women in the low-income segment tend to be less technologically savvy, and less financially literate, women agents are critical for meeting their needs, driving the usage and adoption of mobile financial services that includes mobile insurance.²³ Furthermore, agents become even more important as women in the low-income segment will require education and hand-holding to help them understand insurance products and their usage.

Insurance companies that have leveraged women agents to access the low-income market are experiencing great performance and returns. For example, Bharti AXA Life Insurance in India has seen great results from their women agents. In a given period, the number of policies sold by Bharti AXA's women agents can be 50 percent higher than those sold by men.²⁴ Similarly Aegon Religare Life Insurance found that while 31 percent of its agents are women, they bring in close to 40 percent of Aegon's total business.²⁵

As women are valuable for accessing the low-income market, it is necessary for the insurers to increase women's engagement as agents by making the role a more attractive career choice. Insurers should be able to attract more women agents as the structure of the industry does allow for independence, flexibility, and an opportunity to make an income, often additionally to another formal or informal business. However, the low reputation of the industry, the difficulty in generating leads, the large pay gap, and sociocultural norms make it difficult for women to fully engage and build a career in the industry as agents.

- **The low professional reputation** of agents and the level of corruption have greatly tarnished the employer brand of the insurance sector. Agents are often perceived to be misleading and cheating people of their money. PwC women survey respondents stated that the industry's reputation could change for the better if insurers were more engaged in the community rather than only seeking revenue generation and profit.²⁶ As potential women agents, especially those in the low-income segment, would be trusted leaders in their community, they would be expected to contribute to a positive industry reputation and increase women's interest in the profession. Additionally, in certain markets like China, Mexico, and Nigeria, being an agent is traditionally not considered to be a desirable occupation, as they are perceived to be inexperienced due to the low prerequisites for entry into the industry.

- **Creating the insurance book of business:** The ability to generate a customer listing, otherwise known as leads, is equally a concern for women agents who feel they are competing with more experienced men who will share leads with incoming men agents before they do so with women. Women have to create their own leads, which takes time and heavily impacts their income, thus making the proposition not so attractive.
- **Sociocultural norms** can have a negative impact on women's ability to perform in the insurance sector. In some countries, local cultural norms will determine the type of interaction women can have, thus refraining them from accessing key clients.²⁷ With the work of an

insurance agent being primarily face-to-face, social barriers, harassment, after-hour family commitments, and mobility challenges are likely to create a difficult path for women wanting to enter the insurance sector.

- **A big pay gap:** although women are better represented within the sales and distribution force, their earnings tend to be significantly lower than men. For example, in a developed market like the U.S., women agents earn just 62.5 percent of what men earn.²⁸ As the commission structure is not very attractive, especially for new women agents, knowing that they will make less than their male counterparts discourages women from venturing into the sale of insurance as an occupation.

Box 1: Supporting Women's Advancement – MetLife Global Women's Initiative

As part of its strategy for attracting and developing exceptional women professionals worldwide, MetLife created the Global Women Initiative program (GWI). The goal of GWI is focused on increasing the representation of women in broader leadership roles and strengthening the leadership capability of women in its talent pipeline. To ensure that women are prepared and ready to take on broader leadership roles, MetLife under GWI offers a variety of programs including:

The Global Women's Leadership Forum, an annual program that brings together the most influential senior women in the organization. In this forum of peers, attendees connect with thought leaders on women's leadership topics, provide strategic insight and discuss their commitments in leading and implementing the GWI in their respective countries and businesses.

Developing Women's Career Experience, a 14-month developmental program focused on the female talent pipeline.

Lean In Circles modelled on the concepts in Sheryl Sandberg's best-selling book. A Lean In Circle comprises of a small group of people who meet regularly to learn from each other and to discuss topics of interest.

As part of this initiative, Metlife has expanded its Women's Business Networks to 21 countries around the world. The company has also increased its percentage of board seats and is recognized to be one of 40 companies in the Fortune 500 list, where women fill at least 30 percent of the board seats.

Box 2: Effective Recruitment of Women Agents – AXA Indonesia "Wanita Hebat" (Amazing Women) Program

AXA Indonesia's "Wanita Hebat" (Amazing Women) recruitment program is unique in its focus on targeting educated women for agent positions. The media campaigns – conducted through radio, press, magazine, and online channels – use women in the advertisements and are focused on print sources and websites that women use most. For example, the campaign targets women lifestyle websites, such as Detik Wolipop, and Facebook profiles of women who fit the target age, gender, location and interest.

Interested candidates are invited to recruiting events, where they not only hear testimonials about the agents' experience and the screening process, but also participate in a half-day education session promoting financial empowerment for women. This type of campaign not only increases transparency of the recruitment process, but also provides financial education to all candidates.

AXA has monitored the results of the program since its October 2014 launch, and early results show an increase in the number of monthly recruits. Events are held in over 50 cities in Indonesia, allowing for broad recruitment in key geographies. As of March 2015, the number of women who responded to the recruitment program increased by 36 percent: from 896 to 1,220. In addition, the conversion rate of candidates to certified agents has increased from 40.6 percent to 43.9 percent.

Sources: Metlife Annual Report 2014; SheforShield: Insure Women to Better Protect All 2015

The Way Forward: Challenges and Recommendations

As insurance companies increase their activities in developing economy markets, they should actively seek to recruit, retain, and promote women throughout the insurance value chain; by increasing the number of women agents and by enabling women at mid-level management to rise to leadership positions, keeping in mind the local cultural context. Following are a few recommendations for insurers to consider:

- Insurance companies can begin with **providing gender awareness trainings** to management, employees and brokers to address the unconscious biases that exists amongst staff. In addition, articulating why diversity, inclusion and equality are critical to remain competitive in the insurance industry, and a priority for the sector will enable companies to place higher value on women and pique women's interest.
- **Insurers should make a commitment to increasing the number of women at senior management and board level.** There is a need for an industry and an organization-wide commitment to the development and promotion of women in insurance. Insurers and associated partners, i.e. reinsurers, bancassurance, and microfinance institutions, should have a clear strategy to increasing the number of women in senior management and at board level. This should include identifying internal gender gaps through a thorough assessment, i.e. global EDGE gender assessment and certification,²⁹ helping to create thoughtful career plans, as well as developing mentorship and sponsorship programs to provide exposure to women to help them move up the ladder; and setting firm-wide targets for women in leadership.
- **Make insurance more attractive for women as a career choice.**

For future women leaders:

- **Create an inclusive culture** where senior management is seen to support smart family policies. This plays an invaluable role in creating the momentum for change. CEOs and senior managers with a deep personal commitment to gender diversity can make a difference and help create and/or maintain momentum, by acting as “champions” and advocates for women's employment. This would help influence company culture and workplace behavior at all levels.³⁰
- **Highlight and communicate the success of women** currently in the industry, especially those in senior leadership positions, and leverage them to groom other women for managerial positions.
- **Offer opportunities for further professional training and development** within insurance and beyond, as well

as provide international opportunities which will make being part of the industry more appealing, especially for younger women.

- **Create strong mentorship and sponsorship programs for women employees.** When asked what would help more women reach leadership positions, over half (54 percent) of female respondents said mentoring from senior leadership, compared to 29 percent of men who were asked the same question.³¹ Enhancing women's ability to cultivate a strong network and ensuring that they have strong advocates are both critical steps to further their professional development and their advancement within the industry. This will help them gain the knowledge and skills necessary to prepare them for middle and senior management roles. In addition, developing a sponsorship program in parallel, with both senior managers and board members who can advocate for promising employees, will increase women's chances of making it to the top.
- **Create ways to meet women's work flexibility needs** and make it a real part of women/all staff's working lives rather than just passive policy. This could include undertaking a survey to identify the most innovative flex-work options, and eliminating any perception that taking advantage of flexible policies could harm them and their careers. Furthermore, aligning the institutions' activities to help create a work environment that promotes work-life balance. For example, as networking is critical for career mobility, insurance companies could host networking events during working hours so that women who have caregiving responsibilities do not miss out on the opportunity to make connections. Also, creating employee resources groups for women would be another avenue for them to make connections and tap into peer networks.

For women agents

- **Offer more technical and leadership training.** Women in the low-income segment prefer face-to-face discussions and an agent that walks them through the process, and collects the claims. Ensuring that women agents are knowledgeable and can address complicated questions and situations is important. Thus, providing beyond the basics hands-on training is necessary. Insurers could also launch dedicated recruitment efforts in countries where women are under-represented. In addition, as part of companies' employee development programs, it would be helpful to create a dedicated sales leadership program that women agents would benefit from. Such a program would have a mentorship component with seasoned agents and a technical component, which would enhance women's eligibility to top-level positions within the company in the medium to long-term.

- **Recognize that there are sociocultural norms**, and identify innovative ways to circumvent them to enhance women's role as agents. Leveraging technology, or even creating an environment where face-to-face interaction can happen without tarnishing a woman's reputation would help. For example, one solution would be pairing up agents. This would also reduce the likelihood of harassment and enable peer-to-peer learning. In addition, establishing a company transportation system so that women do not have to travel by themselves will help ensure their safety. For example, Bajaj Allianz offers pickup and drop-off assistance to women agents to ensure safety.³²
- **Help women agents build an initial client base.** Insurers can help lower the start-up costs for agents by facilitating the handover of clients between women agents, or between junior and senior agent regardless of gender as long as a clear process and set of rules are established. As one agent moves to a different type of client or retires, insurers or brokers can act as intermediaries to help sell the book of business to another agent. Insurers can also provide start-up loans to purchase a new book of business or subsidize the cost for a given period of time. Insurers should also look for ways to reduce the commission gap for women agents.
- **Find ways to reduce the pay gap** by gathering more gender disaggregated data on the differences in commissions for women and men and the process for assigning pay to different job classes, as well as awarding pay increases. Insurance companies will then be in a better position to identify ways to eliminate the gender pay gap. Companies can also look into conducting regular pay audits and assessment, creating a fairer commission structure, as well as providing additional benefits as a way to reimburse and compensate women agents.
- **Become not only the insurer of choice, but the employer of choice as well and create a women's program.** Women employees will be attracted to companies that promote gender equality in the workplace and look out for the interest of women consumers. This means creating a women's program with an internal approach to recruiting, nurturing, and promoting women employees, with resource groups for women, a well identified mentorship and sponsorship approach, and work policies that take issues such as sexual harassment and gender based violence into account, as well as a women client focused market strategy and products. To date only 8 percent of insurance companies report having such a program. Building such an approach will require a conscious effort to review internal processes that might block the advancement of women, as well as understand women's behavior towards risk and their purchasing patterns, thus enabling companies to create targeted products. A women's program also means an established baseline

and targets on women's participation at certain levels in the workforce to help insurers measure progress and change.

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The Role of Insurance Regulation and Supervision in Promoting Inclusive Insurance for Women

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Introduction: Inclusive insurance policymaking is not gender-neutral. Women and men have the potential to be differentially impacted by financial sector policies and by regulatory and supervisory approaches to insurance. Nevertheless, while women's financial inclusion and gender considerations are emerging priorities for financial services supervisors,¹ a gender perspective has been mostly absent from insurance regulation and supervision in developing and emerging economies.

Driven by data indicating a persistent gender gap in financial inclusion,² discussions have been taking place on the financial inclusion of women. Women's access to and usage of insurance are part of these broader discussions. While the limited data available for the insurance sector in developing countries is currently inconclusive, it has been established that women face a number of legal, economic, and socio-cultural barriers that could disproportionately impede their access to insurance. Such barriers may include the predominance of women in the informal sector, lower levels of financial literacy, and the inability to enter legal contracts without male signatories. In such cases, women are comparatively more vulnerable to a multitude of risks that could plunge them into poverty. Despite these barriers, there is a huge market opportunity in providing inclusive insurance for women. Recent estimates suggest that women represent a market opportunity for insurance premiums of between US\$1.45 and US\$1.7 trillion by 2030.³

There is a strong rationale for supervisors to accelerate access to insurance for women. Besides being an end in itself, increasing the proportion of the population with insurance coverage, in particular amongst women and other vulnerable segments, can contribute to the core objectives of insurance supervisors that aim to maintain a fair, safe, and stable insurance market. Promoting women's access to insurance can also contribute to the achievement of broader policy objectives such as poverty alleviation, gender equality, social protection, agricultural development, food security, and sustainable economic development in the framework of national policies and the global Sustainable Development Goals (SDGs).⁴

This paper aims to inspire momentum and increase awareness among insurance supervisors of the transformative potential of gender approaches. It explains how supervisors have started to consider gender dimensions in their work, in particular by exploring differences between women and men's access to insurance. Moreover, it emphasizes the relevance of women's access to insurance in the context of financial inclusion policymaking.

Integrating a Gender Perspective in Insurance Supervision

In some jurisdictions, gender approaches to insurance policy and regulation have resulted in debates related to sex-based discrimination. In the European Union, for instance, it has been ruled as discriminatory to take the gender of the insured person into account as a risk factor in pricing private insurance contracts.⁵

However, gender approaches are not intended to discriminate; rather they aim to ensure that policy and regulatory approaches to insurance do not unintentionally harm or benefit women or men disproportionately more than the other.

The barriers to access of insurance that are faced by excluded vulnerable populations are not wholly uniform. Differences in demographics such as gender and age, as well as location, can lead to unique protection needs and consumer protection issues. As such, policies that aim to remove these barriers must be sensitive to these differences in order to be effective. Distinguishing customers on the basis of gender is one way to delineate the profile of insurance clients; doing so therefore opens up the possibility of employing targeted policy tools that are tailored to gender-specific barriers or impacts.

How the Role of Insurance Supervisors Can Impact Women's Access to Insurance

Women often exhibit behavioral patterns that affect their financial decisions in ways that are different from men. Women may be more risk aware and more inclined towards certain types of distribution channels.⁶ Women and men may also have inherently different protection needs and therefore lean towards different types of products. In Ghana – as in many other countries – women purchase credit life products at a higher rate than men, partly because they receive these products through membership in women-oriented microfinance institutions of which they are members. Their specific health needs can also be different. There are products in Ghana and the Philippines, for example, which provide cover for maternity complications and other female illnesses.

A primary consideration of insurance supervisors in implementing a proportionate regulatory framework is to strike a balance between enabling business and consumer protection. On the one hand, they are responsible for removing regulatory barriers related to inclusive insurance and creating a more flexible regulatory environment that promotes market development. On the other hand, insurance supervisors should consider whether consumers are adequately protected. In this context, there is scope for insurance supervisors to shape their policy and regulatory frameworks to ensure women benefit proportionately from the consumer protection regime. While ensuring that compliance costs for the industry remain low and incentivizing the industry to adapt their products to meet the needs of the lower-income women's segment. Relevant areas of regulation and supervision are set out below.

Formalizing Insurance and Licensing Intermediaries

Women's access to insurance can be enhanced through regulation that promotes market innovation and enables insurance products that are designed, distributed, and serviced in ways that effectively reach out to women. These do not necessarily have to be policies that solely target or benefit women. Jurisdictions including Brazil, Ghana, India, Mexico, Pakistan, Peru, or the Philippines have created a specific regulatory framework for microinsurance business that allows the distribution of insurance through alternative channels including mobile network operators (MNOs) or retail sales points. Although such regulatory frameworks benefit both women and men, women have been found to be amongst the key beneficiaries. This is because traditional barriers to women's access (in particular those arising as a result of women's constrained mobility in some countries) can be overcome through the use of alternative channels. However, in addition to allowing distribution channels that benefit both male and female clients, supervisors should specifically focus on those channels that are well placed to reach women, such as MFIs, when setting requirements relating to licensing of insurance intermediaries.

Similarly, ensuring that intermediaries with whom women typically interact are adequately regulated can strengthen consumer protection for women. Anecdotal evidence suggests there is a prevalence of lower-income women purchasing insurance from microfinance institutions (MFIs), self-help groups, or community-based organizations. These are often informal operators out of reach of the insurance supervisor, thereby limiting the supervisor's ability to protect these consumers. Supervisors should seek acceptable ways to address informal insurance activity.

This might mean putting in place the necessary transitional arrangements⁷ to allow informal insurance to migrate to a regulated environment in order to ensure consumer protection and stability in the market.

Complaint Mechanisms

It is also important to ensure that women have equal knowledge, capacity, and access in relation to complaint mechanisms. Even in the formal system, women may be more susceptible to abuse from market operators and intermediaries. For example, the Palestine Monetary Authority had to intervene in a consumer protection case where banks pursued women to repay loans taken out by their late husbands. This occurred despite their husbands' compliance with a regulatory requirement that credit life insurance be taken out for all loans exceeding a term of 48 months. Cases such as this highlight the need to ensure that women are equally educated on their rights as a financial consumer, complaint mechanisms are accessible to women, and that women are equally confident to use and trust any established complaint mechanism.⁸ In some countries, due to cultural factors, women have been found to be reluctant to approach formal institutions.

Know Your Customer (KYC) Requirements

KYC requirements can sometimes constrain women's access to insurance. Research has shown that, in some countries, women are less likely to be able to provide the required identity documents. This may be due to a lack of national ID, such as a birth certificate, or the requirement for a male relative's signature to authorize their application. While the increased adoption of biometric national ID cards has served to address this constraint in some countries, many more women than men still remain without ID documents. As such, adapting KYC requirements to allow more flexible identification processes, as has been done in some jurisdictions, can serve to promote access to insurance among the lower-income women's segment. Examples are widening the range of accepted identification forms, such as driver's licenses or electoral cards. Moreover, insurance supervisors should collaborate with other government agencies to address these indirect barriers that women face in relation to identity documents.

Additional Areas in which Insurance Supervisors Can Enhance Women's Access to Inclusive Insurance

Gender-Sensitive National Financial Inclusion Strategies (NFIS)

National financial inclusion strategies detail specific strategic objectives, targets and action plans related to financial inclusion. As central banks or the Ministries of Finance often drive the development of such strategies, these institutions often have strong influence, whether in the sense of a directive or for advocacy purposes. NFIS typically consider financial inclusion themes relating to a broad range of financial products and services, including insurance, and the content sometimes dovetails with microinsurance policy papers. An increasing number of these NFIS do consider differences between the financial inclusion of women and men. However, even though gender differences may be included in NFIS relating to savings and credit products, it seems that few national financial inclusion strategies consider the gender dimensions of inclusive insurance. Fortunately, momentum among central banks and banking supervisors is also gradually promoting engagement with women's financial inclusion among insurance supervisors. In Zambia, for instance, the central bank has engaged with the insurance supervisor to generate interest in this area.

Sex-disaggregated Data

Sex-disaggregated data have implications for market development strategies. There is emerging recognition of the value of sex-disaggregated baseline data to establish who is currently obtaining insurance, how they are purchasing it, and any gender-specific patterns in insurance product usage. Gathering supply-side data from the market and analyzing it to understand the implications would be highly important in evidence-based policy making. Supervisors can learn from the banking sector, responding to the challenges of collecting and using sex-disaggregated data by capacity building, adapting data systems, and adjusting reporting templates.⁹ NAICOM in Nigeria has begun to track financial inclusion in the insurance sector using sex-disaggregated indicators (Box 1). In Tanzania, the Social Security Regulatory Authority has collected sex-disaggregated supply-side data relating to health insurance and pensions uptake.

Occasionally, such data may also contradict widely held assumptions about women's access to insurance. In some jurisdictions, evidence suggests that women are more likely to take out insurance compared to men, partly attributed to their higher interest in such forms of risk mitigation. For example, data from the Central Bank of Samoa in the Pacific Islands suggests that there are higher levels of formal insurance uptake among women (Box 1). In Ghana, the majority of microinsurance clients are self-employed women in the informal sector. This is mainly due to MFIs being an important distribution channel to target this market segment.¹⁰ This implies that gender dimensions of access to insurance need to be assessed on a case-by-case basis and that sex-disaggregated data is crucial in this regard. Such data can help determine which products women have access to and whether these products effectively meet women's protection needs. It may also mean that more work may need to be done in some jurisdictions to identify the constraints in men's access to insurance among certain income groups.

Financial Literacy Strategies and Approaches

Only in a few countries, such as Bhutan and Indonesia, do national financial education strategies and their programs recognize gender differences in financial literacy needs and behaviors and therefore specifically reach out to women. However, they do not appear to specifically address insurance and gender. It is important that financial education initiatives do so, especially in countries where socio-cultural factors may contribute to lower general literacy rates for women. As financial education programs start to integrate gender differences to inform their pedagogical approaches and content, the value of inclusive insurance for women should also be considered.

Case Studies

Box 1: Case Study Examples

Philippine Insurance Commission (IC)

IC is mandated by law—along with other national government agencies and local government units—to allocate at least 5 percent of their total budget for programs and projects to promote women’s economic empowerment and gender equality, as well as to annually submit institutional gender plans and an accomplishment report. To fulfill this requirement, the IC has set up a gender and development technical working group. This group explores gender issues and gender gaps within the IC and among insurance clients. It is divided into sub committees, one of which focuses on gender data and analysis. A current priority is to establish the differences in access and usage of insurance between men and women and identify any specific gender barriers. In a related initiative, the IC has started to gather demand-side data within its insurance-focused financial literacy survey to establish if there is a gender gap in financial literacy related to microinsurance. They are currently exploring the feasibility of collecting supply-side data from insurance companies that relate to the gender breakdown of all insurance policyholders.

Source: Stakeholder interview with the Philippine Insurance Commission, April 2016.

National Insurance Commission (NAICOM) - Nigeria

NAICOM in Nigeria is required, in line with the National Financial Inclusion Strategy published in 2012, to provide data to the Financial Inclusion Secretariat twice a year in order to help track the progress of financial inclusion in the insurance sector. Data to be reported includes sex-disaggregated data, including: the total number of people per insurance product; policyholders broken down by geographical location and gender; the number of informal micro-finance institutions and of their clients broken down by state, gender and age; as well as the total active mobile subscribers for the industry and per mobile network operator (MNO) broken down by gender. The Financial Inclusion Secretariat will also be tracking the level of financial literacy nationwide by state, gender and age. Furthermore, they have an insurance penetration target of 40 percent by 2020 and growth targets for insurance agents that, while not sex-disaggregated, represent a valuable channel for women to access insurance products.

Source: Central Bank of Nigeria, 2012.

Bank Negara Malaysia (BNM)

In 2011, in advancing the financial inclusion mandate, BNM introduced a Financial Inclusion Framework, a comprehensive plan outlining its strategies for an inclusive financial system. One of the ten key points in the plan is a focus on expanding outreach and increasing the insurance penetration rate. One initiative is to develop microinsurance and micro-takaful. In this context, BNM has collected sex-disaggregated demand-side data on insurance through national surveys in both 2011 and 2015. In doing so, it found in 2015 the percentage of the adult population with life insurance or takaful policies stands at 16 percent and also that there are gender differences in insurance uptake. In terms of supply-side data, national ID numbers in Malaysia indicate whether the ID card holder is male or female, which offers the possibility of analyzing insurance industry data on policyholders by gender. As such, this information can be utilized to support supply-side data gender analysis on insurance policyholders.

Sources: Stakeholder consultation with BNM, April 2016; BNM (2015); BNM (2011).

Central Bank of Samoa (CBS)

In 2013, CBS made a set of Alliance for Financial Inclusion (AFI) Maya Declaration commitments, including “to provide an enabling environment for inclusive insurance markets and microinsurance by 2017.” The implementation of these commitments has been supported by the Pacific Financial Inclusion Programme (PFIP) which, supported by CBS, conducted a survey to gather demand-side financial inclusion baseline data to inform its broader National Financial Inclusion Strategy. Sex-disaggregated data was collected on insurance access within the country. It found that overall insurance penetration stood at 21 percent and, notably, women had higher access. Women were also found to have higher levels of access to finance than men. Potential higher levels of engagement by women in the formal insurance sector have been attributed to outreach by the South Pacific Business Development Foundation (SPBD), a local microfinance institution that offers a loan and life insurance product to all its members, 99 percent of whom are women. The compulsory in-house loan insurance covers clients’ outstanding loans with SPBD in case of death.

Source: Stakeholder consultation with CBS in April 2016

The Way Forward: Challenges and Recommendations

Improving access to insurance forms part of an increasing number of NFIS. Insurance is recognized as an important risk mitigation tool for vulnerable population groups, while supporting financial systems' development and catalyzing other financial services, such as credits, savings, or payments. At the same time, the financial inclusion of women has emerged as a policy priority and is increasingly recognized as a key element of broader development objectives. Despite this, these two agendas have not yet fully converged. Few insurance supervisors recognize the need to analyze gender differences in insurance access and even fewer are actually collecting sex-disaggregated data.

Collecting this data to examine whether women have lower levels of access to insurance than men is an important first step. As initial data in some jurisdictions show, it should not automatically be assumed that women have lower levels of access to insurance than men. Analyzing the sex-disaggregated data and ensuring that it informs policymaking is the next challenging step. For example, in jurisdictions where more women than men have access to inclusive insurance, initial data seems to suggest that this is due to (mandatory) credit life policies distributed by their MFIs. While these products undoubtedly play an important role in improving the wellbeing of microcredit clients and their families, it is doubtful that they sufficiently cover the complex risk protection needs of low-income women.

What is certain is that sex-disaggregated data can support a better understanding of gender considerations in insurance access and usage; and that this information can be used by supervisors to better target policy and regulatory measures, ultimately stimulating inclusive insurance development and uptake. On a global level, this data can be used to support greater research and peer learning between insurance supervisors and other relevant stakeholders on the regulatory barriers that hinder women's access to insurance.

Since women are a heterogeneous group and their protection needs as well as their barriers to access differ, a good gender approach to inclusive insurance will require tailor-made approaches to regulation that vary by country and the local gender context. However, informed in part by experience from regulation of the banking sector, there are a number of key actions that may already be relevant for insurance supervisors from each jurisdiction to consider. These include the following:

- Engage with the insurance industry to understand where there is a need to **remove regulatory constraints** to support the transition of informal insurance into the formal sector;
- Remove **recognized regulatory barriers** that hinder women's access to insurance (e.g. simplify KYC requirements);
- Encourage the insurance industry to **develop a better awareness of gender differences** in designing their products and distribution channels;
- Adapt any **complaint infrastructure** to ensure it is accessible and responsive to women's needs in order to address consumer protection concerns for women;
- Collaborate with the lead authority in the **development of a national financial inclusion strategy** to include gender considerations on access and usage of insurance;
- **Gather and analyse sex-disaggregated industry data** on access and usage of insurance by diverse product types. To support this, build internal capacity within the insurance supervisor, develop a mechanism for gathering this data and reporting progress, and adapt internal IT systems and processes to support the capture of this information in the system in a secure manner to avoid misuse;
- Embark on **gender-sensitive financial literacy strategies** incorporating insurance education that considers women's specific needs and behaviors, and the most appropriate channels to effectively reach women; and
- Coordinate with other government agencies and policy-makers (e.g. Ministry of Finance or women's ministry) to understand any **legal and policy constraints** that may specifically impact women's access to inclusive insurance.

Working through multi-stakeholder partnerships, these actions can support insurance supervisors in accelerating access to insurance for women.

Endnotes

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Mainstreaming Gender and Targeting Women in Inclusive Insurance Through Development Cooperation

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Introduction: Gender equality is widely recognised to fundamentally contribute towards poverty alleviation and sustainable development. As a concept, it is reflected in international development commitments such as the United Nations' 2030 Agenda for Sustainable Development. The pursuit of gender equality has been defined as a sustainable development goal (SDG) in its own right, and it underpins the achievement of all other SDGs.

There is also a strong international political commitment to the financial inclusion of women as a means to contribute to gender equality and economic development. This has been emphasized through public statements from groupings such as the G7, G20, and the Third International Conference on Financing for Development in the Accra Agenda for Action. Agencies engaged in development cooperation have been promoting gender-sensitive approaches in inclusive finance in the context of the link between gender equality, women's economic empowerment, and financial inclusion.

Significant attention has been paid to women's financial inclusion related to credit and savings products over the last two decades, and more recently payments and financial education have also been focused on. Development cooperation agencies, and the programs and networks they support, have already highlighted opportunities for gender mainstreaming in inclusive insurance, with the aim to enhance women's economic empowerment and reduce their vulnerability to a range of risks. However, they have not to date systematically or consistently incorporated a focus on gender and inclusive insurance. As momentum has gathered and women's financial inclusion has increased, the time is now right to engage in a deeper consideration of how gender can be included in mainstream insurance through development cooperation.

This note provides examples and an initial reflection of how some development cooperation agencies have been targeting women and mainstreaming gender in inclusive insurance. It also provides recommendations for deepening these efforts. In doing so, this note seeks to identify opportunities for development cooperation agencies to replicate existing initiatives and successes, while also embarking on new strategies to further leverage their support at all levels of the insurance ecosystem. The final objectives of these goals are to promote gender equality and economically empower women.

Approaches to Promote Gender-sensitive Inclusive Insurance

Context Setting: Development Cooperation Agencies and Gender-Sensitive Inclusive Insurance

Development cooperation agencies can play a market-building role in the advancement of sustainable, gender-sensitive, and inclusive insurance markets. They have the potential to undertake both financial and technical assistance and engage in public-private partnerships to support their development. By leveraging on national, regional or global engagements, these agencies can play a role in funding stakeholders in the ecosystem or public goods (such as research, financial education, or infrastructure), can influence policy debates and strategy development, can provide technical assistance and capacity building (including peer learning), and can facilitate stakeholder engagement. Essentially, they assume a catalytic market-building role, enabling the identification of challenges of integrating gender considerations and targeting women. Together with their partners, they can also pilot 'proof of concept' approaches to overcome these constraints, and can encourage market actors to build sustainable, gender sensitive, and inclusive insurance markets.

Engagement on inclusive insurance and gender can be framed in the context of international commitments related to gender and risk mechanisms supporting financial inclusion and poverty alleviation. Development cooperation agencies are committed to various global norms and commitments that can provide the foundation for their support to inclusive insurance and gender, including:

- **The Sustainable Development Goals:** SDG five aims to “achieve gender equality and empower all women and girls.” Four of its targets are relevant to inclusive insurance- they focus on the respective themes of recognition and valuation of unpaid work, reforms to give women equal rights to economic resources, and the use of enabling technology (See Annex 1).¹ At least seven additional SDGs benefit from insurance as a mechanism to manage risks. These relate to topics such as poverty alleviation (the overarching SDG one), food security, agriculture, health, social protection, equality, sustainable consumption, and climate change.²
- **The commitments of the Global Partnership for Financial Inclusion (GPII):** The GPII³ has endorsed a set of commitments on financial inclusion. Their G20’s Financial Inclusion Action Plan (2014) defines several action areas, some of which are relevant entry points for enhancing the gender-sensitivity of inclusive insurance. These include: expanding financial services to Small and Medium Enterprises (SMEs), and women as owners; developing support for SMEs; mainstreaming financial inclusion in standard setting bodies and global bodies; improving the capacity of public authorities to advance financial literacy and consumer protection; and promoting consumer protection and financial education for digitally delivered financial products. In addition, the GPII engages in cross-cutting themes, including women’s economic empowerment, and women are identified as one of the population groups where the greatest gains can be made.⁴

Institutional gender commitments can encourage gender sensitive approaches to inclusive insurance in development cooperation. There are multiple examples of development cooperation agencies that have adopted either a standalone institutional gender policy or strategy, or an overarching aid policy that incorporates gender equality. These policies can provide the foundation for gender sensitive approaches to insurance. BMZ, DFID, GIZ, IADB, USAID, and the World Bank Group all have institutional gender policies or strategies, which are intended to cross cut all of the organizations’ activities.⁵

Some development cooperation agencies have developed special tools or resources to support the implementation of any institutional gender policy. These also highlight its value in programs related to inclusive insurance.

The GIZ, for instance, has developed gender guidance on promoting equal participation in sustainable development. This guidance now supports the incorporation of gender into all areas of its work. This guidance includes a case study of lessons learned in gender-sensitive (micro) insurance during the development of financial systems and gender-sensitive financial literacy strategies.⁶ SIDA’s publication “Supporting Women’s Economic Empowerment: Scope for SIDA’s engagement” is another good example. It sets out key areas for their engagement on gender through its programming. The report also highlights how inclusive insurance is relevant to the social protection of women through its programming.⁷ There are also examples of agencies that have resources to support the integration of gender into each stage of the policy and program cycle, such as the UK’s DFID, which has a Gender Manual.⁸

Examples of Development Cooperation Mainstreaming Gender or Targeting Women through Inclusive Insurance
There are a number of examples of development cooperation agencies that are working to mainstream gender in inclusive insurance by explicitly targeting women or mainstreaming gender in their insurance related strategies, programming, or tools. Illustrative examples have been collated to provide a snapshot of existing engagement, and these are highlighted in this section. The examples in box 1 show that the broader themes addressed include: gender-sensitive insurance product development; research and knowledge dissemination (including supply and demand data collection on access), usage and understanding of inclusive insurance; targeted financial and insurance education for women; and the integration of gender-sensitive insurance in financial sector development, agriculture, and employment generation programs.

Box 1: Examples of Engagement by International Development Cooperation Agencies on Insurance

The International Fund for Agricultural Development (IFAD): Weather Index Product

IFAD's rural finance Programme for Increasing Sustainable Microfinance in Pakistan (PRISM) ran from 2008 to 2013, and was implemented by the Pakistan Poverty Alleviation Fund (PPAF). The program aimed to enhance access to finance of the rural people, especially women. Indeed, three quarters of the direct clients were women. The program developed weather index-based crop insurance and live-weight livestock insurance, tailored to address women's needs. The program's efforts on gender equality and women's empowerment were acknowledged by IFAD in 2014 when it received the IFAD gender award.

Sources: <https://www.ifad.org/documents/10180/8eb3d679-3c57-4db3-9160-9a8d8261637b>, <https://www.ifad.org/documents/10180/0637e0ba-17c8-4128-b286-11fd1bd469ef>, <http://www.pfaf.org.pk/KM.aspx>

Corporate and Private Foundations: Supporting an International Microfinance NGO

Several corporate and private foundations, including the Bill and Melinda Gates Foundation, the Citi Foundation, and the Walmart Foundation, have been supporting the international microfinance non-governmental organisation (NGO) Pro Mujer with its work, including on the development of gender-sensitive inclusive insurance products for its clients. In 2015, Pro Mujer introduced a Critical Illness (CI) health benefit, which was bundled to its existing life and accident coverage. CI provides a US\$ 700 lump sum payment to a woman upon first diagnosis of either breast or cervical/uterus cancer. The CI payment can be used for any purpose: for treatment, medicines, transportation to hospital, income replacement, child care, etc. Historical data from the health services program made the design of the insurance coverage possible, and the cost of the full insurance product is US\$ 1.12 per month. Pro Mujer has also launched a similar product was launched in Bolivia, and it plans to replicate the product throughout its other operations in the region.

Sources: <http://promujer.org/get-involved/about-our-partners/>

The United States Agency for International Development (USAID): Demand-side and Country Research

USAID has supported several pieces of research on inclusive insurance and gender. For example, it funded research on the gender differences in agricultural insurance demands. The research was conducted by the Institute of Water Policy (IWP), which is part of the Lee Kuan Yew School for Public Policy at the National University of Singapore. The study specifically explored the ways in which gender influences the uptake of inclusive weather-index insurance schemes on the southern coast of Bangladesh. The schemes are designed to reduce the risk of weather shocks and encourage cropping intensification. In another example, in 2013 USAID conducted a country diagnostic on micro insurance in El Salvador as part of their project "Improving Access to Financial Services." The study considered gender differences in demand, uptake, and distribution of microinsurance, as well as the potential for gendered product development.

Sources: *Institute of Water Policy. 2015, USAID, 2013.*

The Inter-American Development Bank (IADB): Recommendations on Gender Differences to Consider in Product Design

The IADB has collaborated on the project "the Development of the Private Microinsurance Sector in Latin America and the Caribbean" to pilot microinsurance products and markets for low income individuals. In the context of this wider program, they supported a study entitled "Microinsurance: Analysis of outstanding Experiences in Latin America and the Caribbean." This study recommended that gender differences should be considered when designing insurance products.

Sources: *FOMIN, FIDES, and Fundación Mapfre, 2011.*

The IADB's Multilateral Investment Fund (MIF): Adding Insurance to Loans for Women

The Multilateral Investment Fund's Social Entrepreneurship Programme promotes innovations that relate to women with targeted inclusive insurance. This program provides loans and grants of approximately US\$10 million per year to projects in 26 Latin American and Caribbean countries. These projects finance entrepreneurial solutions to poverty through two main areas: Finance and rural business (specifically including access to finance with the support of

innovative financing mechanisms); and the provision of basic services. One of the program's recipients for funding was the NGO Friendship Bridge, which provides microcredit, education, and health services to Guatemalan women so that they can create their own solutions to alleviate poverty for themselves, their families, and their communities. Another funded project, entitled Agricultural Community Credit Development for Women in Guatemala, is in the process of designing a new agricultural community loan product tailored to women clients, which includes agricultural insurance. The intention is that this product will help to empower rural women by improving their income from agricultural activities.

Sources: <http://www.iadb.org/en/about-us/idb-financing/social-entrepreneurship-program,6064.html>
<http://www.fomin.org/en-us/Home/Projects/Financing/SocialEntrepreneurshipProgram.aspx>
<https://www.friendshipbridge.org/who-we-are/>

IFC: Women and Insurance Program

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with over 2,000 businesses worldwide, IFC uses its six decades of experience to create opportunity where it's needed the most. IFC is also committed to advancing gender equality, and anchors its strategy in a strong business case, and in client demand for gender-smart solutions. IFC has been working with clients to reduce the gap between men and women as consumers, entrepreneurs, employees, corporate leaders, suppliers, and community stakeholders.

IFC launched its Women and Insurance program with the goals of increasing women's access to insurance and boosting their employment opportunities in the insurance sector. The program targets women of all socio-economic backgrounds and income levels, including low-income women. In 2015, IFC collaborated with AXA Group and Accenture to publish the SheforShield: Insure Women to Protect All report, which highlighted the insurance needs and preferences of women, as well as challenges they face in purchasing insurance products. The report also found that if the insurance companies targeted women, they could earn up to \$ 1.7 trillion by 2030. Under the program, IFC is now working with insurance companies to tap into the women's market and better serve the insurance needs of women.

Sources: www.ifc.org/gender; www.ifc.org/SheforShield

United Nations Capital Development Fund (UNCDF): Women's Financial Inclusion Data

UNCDF's Shaping Inclusive Finance Transformations (SHIFT) initiative seeks to advance financial inclusion with a focus on women's economic empowerment in the South East Asian countries of Cambodia, Lao PDR, Myanmar, and Vietnam. In doing so it aims to connect the poorest and most vulnerable to formal financial services. Specifically, it focuses on data contributing to the analysis of supply and demand, and data on the access and usage of inclusive insurance for women in select countries. UNCDF has also mainstreamed gender into its regional Pacific Financial Inclusion Programme, with the purpose of helping low-income households to gain access to financial services (including inclusive insurance) and financial education. The programme's activities include data gathering for the countries in the region on gender differences in inclusive insurance demand and access.

Sources: <http://www.pfip.org/about/about-pfip/>

The German Federal Ministry for Economic Cooperation and Development (BMZ) and its Implementing Agency GIZ: a Multi-Partner Collaboration

In Zambia, GIZ on behalf of BMZ supported a report on women's access to financial services in partnership with Financial Sector Deepening Zambia (FSDZ), a DFID-funded programme established in September 2013 with the sole mandate to increase financial inclusion, and with the regional NGO New Faces New Voices. It highlighted that men's insurance usage is four times that of women's, and that overall insurance usage is also low. It also compared the differing knowledge between women and men of financial terms, including insurance.

Sources: <http://www.inclusiveinsuranceasia.com/>; Bank of Zambia, GIZ, Financial Sector Deepening Zambia (FSDZ), New Faces New Voices, 2014.

Department for International Development (DFID): Data on Consumers and MSMEs

DFID supported the establishment of the South African based FinMark Trust, which is also funded by UNCDF, the Bill and Melinda Gates Foundation, the MasterCard Foundation, and private and public institutions at the country level. Its objective is to make markets work for the poor by promoting financial inclusion and regional financial integration, as well as institutional and organisational development. This will increase access to financial services for the

un-served and underserved. Microinsurance is one of its focus areas. The FinMark Trust has developed the FinScope survey methodology. Its main objective is to measure and profile the levels of access to, and uptake of, financial products/services (both formal and informal) in a particular country, across income ranges, and across other demographics (including sex). There are two types of FinScope surveys: FinScope Consumer and FinScope MSME. For example, in the latest FinScope Consumer Survey, Mozambican women were found to be less likely to understand insurance products than men, and were also less likely to have insurance.

Sources: <http://www.finmark.org.za/>

Swedish International Development Cooperation Agency (Sida): Insurance Awareness for Women

Sector Deepening Zambia (FSDZ). Its aim was to improve the financial capabilities of women and youth in Zambia. The four interventions areas include: increasing the financial inclusion and capabilities of young Zambians; increasing the financial capabilities and uptake of financial services for rural women's farming activities and household expenditures; increasing the uptake of financial services and support services, including financial education for women that own and operate SMEs; and analysing the results and learnings from Zambia and sub-Saharan Africa. This program will respond to the current lack of awareness of insurance among women, as part of its work on financial capabilities and financial education. FSD Zambia is part of FSD Africa, a £ 30 million financial sector development program (FSD) funded by DFID, which aims to reduce poverty across sub-Saharan Africa by building financial markets that are efficient, robust, and inclusive.

Sources: <http://www.fsdzambia.org/swedish-sida-and-fsdz-sign-womens-financial-inclusion-agreement/>

A2ii Country Diagnostics on Inclusive Insurance Demand

A2ii and its development cooperation partners have conducted country diagnostics on inclusive insurance market development, including the demand side, which provides valuable insights into the dynamics of specific markets. One example is a partnership in 2014 between the Superintendencia Financiera de Colombia, Bancoldex - Banca de las Oportunidades, the IADB (Inter-american Development Bank/Multilateral Investment Fund) and A2ii, which resulted in a microinsurance country diagnos-

tic in Colombia. The study considered the geographic, environmental, economic, political, and social context in the country; provided an overview of the financial sector and the state of financial inclusion; explored the demand-side, supply, and characteristics issues of microinsurance; explored public policy and insurance regulation; and generated recommendations going forward.

The diagnostic drew attention to the high proportion of women-headed households in Colombia, at 29.9 percent; approximately 10 percent of these women have no schooling. It also flagged a worrying trend of intimate partner violence against women. Microinsurance products and institutions that target women who benefit from income generation and employability programs offered by AIG and Generali insurance companies providing life, total, and permanent disability, and funerary assistance coverage, were noted. Sex-disaggregated data on policy holders was provided where available, as well as evaluation and lessons learned on insurance schemes, specifically those targeting women.

Sources: A2ii, MIF, and IADB, 2014.

The World Bank: Global Demand and Supply Side Data Sets

The World Bank's Global Financial Inclusion Database (Findex) provides 800 country-level indicators of financial inclusion. It is summarized for all adults and is disaggregated by key demographic characteristics: gender, age, education, income, and rural residence. Covering more than 140 economies, the indicators of financial inclusion measure how people save, borrow, make payments, and manage risk. All of the data can be sex-disaggregated. While the 2014 Global Findex survey did not capture data on insurance (this will be remedied in the next Findex), it did generate information on the specific reasons for borrowing money, including for health or medical purposes, as well as the use of mobile technology for payments. This data can be of value to stakeholders interested in building the women's inclusive insurance market, as it can support their market analysis at a cross country and national level, allowing them to understand gender-related differences in behaviour.

The IMF's Financial Access Survey (FAS) is the most comprehensive annual source of global supply-side data on financial inclusion. Launched in 2009, it contains 47 internationally comparable indicators on

financial access and usage by households and non-financial corporations. Since 2012, credit unions, financial cooperatives, and MFIs have been included in the FAS, and in 2014 mobile money data was added. It separately identifies small- and medium- sized enterprises, households, life insurance, and non-life insurance companies. Its data is not yet sex-disaggregated, but the IMF is reportedly exploring a pilot to ascertain the feasibility of doing so in the future. Indicators include: the total number of life and non-life insurance policy holders that are resident nonfinancial corporations (public and private) and households; and the total number of life and non-life insurance policies that are held by resident nonfinancial corporations (public and private) and households.

Sources: A2ii, MIF, and IADB, 2014. Sources: World Bank, 2015; GBA, Data 2X & IDB, 2015; IMF, 2015.

The Way Forward: Conclusions and Recommendations

Both at global and at institutional level, the commitments in place will mainstream gender and target women in inclusive insurance. There are also some basic tools and processes that will further these objectives. However, the examples identified indicate that engagement on inclusive insurance is secondary to a focus on women's access to, and usage of, credit and savings products. Moreover, this engagement is ad-hoc, and is not part of a broader strategy to focus on gender mainstreaming in inclusive insurance. This suggests that there is a need for a deeper and more concerted effort by development cooperation agencies to systematically engage on this theme. Potential benefits include contributions towards financial inclusion, poverty alleviation, greater resilience, gender equality, and women's economic empowerment.

The existing attempts to mainstream gender or targeting women through inclusive insurance provide the foundations on which to build enhanced and more concerted support towards a greater developmental impact. Development cooperation agencies have started to mainstream gender through their inclusive insurance activities, and have begun to target women through their broader financial inclusion-related technical assistance or other programmatic strategies. In this context, development cooperation agencies are recommended to further engage on this agenda in the areas of:

Document and share good practices and lessons learned through peer learning and collaboration:

- Share good practices and lessons learned, including evidence on the impacts and outcomes that have been achieved from gender-sensitive, inclusive insurance interventions through coalitions of development cooperation agencies. The systematic documentation of what works and what doesn't when mainstreaming gender, or when targeting women through inclusive insurance can be supported through coalitions that allow for the collaboration and sharing of lessons learned, tools and data. These may be best supported by a stakeholder consultation with those responsible for the implementation of related existing activities.

Build the business case for inclusive insurance through research, knowledge and data:

- Build a business case for focusing on women and inclusive insurance by highlighting gender differences in access and usage of insurance. By facilitating the collection of demand and supply side sex-disaggregated data on insurance awareness, access and usage, financial inclusion research and knowledge dissemination activities will allow for a greater analysis of the market potential for focusing on women. For example, the World Bank's Findex can widen its scope to include sex-disaggregated inclusive insurance and pensions data at the global level. Moreover, the IMF FAS can collect sex-disaggregated supply-side data for inclusive insurance. This, of course, will be dependent on whether institutions can collect sex-disaggregated data. Furthermore, insurance supervisors can in turn aggregate and report on this data to the IMF through the FAS.

Support partners to implement gender-sensitive insurance through development cooperation assistance measures including public-private partnerships:

- Support in-country partners such as insurance companies, business associations, and insurance supervisors to implement gender-sensitive inclusive insurance programs as part of broader financial inclusion interventions. This can include building the capacity of program partners about the value of and ways for gender-sensitive approaches in inclusive insurance, for example providing financial education on inclusive insurance for women and girls.
- Collaborate with insurance companies that are promoting inclusive insurance for women, for example those that have a gender-strategy, or have a predominantly female work force or client base. In turn, their lessons learned on gender-sensitive inclusive insurance should be assessed and published.

Support inclusive insurance marketing building initiatives through strategic partnerships:

- Promote inclusive insurance market building initiatives by encouraging strategic partnerships with other stakeholders at international and national levels engaged on the theme of inclusive insurance, with a gender focus. The aim should be to conduct research, share policy solutions, disseminate international lessons and good practices, and develop tools. These partnerships may focus on themes such as consumer protection, national policy frameworks for inclusive finance, social protection and entitlement programs, innovative product development, and distribution channels to serve the women's market.

Endnotes

- 1 <https://sustainabledevelopment.un.org/topics/genderequalityandwomens empowerment>
- 2 SDG 1. End poverty in all its forms everywhere; SDG 2. End hunger, achieve food security and improved nutrition, and promote sustainable agriculture; SDG 3. Ensure healthy lives and promote well-being for all, at all ages; SDG 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all; SDG 10. Reduce inequality within and among countries; SDG 12. Ensure sustainable consumption and production patterns; SDG 13. Take urgent action to combat climate change and its impacts (UN, 2015.)
- 3 The Global Partnership for Financial Inclusion (GPFI) is an inclusive platform for all G20 countries, interested non-G20 countries and relevant stakeholders to carry forward work on financial inclusion, including the implementation of the Financial Inclusion Action Plan, endorsed at the G20 Summit in Seoul.
- 4 GPFI, 2014.
- 5 BMZ, 2014; DFID 2011, 2014; IADB, 2010; USAID, 2012; World Bank Group, 2015.
- 6 GIZ, 2015.
- 7 SIDA, 2015.
- 8 DFID, 2008.

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Annex 1: Relationship between the UN Sustainable Development Goals and Inclusive Insurance

SDG Target	Relationship with Inclusive Insurance
<p>5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure, social protection policies, and the promotion of shared responsibility within the household and the family (as nationally appropriate)</p>	<p>Many women are informally employed and do not have access to statutory social protection. This includes women who work as housewives and depend on their husbands for income. Some governments have started to provide health insurance, social pensions, and other benefits to the informally employed. This protects them against poverty, and allows them to build human capital and productive assets and create jobs.</p>
<p>5a. Undertake reforms to give women equal rights to economic resources, access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources (in accordance with national laws).</p>	<p>The term “access to financial services” refers to a variety of products and services including insurance, credit, savings, pensions, and mortgages. There may be a number of factors in the legal and business environment that require reform to ensure that women have equal rights to economic resources and access, both de jure and de facto.</p>
<p>5b. Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.</p>	<p>Technology can support the distribution of insurance to clients, the access of clients to insurance, and the ongoing management of the relationship between the insurance workforce and clients in inclusive insurance. It can also enhance access to rural communities among others. However, unequal access between men and women to enabling technology and gender differences in its use can present challenges and opportunities for inclusive insurance.</p>
<p>5c. Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.</p>	<p>Gender-sensitive financial sector policies such as those related to insurance distribution and interoperability between insurance and mobile network operators, as well as the simplification of Know-Your-Client (KYC) requirements, can have positive gender implications related to access to insurance for women.</p> <p>Non-financial policies can also have implications for women’s access to insurance. For instance, policies designed to promote access to national identity documents for all (the lack of which disproportionately affects girls and women) may enhance the ability of women to meet KYC requirements.</p> <p>Gender differences in the law can also affect women’s access to insurance and other financial services, such as a need for a related male’s signature to open a bank account.</p>



Improving Women's Access to Insurance through Social Protection

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Introduction: Social protection is a human right. Article 22 of the United Nations Declaration of Human Rights (1948) states that “every member of the society has the right to social security.” Yet, women are disproportionately affected by a lack of social protection. Across developed and developing countries, women undertake the lion’s share of unpaid work, including childcare and care of the elderly not reflected in any pension scheme.¹ Women work less in paid in employment, but where they do it is usually for lower pay and benefits than men.² In addition, they often have lower levels of ownership or control over assets in the family. In developing countries, the majority of women work in the informal sector, where they are unprotected by labor laws³ and may be excluded from social protection systems geared towards formal employment. This note sets out to describe how inclusive insurance can help close this protection gap by serving as an interim step towards reaching comprehensive social protection systems, and complementing existing social benefits.

Box 1: The Social Protection Gap

- Only 27 percent of the world’s population enjoys full access to social protection, whereas 73 percent are covered partially or not at all (ILO Social Protection Report 2014/2015).
- Inclusive insurance coverage: 170.4 million people in Asia in 2012, 48.6 million in Latin America in 2013, and 61.8 million in Africa (Microinsurance Network).
- If women are enrolled in social health insurance schemes, they are more likely to utilize services than men, as demonstrated by India’s National Health Insurance RSBY (GIZ 2016).
- Women undertake over 3 times more unpaid work than men on average, such as direct care of children or the elderly, housework and community work, including women who also engage in paid work (ODI 2016).
- The majority of informal workers are women: in South Asia and sub-Saharan Africa, 71 percent and 59 percent of employed women, respectively engage in informal agricultural work, compared to 47 percent and 56 percent of men (UN Women 2015). At least 129 million women work in the informal sector, according to conservative estimates based on the limited data available (ODI 2016). The actual figure will be far higher.

Addressing the Protection Gap through Social Protection Policies

Social protection refers to the set of policies and programs aimed at preventing or protecting all people against poverty, vulnerability, and social exclusion throughout their lifecycles, with a particular emphasis towards vulnerable groups.⁴ Social protection can be provided in cash or in-kind, through social assistance (non-contributory schemes, providing universal, categorical or poverty-targeted benefits), social insurance (contributory schemes), and through labour market protection that promotes human capital, access to jobs and productive assets as well as inclusive insurance.⁵ A social protection system can be a powerful tool to both reduce poverty and gender-based, as well as other forms of, inequality. It can mitigate the effects of discrimination against girls and women, as well as the risk of unemployment, e.g. are during pregnancy and birth. It can provide a safety net protecting women from falling into poverty and a lack of care in old age.

As a significantly larger share of women than men work in the informal sector in developing countries, **extending social insurance to the informal sector** can be an important step towards ensuring women’s insurance access. Some emerging economies such as India have addressed this by passing legislation. In 2007, the federal government introduced the Unorganized Sector Workers’ Social Security Bill to “provide for the social security and welfare” of informal workers, including covering them with health care/insurance, survivor’s and disability benefits as well as old-age pension.⁶ In the long run, formalizing jobs provides another option to ensure coverage – through established formal social insurance schemes – while also improving women’s overall status in society.

Due to the larger proportion of women undertaking unpaid work, women may have less time for paid work (a difference of about 10.5 weeks each year⁷). Limited access to education may further result **in disrupted employment, lower paid jobs, and fewer benefits** that come with it. These women (or men) **may require additional income support**, e.g. through unemployment and maternity benefits or grants for child or elderly care. This can in turn put them in a financial situation to also opt for private insurance products that the public sector may not offer.

Even women who work receive lower pay – on average 24% less⁸ – and fewer social benefits. Therefore, **this protection gap between women and men needs to be addressed in all aspects of public policy and program design for social protection**. Examples include not only benefits/insurance specifically targeting women, such as maternity benefits or health care during and after pregnancy, but also broader policies, such as labor market legislation ensuring equal pay or anti-discrimination laws for insurance.

But not only the objectives of policies and programs, but also the **process of implementation**, (e.g. inclusive targeting, linkages with complementary services/institutional arrangements, awareness building, and monitoring and evaluation) can support women's access to insurance. In turn, inclusive insurance provided by either public or private insurers can be a valuable mechanism for women's social protection within social protection policies.

Reflecting Women's Insurance Needs in Social Protection Policies

Insurance products tailored to women's needs can be provided through different channels, in which ministries responsible for social protection, health, or labor have distinct roles and responsibilities to promote inclusive insurance. Where the private insurance industry is the main provider, the government has to set standards through regulation and supervision, which can promote the inclusive insurance market. Where the government integrates inclusive insurance products into the country's social protection system and subsidizes premiums, it can either design the benefit package on its own or in collaboration with insurance providers in public-private-partnerships (PPP).

Box 2: Public-Private Partnership (PPP) for Health Insurance in India

Public-private partnerships provide an option to governments to draw on private sector expertise for risk transfer mechanisms and to serve selected groups by offering subsidized insurance products.

In India, the central and state governments involved insurance companies and both public and private health care providers to provide health care to families below the poverty line across the country under the "RSBY" scheme, while embracing a for-profit business model. While government subsidies or responsibility for insurance premiums may provide an incentive for private providers to offer products to underserved groups, they should be structured in a way that they do not undermine the sustainability of the program. In order to ensure a healthy balance between women's needs and insurer's interests, women's participation in the design and monitoring of these programs is crucial, and can be supported by involving NGOs or trade unions that specifically assemble women.

In both cases, the entire product cycle and its processes need to be considered from women's perspectives – from information on and affordability of products, access and services:

1. Products and benefits need to provide coverage for the specific risks faced by women, be adequate to effectively lower these risks, and women need to be aware of these benefits:

- **Benefit size:** Low benefits, such as coverage ceilings, as well as exclusions, e.g. due to age, restrict the reduction of vulnerabilities among women (and children). Risk-based insurance pricing often leads to higher premiums for women because of their higher vulnerability.
- **Type of coverage:** Health insurance needs to cover risks related to pregnancy, delivery, maternal care, and gynecological diseases, which are often excluded from health products. Gender-sensitive insurance products should cover the entire family so that female family members are also protected. Legislators can prevent exclusions through insurance anti-discrimination laws and mandated coverage for specific benefits, providers and categories of dependents; additional income support through subsidies or maternity benefits can counteract higher premiums.

Similarly, other types of insurance, such as accident insurance, have to take into account differences in risks. As women and men face distinctive workplace health and safety risks based on types of jobs, biological differences and contractual arrangements/ informality,

specific insurance for accident-prone occupations can be introduced, such as for textile workers in Bangladesh or construction workers in India who are both predominantly female.

2. **Access to services** not only implies offering products to women and raising their awareness about products' availability, but also taking into account women's social networks, education, schedules, and means to enable them to benefit from insurance. As inclusive insurance works through different delivery channels compared to traditional insurance products, insurance regulators and supervisors have to set standards that enable the service and at the same time protect consumers, with regard e.g. to:

- **The registration and qualification of delivery channels**, allowing that 'trusted organizations' which have access to large groups of women (e.g., NGOs, MFIs, cooperatives, and mutuals) can distribute inclusive insurance products, while requiring insurers to have controls in place to avoid mis-selling insurance, especially to women with lower education. They can also facilitate complaint/grievance mechanisms accessible for semi- or illiterate women.
- **Locations for enrolment** in social protection schemes. Women are time-constrained and sometimes are not permitted to travel long distances unaccompanied. A 'single-window service center' handling enrolment and submission to various government services (including social protection programs) is one solution to reduce the amount of time and travel involved in the process for both women and men (e.g. the 'Worker Facilitation Centers' set up by the Department of Labor in Karnataka, India).
- **Easy services, flexible premium payments and fast pay-outs** (such as cash transfers), which should reach a woman even if she does not have access to a bank account. Mobile mechanisms and other electronic enrollment methods provide a solution, such as India's national health insurance RSBY, which uses a biometric insurance card ("smart card") to enroll women as heads of households in several states and provide free health care in partner hospitals for up to five family members under the poverty line.

Box 3: Insurance for Farmers in Ethiopia and other African Countries

The R4 Rural Resilience Initiative (R4) supporting 40,000 farmers in Ethiopia, Senegal, Malawi and Zambia is an example of how access to services in rural, remote areas can increase women's uptake of insurance. Initiated by the World Food Programme and Oxfam America in 2011, the program links insurance for farmers with risk prevention, including improving resource management and creating assets, diversifying livelihoods and offering microcredit as well as savings. In Ethiopia, this is offered through the country's Productive Safety Net Program.

Farmers can pay for the insurance by working extra days on climate-resilient public works projects, while more prosperous farmers pay their premiums in cash. Women, who often head the poorest households, have achieved the largest gains in productivity through the program, by investing in labor and improved tools for planting.⁹ Women have enhanced their productive investments through access to credits and savings as well as training programs included in the R4. Over a period of only two years, the R4 has seen a significant increase in the number of women who purchased insurance fully with cash (from 10.5 percent to 28 percent).¹⁰

The Way Forward: Challenges and Recommendations

Over the past two decades, significant progress has been made in the development of social protection systems integrating social insurance, social assistance and labor market protection. Yet, challenges continue to arise both when designing inclusive insurance within government social protection policies and programs and when incentivizing the private sector to broaden its insurance portfolio to offer products for women.

A key challenge across sectors remains **expanding coverage to protect the underserved while also keeping it affordable**, as many of them have more limited means, live in remote areas and/or work in the informal economy. Existing inclusive insurance benefits may therefore be limited, and some products do not provide sufficient client value to protect people adequately. Often, governments may also not be able (or willing) to bear the full cost nor

shoulder the risk by themselves. Yet, there is a **business case** to be made for inclusive insurance, which can help make livelihoods more resilient, promote inclusive growth and increase future demand for insurance. A combination of public and private measures may offer a solution. Inclusive insurance is most effective when embedded into a comprehensive social protection system, which not only ensures its legal basis and thus sustainability, but also complements it with income support and labor market protection.

Against this background, progress on improving women's access to insurance as part of social protection policies will depend on:

- **policy-makers integrating inclusive insurance into social protection policies as an instrument to extend social protection** to people living in poverty and the vulnerable just above the poverty line – including women. Where income support is not sufficient to stabilize livelihoods due to recurrent risks (e.g. health- or climate-related), risk-pooling may be a viable option to protect people from poverty in the long run. In order to also bring the private sector on board, governments may: (1) provide incentives for the industry to offer inclusive insurance products in the form of subsidies, tax waivers or fee waivers, especially for the design of products that include maternity related benefits; (2) organize awareness raising campaigns and training curricula for delivery channels and the insurance industry; and (3) conduct demand-side studies and data collection to inform underwriting and pricing of products (including meteorological data, e.g. in cooperation with academia and (re)insurance companies).
- **the availability of country-specific diagnostics to build a strong evidence base**, including sex-disaggregated data impact studies, as well as sex-disaggregated indicators for appropriate monitoring and evaluation mechanisms. The 2030 Agenda for Sustainable Development, in particular target 5.4¹¹, provides a basis for promoting the need to assess the impact of social protection policies on women.
- **putting in place complementary policies that support the protection of women**, granting them:
 - access to finance and markets, encouraging producers' organizations and smallholders' investments;
 - protection of health and safety at work, as well as labor market regulations to create more formal employment, that provide statutory social protection benefits for women;
 - property and inheritance rights (e.g. pertaining to land issues) to enable women to have more control over production, investment, and income and to benefit from property or agricultural insurance;

- education, skills and vocational training made accessible to women and girls (including new challenges like technology) to enhance the chances of better and more stable jobs for women.

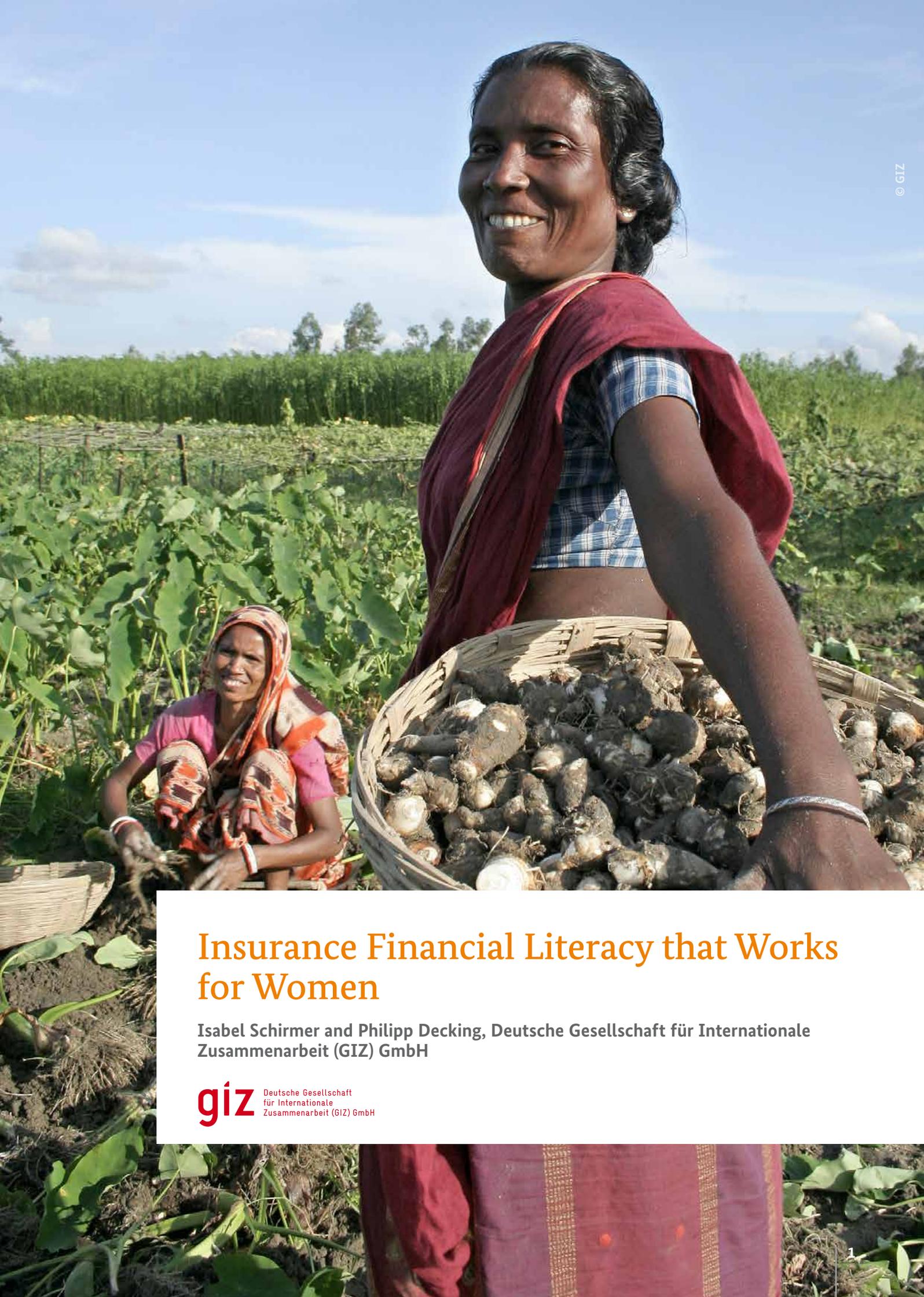
In order for insurance to be available to women, its integration into social protection policies and programs can significantly increase coverage and adequacy. The involvement of other ministries, such as those responsible for labor, education, finance, agriculture and rural development, can mainstream gender-sensitivity into their policies and thus provide the conditions for women to benefit from inclusive insurance. An active multi-stakeholder dialogue with the insurance industry as well as civil society organizations and women's groups can further improve the development of customized, gender-sensitive inclusive insurance products as a mechanism for social protection to safeguard women.

Endnotes

- 1 ODI, 2016.
- 2 ILO, 2016.
- 3 UN Women, 2015. The ILO Recommendation 202 on Social Protection Floors calls for a basic level – a “floor” – of social security for poor and vulnerable population groups ranging from access to essential health care to a basic income security.
- 4 Definition agreed upon by the members of the Social Protection Inter-Agency Cooperation Board (SPIAC-B) and the Inter-Agency Social Protection Assessment (ISPA) Initiative: <http://ispatools.org/>.
- 5 BMZ, 2009.
- 6 Ministry of Law and Justice, Government of India, 2008.
- 7 ODI, 2016.
- 8 UN Women, 2015.
- 9 WFP, 2014.
- 10 WFP, 2016.
- 11 Target 5.4: “Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate”.

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Insurance Financial Literacy that Works for Women

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Introduction: In many countries, women have lower levels of financial literacy than men.¹ Addressing the challenge of gender differences in financial literacy is increasingly recognized by governments and other stakeholders as important. Consequently, efforts to adapt and develop gender-sensitive financial education policies and programs have emerged. For instance, in order to address women's needs for financial awareness and education, the OECD's International Network on Financial Education (INFE) designed a guidance note on the theme for policymakers. Some countries have already incorporated financial education tailored to women's needs in their national strategies on financial inclusion or financial education, however, mostly, this is related to savings and credit. Private stakeholders are also engaged in the provision of financial education to address the financial inclusion gender gap: for example in Indonesia, the private lender, Commonwealth Bank, introduced a nationwide financial literacy program for women supported by the Financial Services Authority.

Despite this new focus on financial literacy for women, few programs directly address specific education on insurance. Studies in a number of countries suggest that women lack awareness of the risks they face and the benefits that insurance can provide in mitigating these risks.² Moreover, low insurance literacy levels are believed to be inhibiting women's uptake of insurance products.³ Therefore, any strategy to promote women's access to insurance will require a targeted approach to improve their insurance literacy.⁴ This note argues that gender-sensitive approaches to insurance education programs are required in order to build women's financial capabilities, in insurance. It provides an overview of approaches and sets out some examples of what this means in practice.

Gender-sensitive approaches in financial literacy programs

Low levels of financial literacy act as a barrier to understanding the concept of insurance. Low financial literacy levels pose a significant challenge to women's access to and the uptake of finance generally and more specifically insurance.⁵ Being financially capable is essential to effectively understand and make use of insurance. Without an understanding of the overall concept of insurance, women are unable to assess the benefit of risks protection mechanisms to manage financial, economic, and life-cycle risks, as well as make use of insurance when they have it. Many women are not fully aware of the risks they and their family face or how best to mitigate them. They tend to be less informed about insurance products while, formal risk protection is an abstract concept that can be difficult to understand. Women can also be less confident about their financial decision making.⁶ There is also evidence that women are less trusting of insurers.⁶

The content of financial education training often does not include women's risk protection needs and insurance. Insurance education needs to address women's knowledge, skills, and attitudes, including self-confidence and trust, in order to build women's financial capabilities. To be effective, programs should raise awareness of the risks and associated costs that threaten the well-being of women and their families, instruct women in the consequences of using different risk mitigation strategies and educate them on the benefits of available insurance products. By changing women's knowledge, skills and attitudes related to risk management and insurance, insurance education can lead to changed risk management behavior and potentially increase women's purchases of insurance. It is essential that financial literacy programs explain the concepts of risk management and insurance to promote people's understanding of the value and benefits of insurance, and how it works.⁸

Women face lower levels of access to financial education and information, including on insurance. There are a variety of channels through which public financial education campaigns can incorporate knowledge and be delivered to the public. However, socio-cultural constraints can limit the suitability of some channels in reaching women and girls as a key target group. Safety concerns or social restrictions on women's mobility, including the requirement for a male chaperone in some cultures, can constrain their attendance of training events. In other cases, women's childcare or other household responsibilities can limit women's ability to access trainings or workshops. Furthermore, with gender differences in school attendance, using the school curriculum as a means to convey knowledge about risk protection disproportionately reaches fewer girls.⁹ Yet, there are several delivery channels which can reach large numbers of people effectively, including women, such as: print, TV, radio, DVDs, and mobile phones. Additionally, trainings and workshops can still be easily

used in specific circumstances for example, for microfinance clients. These situations make access to insurance education more challenging. Examples of actual delivery channels for insurance education are provided in Box 1.

Box 1: Delivery channels of financial education with focus on insurance topics¹⁰

Workshops

Delivering financial education in workshops is the most common channel. It can be a successful strategy because the trainer is able to provide more examples and demonstrate practical hints interactively with the trainees. Although workshops can promote deeper understanding of financial concepts and skills, they are generally time consuming, have low-outreach, and consequently cost more per person reached.

Mass media

Using the radio, TV, social media, mobile phones, radio jingles, text messages etc. as channels enables the dissemination of financial education among a large number of people. A number of studies have shown the effectiveness of TV programs to impart lasting messages and change behavior. In South Africa, a popular television soap opera, *Scandal!* was found to significantly increase content-specific financial literacy for those who watched the program¹¹. There is less evidence on the effectiveness of broadcasted insurance education programs. A consumer education radio campaign conducted in Kenya, “A Friend Indeed,” was found to have significantly increased awareness and knowledge of insurance among listeners.¹² A study of the “Viva Seguro” financial education radio program in Colombia, for instance, found positive impacts on the knowledge of people regarding risks; however, the radio show had no effect on the behavior or attitudes towards risks or insurance.¹³

Schools and universities

Including financial education in a school curriculum is an increasingly popular way to inform children from a young age of financial topics. However, the results of this investment are only apparent over the long term. While the concept of savings is broadly recognized as valuable to teach to young children, insurance is an abstract concept at this age and unrealistic for smaller children to grasp. Older pupils and university students, however should indeed learn about risks and risk management options.



Roadshows

Community events, such as roadshows, are commonly used in several countries to reach communities, particularly in remote areas, where people do not have broad-based access to media. Roadshows can be organized as “town hall meetings,” where experts present insurance concepts and products as well as answer the public’s questions. Entertainments, such as street theatre or movies, often accompany roadshows in order to raise attention and spread financial and insurance education related messages.

Resource people in communities

Community advocates can be people that are already leaders in the community, or have an influential position. They are trained to relay specific messages and provide advice to community members. In insurance, using trusted and close contacts as testimonials and advice givers has proven to be a valuable approach.

There is a lack of documented emerging efforts of insurance education focusing on women. The absence of sex-disaggregated data on the outcomes of insurance literacy interventions and documented best practices including on gender-related practices and outcomes, results in limited knowledge sharing on this topic.

Designing Financial and Insurance Education Approaches for Women

Lessons from efforts to promote women-focused financial education are of value to enhance gender-sensitive insurance literacy. The following are important considerations when targeting women with insurance education programs:

Gender-sensitive insurance literacy programs must directly address women in a way that enables them to access and identify with the information. Effectively targeting women requires addressing the barriers they may face in accessing these programs.

Tailoring the design of the program material can be the first step to help women identify with the content. By using female characters as examples or making use of celebrities as educators, women can better connect with the information being shared. High illiteracy rates require applying simple and plain language preferably in the local dialect. Additionally, illustrations, which can be under-

stood without reading, are suitable for conveying and emphasizing key messages. In this context one example is the Peruvian comic “Sarita la Segurita” which uses pictures and plain language to describe how insurance can protect a community (headed by Sarita) against the consequences of the “El Niño” phenomenon. It should, however, be noted that while this may have been a success in one cultural context, it may have lower levels of appeal in others.

Using examples that women can relate to, based on their own life experience, can enhance their understanding of the risks explained to them through financial education programs. This does not only apply for education materials but also for training content. Further, it can be helpful to organize **special women-only training sessions** to encourage a more open level of participation among women. For instance, SEWA Bank in India provides women-only forums to discuss topics about what can happen when a woman or a poor family confronts a major risk and how microinsurance can protect their families from those risks.

Consider effective communications channels to disseminate insurance education. By using mass media as a delivery channel for advertising as well as disseminating insurance education, some segments of women may be reached that are unable to attend workshops or training in person. For example, the South African Insurance Association (SAIA) or the Brazilian Confederation of Insurers (CNSeg) use radio programs to inform listeners about the importance of financial products. The timing of broadcasts can easily be adapted to hours when women are available to listen. In the same manner, TV shows that are designed for women to encourage savings could be used as channels to convey messages about insurance and social protection schemes. This applies, for instance, to the telenovela “ContraCorriente” launched by Banco ADOPEM¹⁴ in the Dominican Republic that has successfully conveyed financial education messages. Furthermore, the partnership between Women’s World Banking and the Mexican soap opera, “Mucho Corazón” could serve as role model. It embeds financial literacy training within the popular show and in order to increase its effectiveness, each episode is followed by a talk show that discusses related financial topics and provides the opportunity for audience questions and answers. The same idea has been applied in the Kenyan educational TV show “Makutano Junction.” It is accompanied by a national campaign called “Nawiri Dada”¹⁵ which includes the distribution of marketing materials and promotional events in order to deepen women’s financial literacy. Using a female speaker or trainer from the local community who knows and comprehends local women’s concerns can enhance participation and understanding. The GIZ¹⁶ program “Promoting Microinsurance in Ghana” (ProMiGH) together with its partners,

trains women as advocates to offer peer learning to other women in their community (see Box 2). Some insurance projects have already incorporated a gender focus in the design of their financial literacy programs. Case studies from Ghana, the Philippines, and Mexico demonstrate the diversity of approaches and are presented in box 2.

Case Studies

Box 2: Case Studies

PromIGH Ghana

GIZ partners with Ghana’s insurance regulatory and supervisory authority (National Insurance Commission) through the program “Promoting Insurance in Ghana” (PromIGH) in order to promote the development of the microinsurance sector in the country. In light of demanding side challenges, PromIGH has developed a public awareness campaign that utilizes many channels to address misconceptions, and the lack of knowledge and understanding about insurance. The campaign disseminates its key messages through three main channels: radio (drama and jingles), roadshows, and community advocates. To gain awareness of women, the campaign involves women’s groups such as the Market Queens (leadership of market women) for special sensitization sessions. Besides, a special quota was given to women during the advocate’s selection. Furthermore, focus group discussions were split into female and male participants in order to take into account gendered perspectives. The first results from the Microinsurance Awareness Pilot Campaign show that a comparable number of male and female participants have been reached by the campaign. However, the findings also indicate that the knowledge index of women is generally lower than that of men. This gives the incentive to further increase the efforts to especially target women.

Source: PromiGH. 2015. ‘Microinsurance Awareness Pilot Campaign. Findings and Recommendations.’

MIPSS, Philippines

In cooperation between the National Insurance Commission Philippines and GIZ the Microinsurance Innovations Program for Social Security (MIPSS) supported market development of microinsurance, including index-based crop insurance, natural catastrophe insurance, and social health insurance for the informal low-income sector. To protect male and female rice farmers in Leyte against natural

calamities, the MIPSS initiated an insurance literacy component that also targeted women. A comic titled “The Adventures of Super Insure” depicts a super heroine who provides protection against natural disasters. In the story both men and women are similarly affected by natural catastrophes and receive protection through microinsurance equally. The financial literacy campaign also includes a video with true testimonies of men and women recounting how they have benefitted from microinsurance when faced with natural disasters. This approach aims at a greater identification of women with the contents of the campaigns.

Source: Gonçalves L. and T. Pelanda. 2014. 'En-gendering (micro) insurance markets: Towards a gender sensitive strategy. Discussion Paper GIZ, Working Draft.

Provident México, Mexico

Provident México, a financial services provider, and Save the Children, an international NGO, offered financial literacy courses for women in Mexico. The aim is to enhance women’s awareness of the financial instruments at their disposal. During 2015, a course entitled “Hablamos de Dinero” (“Let’s talk about money”) was held in 160 service centers of Save the Children in the state of Mexico and in the capital. The sessions were also recorded and made available online. The course raised awareness and taught participants the principles of personal budgeting, bank accounts, microinsurances, and micro-credit. The financial literacy courses for women were part of a broader Corporate Social Responsibility (CSR) program of Provident México on financial education.

The Way Forward: Conclusions and Recommendations

The full integration of insurance education in national financial inclusion strategies is still required. Fostering women’s access to insurance has been increasingly recognized as important to reduce their disproportionate vulnerability to poverty. Increasing the financial and insurance literacy levels of women is one important step in this direction. Even though the prominence of financial literacy in the context of insurance has increased, a focus on insurance still needs to be better reflected in national financial inclusion efforts as well as financial literacy strategies and measures. Likewise, examples for insurance literacy projects that explicitly target women remain scarce. The diversification of target segments for insurance education can improve its effectiveness. Measures need to be diversified as women are not a homogenous group and

their needs differ by age, life-cycle, income and education levels, country and region of the world, among others. Insurance education should be adapted to the specific segments of the women’s market.

Insurance education can be incorporated in a variety of literacy efforts with the advantage of attaining greater outreach to target audiences. As financial literacy is important to the empowerment of women, it can easily be incorporated in other relevant training. Combined with standard financial education and business courses or training on health issues and safety standards, the topic of insurance and social protection may be given more weight. Moreover, relating insurance to practical issues at an opportune moment in a woman’s life may be more effective and, in turn, can improve insurance uptake.

Multiple stakeholders have a shared responsibility for financial education. Different stakeholders from the public and private sector, such as governments, regulators, insurance industries, consumer associations, international NGOs, and development cooperation agencies have to combine their strengths and consolidate their forces to enhance women’s financial, including insurance, literacy. In this context, a number of key actions are recommended in order to promote effective insurance financial literacy that works for women:

- **Sensitize public and private stakeholders:** In order to make progress in the access to insurance of women, public and private stakeholders must acknowledge the relevance of insurance financial literacy for women.
- **Incorporate insurance literacy into national financial education strategies:** In order to push insurance literacy for women, financial inclusion policy makers and insurance supervisors should incorporate the topic in their national financial inclusion and education strategies.
- **Enhance stakeholder coordination:** It is essential to promote collaboration and coordination in order to mobilize long-term funding and avoid the duplication of effort in a context where an increased variety of stakeholders are engaged in financial education initiatives.
- **Identify innovative and effective ways of communicating with women:** Digital innovations, such as mobile phone applications, can constitute a well-suited channel to effectively deliver financial education messages including related to their consumer protection. Multi-channel interventions tied to the life cycle have generally proven to be effective.
- **Tailor content to the needs of women:** Insurance literacy activities must be oriented towards raising women’s awareness of the risks they face, and how insurance can mitigate these risks and provide benefits for them and their families. Content that is relevant and relatable to life realities will have greater impact on learning.

- **Develop tailor-made measures:** Preferences for learning are not only different between women and men, but also between specific segments of the women's market. The diverse preferences in terms of delivery channels (workshops, print material, mass media etc.), scheduling and duration of the education activity should be taken into account when designing financial education programs.
- **Fund and implement research:** Further research is needed to establish the impacts of gender-sensitive approaches to insurance literacy activities on improved understanding and insurance purchasing behavior. There is a need for well documented examples and a thorough evaluation based on a sufficient study period to establish changes in learning and purchasing behaviour.

Endnotes

- 1 OECD 2013.
- 2 IFC, 2015.
- 3 Mc Cord et al. 2012.
- 4 Insurance literacy topics usually include: the challenge of protecting against the unexpected risks one is exposed to throughout life; risk mitigation strategies; the function and benefits of insurance; types of insurance products; important considerations when purchasing insurance; usage of insurance; rights and responsibilities related to insurance policies; information on providers of products (Peterlechner, 2016).
- 5 Here, financial education particularly defines the process leading towards insurance literacy.
- 6 IFC, 2015.
- 7 IFC, 2015.
- 8 Peterlechner, 2016.
- 9 UNGEI 2016.
- 10 A2ii 2015.
- 11 Lundberg et al. 2014.
- 12 Tower et al. 2011.
- 13 Rodriguez et al. 2014.
- 14 A Microfinance Institution that is also member of Women's World Banking.
- 15 Kenyan social communication campaign to raise financial education among women supported by Women's World Banking (WWB) and national financial institutions.
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VimoSEWA – An Insurance Cooperative for, with and by Women

Tara Sinha, SEWA



Introduction: The Self Employed Women’s Association (SEWA) is a national trade union in India; it was registered in 1972. Today SEWA has over 1.5 million members across 14 states. SEWA members are poor women workers in the informal economy; they include agricultural laborers, service providers, home-based workers, and vendors. This case study describes the origin and growth of SEWA’s insurance program. The program started with a life insurance product in the mid-1970s, operating at a low scale of coverage and outreach. It finally took off in 1992, and has since evolved to offer the following products: full service, voluntary, standalone, multi-product insurance cooperative, and protection against natural and accidental death, hospitalization, and asset loss.

The Context

Brief Overview of the Country and Institutional Contexts

India has a population of 1.3 billion and is one of the fastest growing economies today. According to the World Bank it is a middle income country, yet it has a large informal economy. The informal economy accounts for about 93 percent of total employment in the country, which includes both informal sector workers and workers in informal employment in the formal sector.¹ Informal workers lack regular income, and have little access to any kind of social protection. A higher proportion of women (96 percent) than men (91 percent) work in the informal sector.² Women tend to be in the lower-paid and less-skilled jobs, and also tend to be less organized. There is increased recognition that women tend to be concentrated in the more precarious forms of informal employment, and supporting poor women in the informal economy is key to reducing women’s poverty and gender inequality.^{3,4}

Social protection in India

Social protection has assumed a more important role in India in recent years, with increasing recognition of the need to extend social protection to workers in the informal economy. However, coverage remains low. Only 12.5 percent of informal workers are covered by health social protection, and only 24 percent receive a pension.⁵ In 2008, the national government launched the Rashtriya Swasthya Bima Yojana (RSBY) for informal workers who were below the official poverty line. As of March 2013 however, only 7.5 percent of informal workers were covered by this scheme.⁶

The Mahatma Gandhi Rural Employment Guarantee Scheme (MNREGS) has been a flagship income security scheme, which provides up to 100 days of waged unskilled manual employment each year. According to a recent news report in February 2016, 127 million households (roughly 50 percent of all households in India) participated in this scheme in 2014-2015.⁷

In 2015 the Government launched three social protection schemes for the low income segments, namely: Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Atal Pension Yojana (APY). The first two protect against accidental and natural death, whereas the third is a pension scheme for persons when they become 60 years of age. All three schemes require the beneficiary to have a bank account, which boosts financial inclusion and ensures transparent transactions.

The Insurance Sector in India

Prior to India’s independence in 1947, insurance in India was a privately-run industry. In 1956, all life insurance business was nationalized under the Life Insurance Corporation of India (LIC). The general insurance business was later nationalized in 1973, under the General Insurance Corporation. Since these developments, the industry has been dominated by life insurance for individuals - typically males in formal employment, and commercial insurance for businesses. Health insurance, asset insurance, and other types of insurance for individual risks have been negligible components of the insurance companies’ portfolio.

In 1999, India liberalized its insurance sector by promulgating the Insurance Regulatory and Development Authority (IRDA) Act. The new legislation opened up the insurance market to private insurers, and in 2014-15, India had 23 private life insurance companies and 22 private non-life insurers. One important component of the new Act was its effort to extend insurance to previously un-served populations, which required each insurance company to incrementally increase its outreach to rural and social (economically weaker) populations. As per IRDA’s annual report 2014-2015, 25 percent of new individual life insurance policies and 12 percent of new non-life insurance premiums were in rural areas. In the social sector, 30 million lives were covered under life insurance, and 300 million under non-life insurance. Sex-disaggregated data is not available however.^{8,9}

Background and Justification for Starting Insurance

SEWA considered starting an insurance program in the late-1970s in response to the risks and vulnerabilities faced by its women members and their families. Early in its operations, SEWA Bank's loan records revealed that medical crises were one of the major costs borne by poor women, and were a common reason for the loans not being repaid.^{10, 11}

As Ayeshaben, a garment worker and union leader explained:

"We work hard and save. But one illness or death of a family member means that our savings are wiped out, and we are forced to borrow from money-lenders or pawn our jewellery, and go into debt. So how can we ever stand on our own two feet?"¹²

All SEWA members are workers in the informal economy. They have no employer-worker relationship with their employers and receive no workplace benefits. Insurance was recognized as an important means of protecting these women and their families from the risks of sickness, asset loss, and loss of life.

When SEWA first approached insurance companies in the mid-1970s to provide cover to its members, the response was discouraging. The insurance companies perceived SEWA's members as 'bad risk', and so took the view that insuring this population was beyond their ability. It is an indication of SEWA's pioneering vision that it persisted in its efforts, and eventually succeeded in starting insurance for its women members. This achievement was especially impressive given that at the time there was barely any recognition that informal workers contributed to the economy, let alone there being any social protection schemes for them.

Importance to Women

Need for Insurance to Mitigate Risk

Vulnerable populations require a range of social protection interventions, including protective, preventive, promotive, and transformative measures for coping with risks and enhancing resilience.¹³ In line with this thinking, SEWA's holistic approach recognizes that its members need multiple strategies to address their vulnerabilities. SEWA believes that poor women can only emerge from poverty and move towards self-reliance through full employment at the household level. Full employment includes work and income security, food security, and social security. The latter must include at least the basic services and facilities mentioned earlier – health care, child care, shelter with a tap and toilet in every home, insurance, and pension.¹⁴

Therefore the insurance program is key to helping members to cope with the risks of sickness, accident, asset loss, and death.

Women at Greater Risk

Women and men both face risks and vulnerabilities, especially if they are poor. However, women face certain gender specific risks and others that are exacerbated by gender inequalities and discrimination.¹⁵ For instance, women have a lower representation in formal employment than men, and are therefore less likely to be eligible for state sponsored protection mechanisms.¹⁶ Moreover, they face larger protection gaps due to their longer life expectancy.¹⁷ In addition, women also face gender-specific health risks during pregnancy and childbirth. In most instances, a woman's role as the main care giver also means that the illness of a household member adversely affects her earnings and health.¹⁸ At the same time, women's lower social status (due to patriarchal social norms) places their lives and health at a lower priority.

In many instances, women are heads of households, or are the main earning member, and are therefore responsible for the well-being of the entire family. A study by UN Women found that even where there are state-sponsored social protection programs in India, women-headed households are less likely to access these benefits.¹⁹ Social protection is therefore critical, not only for this half of the population, but also for their families who depend on them.

Poor women are more susceptible to risks because of their low incomes and a negligible asset-base. Furthermore, they often experience insecure and unsafe working conditions, poor housing, sanitation, and security concerns. The key risks faced particularly by women include poor health, the death of a husband, divorce, domestic violence, sexual harassment, old age, and work-related risks.²⁰

Early in the 1970s when SEWA started organizing women, it learned the following:

- Women and their families face multiple and frequent risks, which result in huge economic leakages and losses, keeping them in poverty.
- The poorest and most vulnerable of communities - especially women - are disproportionately affected by exposure to risks.
- Risks and crises result in de-capitalization and asset loss. Consequently, women and their families slip deeper into poverty.

- Risks may be chronic or acute. Chronic risks include poverty and unemployment; acute ones include drought, floods, sickness, and natural disasters such as earthquakes.
- Poor women want support to tackle as many risks as possible at a time, thereby reducing their vulnerability. An insurance package is one way to help tackle these risks.
- Poor women are willing to give premium for insurance, thereby protecting themselves against risks.
- Women are more likely not to see treatment for their own illness – and this is exacerbated in the absence of health insurance.

According to the current CEO of VimoSEWA, women like SEWA's members face a larger number of risks compared to men because they carry out a larger number of tasks, both within and outside the house. Furthermore, women are much less likely to attend to their health needs in the absence of insurance, because of the expenditures involved. This neglect of their health needs in turn leads to poorer health and higher morbidity, and also affects their income-earning potential. SEWA has found however, that women are better at recognizing the need for risk protection, not only for themselves but for their entire family. As one member told us:

“The men just come and give us the money they earn – looking after the needs of the household is our responsibility. We are the ones who think about the needs of the children, including the need for health insurance for them.”²¹

This is supported by wider research findings from the Indian market, which show that women are more likely than men to be concerned about providing for their children and ensuring that their family is able to maintain the same quality of life in the event that they can no longer provide for them.²²

Context Prior to the Launch of VimoSEWA

SEWA introduced its first insurance product in the late 1970s, which was a life insurance for its women members. At the time, the insurance industry in India was under state control. Life insurance was the dominant product for individual buyers, it was mostly purchased by workers in the formal economy, and men were the majority policyholders. There was very little health insurance, and where it was available, it catered to formal workers. Even today, the term “insurance” is primarily associated with life insurance.²³

More broadly, women workers in the informal economy had no access to formal financial services. This was the rationale behind the launch of SEWA Bank in 1974, which enabled members to save safely and take loans at reasonable rates (unlike the high lending rates of money lenders and traders).

The government-owned insurance companies were unwilling to provide any kind of non-life insurance, e.g. health insurance or asset insurance, until 1992. Poor self-employed women were seen as being ‘un-insurable’ and ‘bad risks’.

The Learning Curve: Development and Implementation

This section describes the evolution of VimoSEWA from a small scale insurance program in Gujarat to India's first women's insurance cooperative society, serving women and their families across seven states.

Background and Overview of the Journey from Conceptualization to Implementation

VimoSEWA's journey from the late 1970s has been driven by the needs of SEWA's women members. Along the way, VimoSEWA has experimented with various types of insurance products, distribution, client servicing strategies, and changing management systems. The journey has had many successes and some challenges, and many lessons have been learned. The following sections discuss the various aspects of this journey.

Lessons along the way

SEWA offered a life insurance product to its members in the late 1970s, but the coverage amount was small and the outreach was limited. It was only in 1992, when SEWA's membership reached 50,000, that the insurance companies were finally ready to discuss insuring informal women workers. During discussions, potential women clients made it clear that they needed both life and non-life insurance, i.e. health, accident, and asset insurance.

Products and product development – responding to women's needs

In 1992, there was a single bundled product for women. By paying a single premium, a woman could be covered against her own death (natural or accidental), her husband's accidental death, her hospitalization, and the loss of livelihood-related assets. This bundled product was a major innovation – while the client paid a single premium for a basket of covers, VimoSEWA segregated the premium amount to go to different insurance companies.²⁴

In 2000, based on demand from the members, VimoSEWA introduced life and health insurance for the husbands of its insured members. In 2001, two additional bundled schemes with higher levels of premiums and benefits were also added. In January 2003, once again in response to member demand, VimoSEWA introduced children's health insurance. As a result, by 2003 SEWA was providing insurance protection to the entire family, as long as the primary member was a woman.²⁵

VimoSEWA worked with insurance companies to adapt their products to serve women's needs. It organized small workshops with women and actuaries from insurance companies to actually develop microinsurance products. For instance, the initial health insurance product offered by the insurance company did not cover gynecological ailments, which were important for SEWA members. To remedy this, SEWA succeeded in persuading the insurance companies to expand the coverage to include gynecological illnesses. Similarly, insurance companies initially refused to honor hospitalization or death resulting from work-related hazards, such as falling off a tree while picking tendu leaves²⁶ or being bitten by a snake while working in the fields.

Over the years, the insurance products have become more varied and now have higher risk coverage, all in response to member needs. When VimoSEWA started offering its bundled products in 1992, insurance was a new concept, and women were conservative about the premium amount they were willing to pay. The early products therefore had very low premiums and only provided limited coverage. Over time, however, women's understanding of insurance matured and their trust in the program increased. As a result, they started asking for higher coverage amounts, even when it meant they would have higher premium amounts. Furthermore, SEWA membership has benefitted from the country's socio-economic growth, and members are now able to afford more expensive insurance products. For example, when health insurance was first offered, the coverage was Rs. 2,000 for an annual premium of Rs. 30.²⁷ In 2016, a popular health insurance product has coverage of Rs. 15,000 for an annual premium of Rs. 1,130.

In 2008, the government of India launched RSBY, a health insurance scheme for families who are below the official poverty line (BPL). This scheme covers a family of five members for an annual sum insured of Rs. 30,000. The premium for this floater policy is paid by the government; each family is required to pay a nominal amount of Rs. 30 for enrolling in the scheme. Since the launch of RSBY, VimoSEWA aagewans have helped eligible members to enroll in the scheme by helping them to fill out enrolment

forms and access medical care at listed hospitals. In addition, VimoSEWA offers these families the Saral Suraksha Yojana (SSY), a hospital cash product that covers incidental expenses and wage loss. (See Box 1).

In some cases, the women enrolled in RSBY choose to take additional health insurance through VimoSEWA. The reason, according to some aagewans, is that these members feel more secure with VimoSEWA's health insurance. At VimoSEWA, members have constant access to an aagewan to provide clarifications and hand-holding support for servicing claims. Members have mentioned that they find it difficult to navigate the RSBY systems and procedures when they become hospitalized or need to file a claim. According to Mirai Chatterjee, Director at SEWA Social Security, "(Members like to) keep one foot in VimoSEWA which they trust as their own, and for which they have tested out experience of receiving claims, even if it sometimes takes some time."

Similarly, a savings-linked life insurance product was launched in 2010.²⁸ Savings is an important need among women, and clients wanted their life insurance to be combined with their savings. The savings-linked life insurance product combines risk coverage with asset building, both of which are important social protection measures. This product continues to be one of VimoSEWA's most popular insurance products. Today VimoSEWA offers 15 different types of bundled and standalone products, with a price range of Rs 50 to Rs 1200 p.a.^{22, 30}

Box 1: Gender-sensitive Hospital Cash Product

VimoSEWA developed a unique product that recognizes a woman's dual role as both a worker and a caretaker for her family. VimoSEWA developed SSY, a hospital cash product that pays the member a fixed amount per day not only in case of her hospitalization, but also in the event of a family member's hospitalization. This is in recognition of the fact that if a family member is hospitalized, the woman is the one who will be in hospital with the hospitalized family member and therefore lose her day's wages. SSY has subsequently emerged as an important add-on product for members who are covered by the government's RSBY scheme.

Member education and distribution – ensuring women are reached

Vulnerability to risk does not directly translate into demand for microinsurance.³¹ VimoSEWA's insurance is voluntary, which means that each policy that is bought by choice. VimoSEWA's experience has shown that educating women workers on their insurance policies has a direct impact on the membership and utilization of the insurance. VimoSEWA has ensured that all of its members understand the concept of insurance, and member education has been carried out through group meetings, workshops, and individual door-to-door contact. The concept of a risk pool, to which all contribute but only some obtain benefits by way of claims, was an idea that took time for women to digest.

The distribution and servicing of VimoSEWA's insurance is carried out by local women leaders called aagewans, who are supported by a team of full-time staff. It has been found that a women-led sales force is better able to understand the risk protection needs of the entire family. In addition, women clients are more comfortable engaging in discussion with women agents.

VimoSEWA aagewans go through thorough orientation and training covering the concept of insurance, and covering techniques for effective communication. Trust in the person distributing insurance is crucial to the buyer. While the buyer values the product education received at the time of distribution, her faith in the promoter and her sense of being able to reach the promoter at any time is of immense value. The aagewans' strong linkages with the communities in which they work position them strategically to effectively distribute and service VimoSEWA members.

As one member said:

“Each year Kamalaben (the aagewan) explains the details of the product to me, and each year when it is time to renew I ask her to tell me again as I have forgotten the details.”³²

Fairness and transparency in claims have been important features in building credibility among the clients. One member stated:

“My husband was admitted to the hospital, but I could not file a claim because I had only recently bought insurance. The aagewanben had explained to me that pre-existing conditions are not covered. I still continue to buy insurance because adverse events can strike anytime.”³³

At one point VimoSEWA tried using men to distribute insurance to women, but this experiment was unsuccessful. The men who took up the work did not have the same attitude when explaining the products to the women. Their attitude was more that of salespeople selling insurance, rather than offering a mechanism for social protection.

“When we approach the woman, our aim is to explain insurance as a mechanism of social protection. We use different tools like flipcharts and short films to explain the concept. We found that the male agents saw it more as a sales job rather than one of educating the member.”³⁴

VimoSEWA also distributes insurance through SEWA Shakti Kendras (SSK). SEWA SSKs are convergence and coordination centers located in the areas where members reside. They aim to empower communities by strengthening members' capacities to access entitlements through mobilization, building awareness, initial hand-holding, and nurturing grassroots leadership. At the SSKs, community members can get information on SEWA initiatives, government departments and schemes, and application support.

Claim servicing – at the women's doorstep

VimoSEWA has found that effective servicing claims effectively is important for building client loyalty. When a client needs to file a claim, she contacts the VimoSEWA office on a toll-free number, and a staffer from VimoSEWA goes to her doorstep to collect the required documents. Many clients are home-based workers or work in the vicinity of their homes. If they were required to go to the VimoSEWA office to deposit claims related documents, they would lose a half or full day's wages.

VimoSEWA as a cooperative – inclusive by design

By 2009, women had enough microinsurance experience to set up their own cooperative. The National VimoSEWA Insurance Cooperative was formally registered with 12,000 share-holders, all informal women workers, from five states. This form of organization is by nature inclusive and democratic, and the elected board of trustees represent the client community, makes decision about types of products, and design product pricing in line with of their clients' needs. This is the first insurance cooperative of its kind in India; it is used, managed and owned by women workers, and the Share-holders and policy-holders are all.

Evolution of staffing patterns – entry of insurance professionals

Until the late 1990s, none of the persons staffing VimoSEWA had any direct experience in the insurance industry. As the program grew, people with experience in the insurance industry started to join (first women and then men). This enhanced VimoSEWA's internal expertise and aided its negotiations with the insurance companies.

Working with other organizations for larger outreach

VimoSEWA started working with other organizations, mainly NGOs, in 2003, when these organizations wanted to offer insurance to their women members but lacked the expertise of doing so independently. VimoSEWA therefore started working with organizations in Tamil Nadu and Bihar. After several years these organizations learned how to run their own microinsurance programs and so started running independent operations. Meanwhile, other new organizations came under VimoSEWA's umbrella. Currently, in 2016, VimoSEWA has 27 partner organizations that benefit from the group policies VimoSEWA purchases from the insurance companies.

Opportunities and Challenges

The fact that the insurance program it is nested within a larger member-based organization has been a significant opportunity and asset. The development of products and their pricing has always been done in consultation with the potential insurance buyers. The SEWA community leaders who go to sell insurance are known and trusted, and this allows them to access new members. SEWA initially received technical and financial support to start its insurance program from GIZ (then GTZ), CGAP, the Ford Foundation, and the Asian Development Bank.

One of the biggest challenges, especially in the early years, was explaining the concept of insurance to members, and making them understand that insurance was a risk-pooling mechanism where the premium was non-refundable in the event that no claim was made. The support of these insurance companies was significant in SEWA's member education interventions. This issue continues to be a challenge when one enters new areas where insurance is an alien concept however. VimoSEWA has also learned that no shortcuts can be taken when attempting to enroll new members. Women are unwilling to enroll unless they fully understand what they are buying.

Another major challenge has been achieving financial sustainability. Ensuring that each client is educated about insurance, and about the scheme she is buying, is costly. Servicing claims in a timely and transparent manner also incurs costs. VimoSEWA also has to strike a balance between having products that are affordable but at the same time provide adequate coverage. Achieving financial sustainability has continued to be a challenge for many years, and Oza et al.'s study on the topic describes how VimoSEWA has succeeded in achieving financial sustainability.³³ This has been an important success, given that VimoSEWA continues to be a stand-alone microinsurance cooperative offering voluntary insurance.

Effect of insurance product/service on women clients

The insurance program has had several positive outcomes for its women members and their families. Most importantly, insurance has provided a significant source of financial support to women who suffered adverse events. In the last 10 years, VimoSEWA has paid out claims totaling almost Rs. 159 million (US\$ 2.38 million).³⁶

Insurance has also alleviated anxieties arising from the potential risks of death and illness. This is borne out by the fact that many members continue to renew their insurance policies despite not having filed a claim for any adverse event. Women feel they are able to fulfil their role as caretakers because of the insurance coverage. According to a VimoSEWA aagewan:

"If a woman's children or husband need hospitalization, she immediately takes them for the required care. She may be tardy about getting hospitalized herself, because of her household responsibilities, but the insurance helps her ensure that her family members get the required health care."

The woman is the insurance policy holder - the policy is sold to her and the insurance education is also given to her. This has led to an immense increase in the understanding of risk management and the role of insurance. Women have learned the intricacies of insurance, and have learned to assess the costs and benefits of different options. Gaining an understanding of insurance has also led to the building of a common bond among the insured members, both as a risk-pooling mechanism and as a solidarity fund. The claim cheque is always made in the name of the woman policyholder, even if the health claim is for the husband. According to VimoSEWA's core team members, they value the fact that the primacy of the woman is recognized. More broadly, it has strengthened their sense of self-worth as workers – whose social protection is as important as that of any male member.

The Future: Further Implications and Lessons

VimoSEWA has successfully shown how insurance services can be offered to low-income women workers in the informal economy. In this section we discuss the implications of this for broader financial inclusion, and for the identity and self-esteem of women clients. Finally, this study will discuss VimoSEWA's efforts to further make insurance regulations better meet the social protection needs of people with low incomes.

Addressing financial sector needs and issues

The government of India has been trying to expand financial inclusion and financial literacy to the majority of Indians, who are outside the ambit of the formal financial system. As India's RBI governor has said "in order to draw in the poor, the products should address their needs – a safe place to save, a reliable way to send and receive money, a quick way to borrow in times of need or to escape the clutches of the money lender, easy to understand life and health insurance and an avenue to engage in savings for the old age."³⁷

For many members, VimoSEWA has been the entry point for their linkage with the formal financial system. Several women have opened bank accounts to save money to pay the VimoSEWA annual premium. According to Savitaben, an aagewan:

"It is difficult for many of our members to pay an annual premium of Rs. 2000. So we tell them to open a recurring deposit account and deposit Rs. 100 to 200 each month. I have helped so many members open accounts in the post office in our village."

Similarly, all claims payments are made by cheque,³⁸ and there continue to be clients who do not have bank accounts in their name when they receive their first claim cheque. In such instances, the aagewans helps the member to open a bank account.

VimoSEWA has played a key role in making insurance understandable and available to large numbers of women workers and their families. Typically, insurance in India was equivalent to life insurance, even among the well-to-do. Furthermore, it only males took life insurance. VimoSEWA has contributed to the government's agenda of making social protection available to low income women and their families through life and health insurance. Consequently, these women benefit from a deeper financial inclusion, one that includes not only savings and loans but also insurance.

VimoSEWA has contributed at the national level for the promotion of insurance and social protection for women. For instance, learnings from VimoSEWA were incorporated into the RSBY, a government sponsored health insurance scheme that was launched in 2008. The Indian Parliament's insurance committee, in recognition of the importance of microinsurance as a risk mitigation tool and an anti-poverty measure, invited VimoSEWA to depose before a multi-party committee of Members of Parliament. SEWA has thus been a trail blazer, and has demonstrated how insurance can work for poor women workers in the informal economy.

Link between insurance and women's value and identity as an individual and family caretaker

All of VimoSEWA's products are developed in consultation with the women clients and aagewans, and as per their clients' needs. The products also recognize a woman's role not just as a worker, but also as a caretaker and provider in the family. The woman is invariably the policyholder, and her family gets insurance cover through her. Being an insurance policy holder has added to the empowerment of women.

"When we have an area meeting where we are doing insurance education for new members, we often use an existing client to share her experience with insurance. Often a woman sitting in the group will ask 'so your husband has insurance?' And she proudly says no, I am the policy holder."

Looking forward - what more needs to be done

Currently VimoSEWA follows the partner-agent model of insurance, and the insurance companies carry the risk for a majority of the products sold by VimoSEWA. These companies are also the final arbiters for claims settlements. Unfortunately, the typical products offered by insurance companies do not cater specifically to women's needs or paying capacities, especially low-income women workers in the informal economy. The servicing of claims by insurance companies has also been unsatisfactory, and this is an ongoing area of struggle.³⁹

In fact, to provide better service to its members VimoSEWA has carried out almost all the tasks of insurance during its lifetime. These include negotiating with the insurance companies to develop suitable products, distributing insurance and educating the members about this concept, and engaging in the screening and settling of claims. VimoSEWA has taken on these tasks because its vision is not one of simply 'selling insurance', but also of helping its women members be agents in developing social protection mechanisms for themselves and their families. VimoSEWA believes it can better serve low income women and their

families if it has greater freedom in product development and claim settlement. One long standing example is SEWA Bank, which is fully viable and continues to be so after 40 years.

As a recent report on insurance for women states, women in lower income segments (particularly those in rural areas) lack access to insurers' sales channels. Currently, insurance companies cater primarily to the middle and high-income brackets, leaving the majority of the Indian population – and therefore the majority of women – without insurance coverage. Awareness about protection mechanisms like insurance is poorer among women than among men. Insurance companies have also not been able to establish linkages with women for the sale of policies.⁴⁰ Most insurance sales agents in India are males, and media coverage shows that women may prefer buying insurance from women.⁴¹

The VimoSEWA cooperative is a step in this direction, but current regulations prevent it from being a full-fledged insurer. While the IRDA has issued microinsurance regulations, these only apply to intermediaries offering micro-insurance products; there is no separate recognition of microinsurance insurance companies. The capital requirements for mainstream insurance companies, and those who would offer only microinsurance products remain the same, i.e. Rs. one billion (about US\$ 20 million). The VimoSEWA cooperative has been advocating for appropriate regulations for microinsurance cooperatives, including lower capital requirements, which would be more in line with the smaller financial scale of its operations.

Conclusion

The National VimoSEWA Insurance Cooperative has been a pioneer in successfully demonstrating how insurance can be provided to low-income women workers in the informal economy. Lessons from SEWA's experience have helped several organizations, and even the central government, to offer insurance as a social protection mechanism. Change has been a constant in SEWA's insurance program, and products, servicing strategies, and management systems have evolved over time in response to client needs, lessons learned, and the need to achieve financial sustainability. However, through this evolution, women workers in the informal economy continue to be at the center of the insurance program, and their needs and inputs will continue to guide and shape it.

Endnotes

- 1 Ramani, 2013.
- 2 ILO, 2002.
- 3 Sankaran & Madhav, 2011.
- 4 Chen, 2012.
- 5 India Labour Market Profile, 2014.
- 6 ibid
- 7 <http://www.firstpost.com/business/can-nregas-success-be-replicated-in-urban-areas-as-well-to-create-robust-infrastructure-2608338.html>
- 8 Rural obligations are given in terms of a percentage of premiums for all types of insurance, whereas social obligations are given in terms of the number of lives covered for life and non-life insurance.
- 9 IRDA, 2015.
- 10 Chatterjee and Ranson, 2006.
- 11 Borrowing for medical expenses is especially high in South Asia, especially among the poorest households. According to a 2015 World Bank report, 20 percent of adults in South Asia reported that they borrowed money to cover medical expenses.
- 12 The draft National Health Policy 2015 put out by the Health Ministry of India says that 63 million persons face poverty annually due to catastrophic health expenses.
- 13 Arnold and de Cosmo, 2015.
- 14 Chatterjee, 2016.
- 15 Thakur et al, 2009.
- 16 Doss et al, 2015.
- 17 Life expectancy for women in India is 68.2 years, compared to 64.7 for men according to the World Health Organization's 2013 estimates.
- 18 This has come up in several discussions with SEWA's members.
- 19 Doss et al, 2015.
- 20 Banthia et al.2009.
- 21 FGD Gomtipur, Ahmedabad city, May 2, 2016.
- 22 IFC, 2015.
- 23 Cognizant, 2014.
- 24 Life insurance and non-life insurance was offered by separate companies.
- 25 Oza, 2013.
- 26 Used for making beedis, a local type of cigarette.
- 27 Chatterjee and Ranson, 2006.
- 28 Oza, 2013.
- 29 Chatterjee, 2016.
- 30 The author would like to thank Mirai Chatterjee, Director of SEWA Social Security, the team members of the VimoSEWA Cooperative, and clients of VimoSEWA for all their support in writing this case study.
- 31 Brown, 2001.
- 32 Member FGD Gomtipur, Ahmedabad city, May 2, 2016.

33 *ibid*

34 FGD Ahmedabad city Aagewans May 2, 2016.

35 Oza, 2013.

36 Chatterjee, 2016.

37 *The Hindu*, August 24, 2014.

38 According to an aagewan in Ahmedabad city, men are reluctant to have their wives as joint account holders.

A woman therefore needs to have her own bank account to receive a claim cheque.

39 Interview Mirai Chatterjee.

40 IFC, 2015.

41 *ibid*

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Empowering Women through Health Insurance: Lessons from RSBY in India

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Introduction: Women and men deal with different health needs and risks, which can be explained, to a large extent, by biological differences (sex) and socially and culturally constructed norms (gender). From a health-gender equity perspective,² according to the Commission on Social Determinants of Health, gender inequities influence health through discriminatory feeding patterns, gender based violence, lack of access to resources and opportunities, and lack of decision-making power over one's own health.³ Equal access to health care according to the individual needs of men and women requires substantial efforts at policy and implementation level. Social health protection is one approach of how gender gaps in health care can be mitigated.

India's social health insurance scheme Rashtriya Swasthya Bima Yojana (RSBY) is an example for such an approach. It was introduced under the auspices of the Unorganised Workers' Social Security Act (UWSSA) in 2008 and has since then become one of the largest schemes worldwide with currently around 130 million beneficiaries. This case study describes how women have profited from RSBY.

The Context

Women in India⁴

Gender⁵ is related to the establishment of power relationships, which are usually uneven and hierarchical. In a largely patriarchal society like India, such roles and preferences might have an impact on the gender-driven provision of goods and services. These imbalances determine women's life chances, and therefore their wellbeing.⁶

In India, despite the established legal framework for protection of women's rights, the gap between the ideal and reality remains large. Cultural and societal norms are strictly adhered to and at times restrict these rights. According to the Human Development Report 2015, India ranks 130 out of 155 countries in the Gender Inequality Index, which makes it the lowest ranking country in the South Asian region.⁷

The lower status of women is reflected in many different aspects of society. The norms and values of the patriarchal society are deeply entrenched, and they manifest in both public and private spheres. For example, women only hold 12.2 percent of the seats in Parliament; women's labor force participation rate is one-third of the rate for men (27 and 79.9 percent respectively);⁸ the share of women in the informal sector is higher than men (96 and 91 percent respectively); and literacy rates are 74 percent for women compared with 88 percent for men.⁹ In relation to maternal mortality rates, India ranks 129th out of 188 countries, with 190 deaths per 100,000 live births.¹⁰ A strong prefer-

ence for sons has led to a marked decline in the sex ratio to 914 women per 1000 men.¹¹ In some states of India the situation is worse with Haryana having a sex ratio of 877, Jammu and Kashmir of 883, and Punjab of 893 women per 1000 men.¹²

The lower status of women in the Indian society and discriminatory norms are the source of various health risks and vulnerabilities: gender based violence is widely accepted. 39 percent of married Indian women have experienced domestic violence.¹³ Early marriage leading to interruption of education, teenage pregnancy and early motherhood remains very common. 47.4 percent of women between 20-24 years are married by the age of 18¹⁴; in states like Bihar or Rajasthan these figures almost reach 70 percent.

Gender inequality has interlinkages with other forms of discrimination such as caste, ethnicity, religion, marital status and disability. For instance, the Muslim tradition of purdah persisting amongst both Muslim and Hindu communities in northern India conceals women from men and requires women to cover their bodies and faces, to avoid public appearance and usually not to speak to any unrelated males. As a consequence, purdah restrictions limit women's mobility and ability of using health services outside home for themselves or their children.¹⁵

In the traditional hierarchy of the Hindu caste system, scheduled castes (16.6 percent of the population as per Census 2011) and scheduled tribes (8.6 percent of the population) are the socially and economically most disadvantaged groups in the Indian society. Even though public legitimacy of caste has decreased, segregation persists and affects health and access to health care. For example, scheduled castes and scheduled tribes have higher mortality rates and lower vaccination rates as compared to other castes.¹⁶

Due to stigmatization, a lower level of educational attainments, fewer employment opportunities and a lower socio-economic status, disabled persons are among the most discriminated groups in India. Among them, children, women and elderly people are particularly vulnerable.

Health in India

The Government of India is committed to the goal of universal health coverage (UHC) which envisages that everyone is able to access quality health services without the fear of impoverishment. The new draft National Health Policy defines UHC as “universal access to good quality health care services for all citizens without anyone having to face financial hardship as a consequence”.¹⁸ However, the reality is still far from what India strives to achieve. Public spending on health ranges at around 1.2 percent of Gross Domestic Product (GDP)¹⁹, one of the lowest figures worldwide, and both public and private health care providers are poorly regulated. As a result, India’s health system is unable to adequately meet the population’s health needs. Health services are inequitable as well as inefficient with private expenditure representing 70 percent of the total expenditure on health of which 86 percent come from out-of-pocket payments (OOP) made directly by patients.

The high out-of-pocket payments for health services are a major contributor to poverty. According to the Ministry of Health and Family Welfare, around 63 million Indians are pushed below the national poverty line due to OOP every year²⁰ despite the country’s immense efforts that are undertaken in the country towards poverty alleviation. For example, according to estimates by the World Economic Forum, India will lose USD 4.38 trillion before 2030 due to preventable illnesses from non-communicable diseases and mental health conditions, which so far have limited affordable coverage in India.²¹

The situation is particularly tragic for workers in India’s informal sector and their families. Informal workers constitute 94 percent of the Indian workforce. They usually have an unsatisfactory access to public mechanisms of social health protection and in case of illness run the risk of slipping further into poverty. Affected families often have to think of short-term survival strategies in times of health-related crisis: taking expensive loans, selling productive assets, interrupting school education or engaging in child labor are some of the consequences. They sometimes postpone urgent treatments due to financial reasons, thus aggravating the situation.

Women, who on the whole enjoy a lower social status than men in the Indian society, are more seriously affected by poor health choices and therefore outcomes. Nonetheless, India has made important strides in the improvement of the populations’ health status as well as in the development of its health system. In terms of the financing of health many parallel programs and sources of funds are implemented. Important central government schemes include the National Health Mission (NHM) and the Rashtriya Swasthya Bima Yojana (RSBY) as well as some schemes for public employees. States also have a range of different financing programs and due to their constitutional responsibilities are a major contributor of public funds to the health sector. However, the overall government expenditure on health remains low. The resulting financial constraints are exacerbated by high inefficiencies due to a lack of coordination between the various programs.

As a result, India’s health system is characterized by large inequalities, huge gaps in the network of public health care providers, poor quality of health services and one of the highest shares globally in private OOP. While many countries in the world today have implemented a system of output-based financing, where providers receive payments according to the services delivered and with stringent accountability mechanisms in place, India largely follows a system of paying for inputs with a provision that essential health care services in public facilities should be delivered for free. However in reality even in the public system the prevalence of OOP is very high in most states. Moreover, poor people often use private health care providers, either because they believe to receive a better quality of care, or because no public facility is within reach and willing to admit them.

Rashtriya Swasthya Bima Yojana (RSBY)²²

To address some of these challenges, Rashtriya Swasthya Bima Yojana (RSBY) was launched by the Ministry of Labour and Employment in 2008; the responsibility for RSBY shifted to the Ministry of Health and Family Welfare in 2015. The primary objective of RSBY is to provide financial protection against catastrophic health expenditures and health related impoverishment by providing cashless hospitalization coverage for families below the poverty line (BPL).

RSBY is structured as a public-private partnership model. It is led by the central government, but implemented by authorities in India's states and union territories in cooperation with public and private insurance companies, hospitals and civil society organizations. RSBY provides hospitalization coverage up to 30,000 Rupees (EUR 400) per year for up to five members of households living below the poverty line. There are no age limits and pre-existing conditions are covered. Premiums are subsidized by the central and state governments. Insurance companies are selected by state authorities to implement RSBY. They enroll households directly in villages and issue beneficiaries with a biometric smart card which can be used to access cashless treatment at any public or private hospital across India which is empaneled with the scheme.

RSBY makes extensive use of information technology. The smart cards issued to beneficiaries contain their photographs and fingerprints; this allows their identity and eligibility to be verified at hospitals when they seek treatment, thereby reducing the likelihood of corruption and fraud. Empaneled hospitals send RSBY transaction data to central servers on a daily basis; insurance companies receive and settle claims online, directly with the hospitals.

More than 41 million households (approximately 130 million beneficiaries) are currently enrolled in RSBY and 10.6 million hospitalizations have been covered since the scheme's launch. After four years of implementation, the average hospitalization rate in RSBY districts has risen from 1.86 percent to 3.04 percent, suggesting that India's poor are enjoying better access to health care.

RSBY demonstrates that a government-led social security scheme designed in close partnership with public and private sector actors can be successful in extending protection against catastrophic health expenditures in a country as large as India. Nonetheless, a number of challenges and barriers remain, for example in relation to awareness building amongst RSBY beneficiaries about the functioning and entitlements and the enrolment to the scheme.

Importance to Women

A study carried out under the umbrella of the Indo-German Social Security Programme identified the barriers that people encounter when seeking health care, and concludes that they are reinforced by gender. These barriers are related to the four dimensions of access and health seeking behavior that are identified in literature about health in low income countries, namely accessibility, affordability, acceptability, and availability.²³ The following paragraphs describe how and to what extent women in India are confronted with these barriers.

- **Accessibility** refers to the geographical distance to a health facility, sufficiency of road infrastructure and existence or lack of transport. In India, this barrier for women is intensified by cultural norms. In rural and traditional areas of the country, women are often not allowed to travel without a male family member (only one third of women between the ages of 15-49 years are allowed to travel unaccompanied to places outside of their community).²⁴ They need to seek approval and financial means for the travel from their husbands or other male family members, and frequently face harassment and worries about their safety while being on the road to a health care facility.
- **Affordability** includes the direct of seeking health care such as paying for medical tests, treatments and medicines, as well as indirect costs, such as transportation, food and lodging as well as opportunity costs through loss of productivity. For Indian women, this barrier represents the most challenging constraint for seeking medical care and treatment. They are financially dependent on their husbands since men are the main bread winners and as head of households take decisions about a family's expenditures.
- **Acceptability** refers to the responsiveness of a health care system to social and cultural expectations of users, communities and a country as a whole.²⁵ Every health care system is a reflection of gender roles and norms; sometimes gender inequalities in health exacerbate due to the unequal treatment of men and women in health facilities. Studies show a preferential access to health care for men over women.²⁶ Women are less likely than men to consult health care services and more likely to postpone or forgo treatment giving priority to needs of other family members rather than to themselves. The same is true for traditional societies in India. Because of the preference of men and sons women prioritize the health status of their family members, particularly their husband's and son's over their own and their daughter's. A woman usually seeks medical treatment when the way to a doctor or hospital cannot longer be avoided and when it is almost too late to effectively treat a disease.
- **Availability** refers not only to getting the right treatment at the right point in time but also to the availability of skilled health care providers, medicines, services and facilities. In many cultures it is inappropriate for women to consult male doctors even when female doctors are not available. In addition, women often do not feel comfortable to be examined by male doctors especially for obstetric and gynaecological tests. The availability of skilled female doctors is often a pre-condition for women to seek medical treatment and undergo preventive

tests. In India's rural areas, skilled attendance at birth and emergency obstetric care, such as C-sections, are not always available which forces women to either travel long distances or to forgo the medical care they need.

For the Indian government, maternal health is central to the development of the country in terms of increasing equity, reducing poverty and building social capital.²⁷ It also recognizes that ill health of women is mainly due to poor nutrition, gender discrimination, low age at marriage, risk factors during pregnancy, unsafe, unplanned and multiple deliveries, limited access to family planning methods and unsafe abortion facilities.²⁸ The Indian central and state governments implement a number of programs and interventions that are directly targeted at women. This includes, for example, the Janani Suraksha Yojana (JSY) whose objective is to reduce maternal and neonatal mortality by promoting institutional delivery among pregnant women.

Although RSBY does not tackle gender issues directly, women below poverty line have profited in several ways from the scheme. The highlights as well as shortcomings of the scheme in relation to women and girls are described in the following chapter.

The Learning Curve: Development and Implementation

Since its launch in 2008, RSBY has come a long way in terms of implementation and reach. The numbers in terms of beneficiaries and covered hospitalizations are impressive. When it comes to women, their enrolment in RSBY and the services they use, the results and outcomes are not that evident. This is due, to some extent, to the quality of the available data which is often incomplete and inaccurate and not sex-disaggregated.

■ **Enrolment:** In 2012, the enrolment rates of women were low in comparison to men (40 percent women against 60 percent of men). From the first to the fourth round of the implementation of the scheme, female enrolment has risen to 49 percent. This is partly due to a feature in the RSBY software which makes it mandatory for a woman in a family to be enrolled. In addition, campaigns targeted at women were carried out to promote the use of the RSBY smart cards. These measures appear to have had a positive effect on increasing the enrolment levels of women. Unfortunately, cases have been reported where the limit of five members per enrolled family has had a negative effect on the enrolment of girls as compared to boys in families with more than five members.

■ **Utilization:** Once women are enrolled in RSBY, they tend to utilize services more than men. In the fourth round of the implementation of the scheme, women accounted for 52 percent of hospitalizations as compared to 43 percent in the first round.²⁹

■ **Services:** RSBY covers maternity benefits like deliveries in hospitals and provides health care to new-borns. Antenatal and postnatal care services as well as primary health care services like gynecological check-ups and tests and cancer screenings are not covered under the scheme.

■ **Empowerment and financial independence:** In the state of West Bengal, women are enrolled as heads of households and not as dependents or spouses of their husbands. The RSBY smart card is issued in their name. In a patriarchal society like India this measure in itself is a success. Even when a man is listed as the head of household, RSBY gives women more independence regarding health decisions. In India, men usually oversee a household's finances and expenditures. Because of the strong preference of a family's male members, out-of-pocket expenditure on health usually first goes to men and boys. As RSBY is a cashless scheme with the purpose of reducing direct expenditures on inpatient care women do not depend on the consent of their husbands to seek health care anymore. RSBY has the potential to make women more financially independent in their health seeking behavior. It has not yet been evaluated if and to what extent this has actually happened.

The Future: Further Implications and Lessons

RSBY has successfully provided health care services to India's below poverty line population. Its design features, such as issuing the smart card in the name of a woman in some states, make it easier for women to benefit from the scheme. Nonetheless, there is still a lot of untapped potential to further integrate "a gender lens" in RSBY and to support women's empowerment.

It is proposed that gender issues should be mainstreamed in the design and implementation of RSBY with the objective of reducing inequalities between men and women and to enhance women's empowerment. This could be done by implementing the following recommendations:

Design: India's commitment towards Universal Health Care should take an equitable approach with the objective of leading to equal access to health care services for men and women. This can only be achieved if existing laws on women's rights are put in practice including in the health sector, and if measures are taken that encourage women to enrol in RSBY and to utilize health services. RSBY already includes design features that make it mandatory for a wife to enroll if her name appears on the BPL list. Additional features could include to specifically target women who face a double discrimination such as widows, women with disabilities or women from lower castes, and eliminating the limit of five members per household per smart card.

Health care for women: RSBY could cover additional benefits such as packages for sexual and reproductive health including antenatal and postnatal care services, sexually transmitted infections and diseases and family planning measures such as contraceptives. It should be elaborated to include primary health care packages such as gynecological check-ups, tests and cancer screenings. Such packages need to be coordinated with other government programs that provide maternal and child health services such as JSY.

Awareness raising: In general, awareness about the existence of RSBY and the right of BPL people to enroll needs to be improved. The insurance companies responsible for the implementation of RSBY are also responsible for generating awareness about the scheme such as disseminating information about enrolment opportunities via posters, brochures, media campaigns and events. The awareness among enrolled beneficiaries about the utilization of RSBY, covered treatments, enrolled hospitals etc. is also low. This represents a major barrier in accessing and utilizing RSBY. The situation is even worse for women. Gender-sensitive awareness raising campaigns and information material need to be developed and made available to women through appropriate channels. At the same time, such campaigns should include general information about health, hygiene, and sanitation and encourage women to seek health care and treatment at the right time.

Civil Society Organizations: The cooperation with Civil Society Organizations is important for the implementation of RSBY and for raising awareness about the scheme and its benefits among beneficiaries. Organizations like the trade union SEWA (Self Employed Women's Association) or the non-governmental organization PACS (Poorest Areas Civil Society) have helped eligible persons to enroll in RSBY and to help them avail services covered under the scheme. In addition, such organizations could get involved in order to advocate for women and help them achieve their rights, reducing the power gap and asymmetry of information between the female consumer and the health system.³⁰

Data collection: In order to monitor and assess whether RSBY reaches its objectives and desired outcomes especially for women, sex-disaggregated data needs to be collected, compiled and analyzed on a regular basis. The implementation of a monitoring and evaluation system with sex-disaggregated measurements could help to identify intended and unintended effects or RSBY on gender equality and access barriers. Setting gender targets and monitoring them closely by using quantitative and qualitative approaches should be an integral part of any social health protection scheme.³¹

Outlook: The National Health Protection Scheme (NHPS) - India's new health insurance

The Government of India has announced a new National Health Protection Scheme (NHPS) to be launched in 2017. The new scheme will replace RSBY and build upon its financing mechanism, processes and IT architecture. Among others, the coverage is proposed to be increased to 100,000 Rupees per year, the benefits package will be revised in order to become more comprehensive, the number of eligible beneficiaries will be increased, and the cap of five members per family is proposed to be lifted. NHPS may become the pivot of the central governments' move towards a model of output financing in health care instead of paying for inputs. It also aims at a better pooling of funds. The proposed key features of the NHPS will result in a more comprehensive benefits package for a much larger share of the population and ultimately lead to improved accountability, quality and convergence of the Indian health care system. If properly implemented and if special attention is paid to gender issues and women's health care needs, NHPS has the potential to make equal access to health care for men and women a reality and to empower women in their health seeking behavior even further.

Endnotes

- 1 With contributions from Dr. Nishant Jain.
- 2 Following the terms used in the Madrid Statement on gender mainstreaming in health policy: “gender equity means fairness and justice in the distribution of benefits, power, resources and responsibilities between women and men. The concept recognizes that women and men have different needs, power and access to resources, and that these differences should be identified and addressed in a manner that rectifies the imbalance between the sexes.” (WHO, 2002, p.3)
- 3 Commission on Social Determinants of Health, 2008.
- 4 This section is based on Cerceau, 2012.
- 5 “Gender” is not only about women but describes sex-based social structures and the associated role of men and women. As women suffer more from gender imbalances, particularly in hierarchical and patriarchal societies, gender mainly refers to women in this paper.
- 6 Socially constructed roles, behaviours, activities, and attributes that a given society considers appropriate for men and women.
- 7 UNDP, 2016.
- 8 UNDP, 2015.
- 9 UNICEF Statistics.
- 10 UNDP, 2016.
- 11 As per SECC 2011, reported in Ramaiah et al, 2011.
- 12 Government of India, Census 2011.
- 13 Kishor and Gupta, 2009.
- 14 IIPS, 2007.
- 15 Vissandjee et al, 1997.
- 16 Balarajan, 2011.
- 17 Subramanian et al, 2008.
- 18 Ministry of Health & Family Welfare, 2015.
- 19 WHO, 2015.
- 20 Ibid.
- 21 Bloom et al, 2014.
- 22 This section is based on Birdsall, 2016.
- 23 See Jacobs et al, 2011.
- 24 Holmes et al, 2010.
- 25 Commission on Social Determinants of Health, 2008.
- 26 Ensor and Cooper, 2004; Cerceau, 2012.
- 27 Department of Health & Family Welfare.
- 28 Ibid.
- 29 Birdsall, 2016.
- 30 Cerceau, 2012.
- 31 Ibid.

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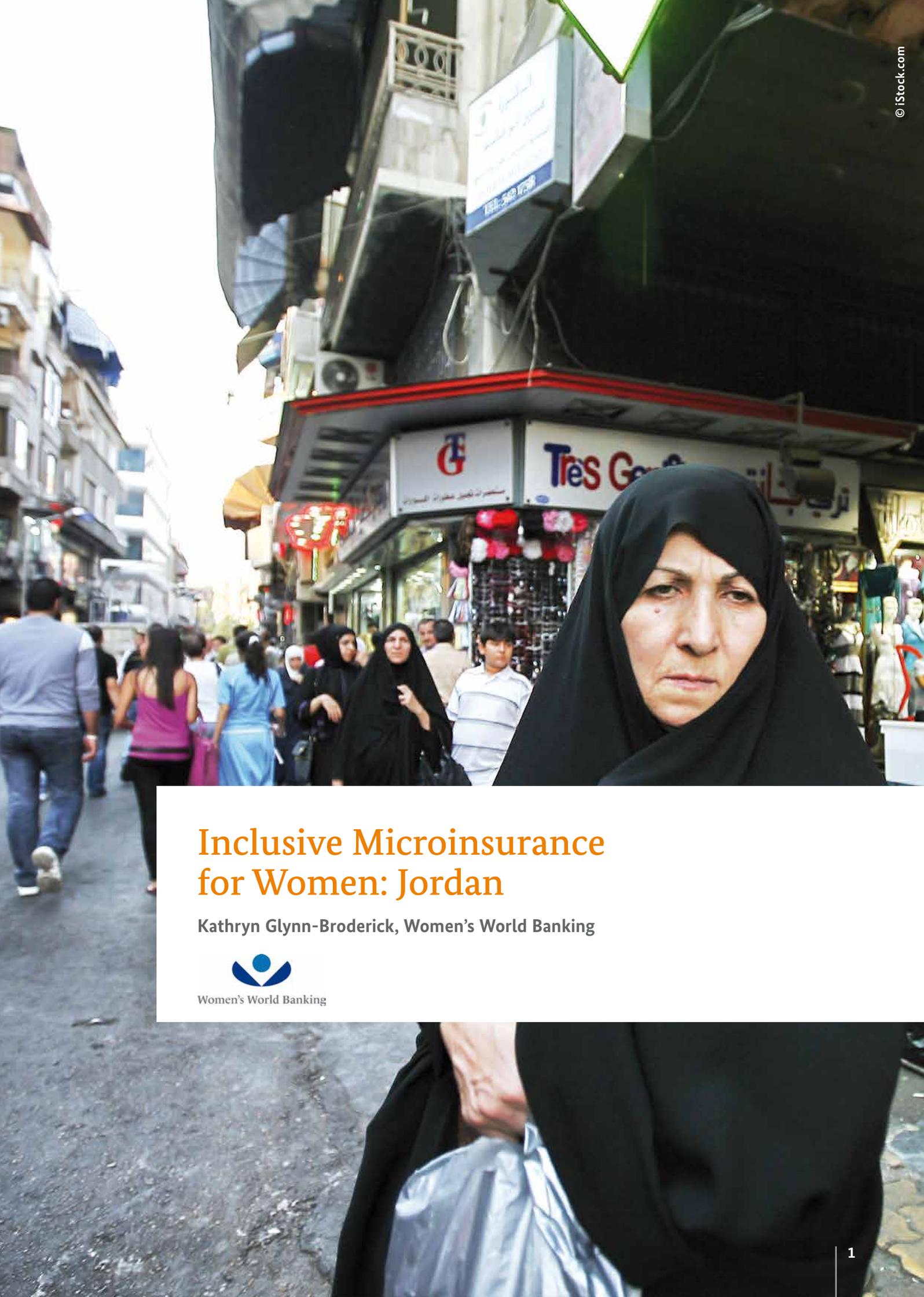
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Inclusive Microinsurance for Women: Jordan

Kathryn Glynn-Broderick, Women's World Banking



Women's World Banking

Introduction: Serious illness is the number one risk faced by poor households around the world.¹ Drawing down savings, borrowing, and selling productive assets are coping strategies most often used by low-income households to address health shocks – but these are usually inadequate and can lead households to fall into poverty (Cohen and Sebstad. 2003). Access to formal risk management products may enable poor people to better cope with the financial shocks resulting from ill health, but access to health insurance products remains low in the developing world (Roth, McCord and Liber. 2007). In fact, globally, research suggests that health insurance is the most highly desired microinsurance product (Roth, McCord and Liber. 2007).

Women comprise 70% of the world's poor. They typically have a lower income than men and have less ownership and control of property, yet they tend to be the primary caretaker for their families and utilize their earnings to improve the care and standard of living in their household. These factors contribute to women's need to manage health-related risk, making them ideal clients for companies trying to tap into the low-income market.

In 2010 Women's World Banking partnered with Microfund for Women (MFW) to create Jordan's first health microinsurance product to directly address the costs associated with clients' hospitalization. "Caregiver" (or Ri'aya in Arabic), an insurance policy that provides a cash benefit after hospitalization, is designed for a client's range of needs: from transportation to the hospital or replacement of lost revenue while their businesses have been closed.

This case study provides insights into MFW's decision to develop a health microinsurance product, the design and development of Caregiver, and effect that this cash benefit has had on clients over the last the five years. Further, it highlights lessons learned by Women's World Banking about women's health and health insurance needs and how the experience of Caregiver can be applied to similar markets.

The Context

The development of a health insurance product that meets the needs of clients, especially women, requires an understanding of the healthcare environment. This includes the extent of coverage, quality, points of healthcare access, and gaps in health insurance products being offered.

Jordan is a middle income country with a population of almost 6.5 million people. The health system is a complex consisting of both private and public programs. It is estimated that 70 percent of the population is insured, of which 8.2 percent are enrolled under more than one health insurance scheme. The two major public programs

that finance, and deliver medical care are the Ministry of Health (MOH) and Royal Medical Services (RMS). The MOH "Civil Insurance Program" CIP offers affordable healthcare, focusing on the poor, disabled and other high-risk categories. Among the uninsured population, the majority have full access to health care through the Royal Court if they have a national identification number and are classified as "unable to pay." All other uninsured Jordanians and non-Jordanians have access to subsidized health care services provided by MOH facilities, which are distributed across the country.² Despite widespread health-care and insurance options, expenditure on health-related illnesses and care is still pronounced, with nearly 69 percent of the private expenditure on health in Jordan being out-of-pocket.³

Since its inception in 1994, MFW has played a significant role in microfinance in Jordan, and has expanded to over 125,000 clients, of whom 96 percent are women.⁴ MFW recognized the need among clients to access affordable health microinsurance to cover the income shocks during health emergencies. With experience in microinsurance and a trusted history in Jordan, MFW was poised to create an offering that fulfilled the needs of women clients, and Women's World Banking stepped in to help.

Importance to Women

In late 2009, Women's World Banking co-authored a paper regarding gender-sensitive microinsurance for women clients based on extensive in-house research in more than 15 countries. The findings indicated the importance of gender to health outcomes. Women's vulnerable health status is driven both by nature (risks associated with pregnancy and childbirth and greater susceptibility to infection) and by custom (gender-based discrimination, lower economic status that leads to lower health-seeking behaviors). Yet, the majority of microinsurance available in Jordan precluded care for many of women's health concerns.

Women are both in need and a highly relevant market segment. Women's World Banking research has shown that women are more immediately concerned about their families and extended communities than men, so access to a microinsurance policy is likely to benefit not only the client herself, but also her community. This builds a very compelling case for financial service providers—including insurers, intermediaries (such as MFIs and others) and development organizations – to invest in microinsurance for women.

Health microinsurance is an urgent need for low-income women entrepreneurs because:

- As self-employed entrepreneurs, usually in the informal economy, they are not covered by public social security schemes;
- Their own labor is effectively their biggest asset;
- They often live in conditions that leave them more vulnerable to illness and injury due to poor sanitary conditions, hazardous work environments, and primitive infrastructure; and
- They lack the financial resources to respond quickly to health emergencies.

Traditional risk management strategies that women use to cope with crises can involve long-term sacrifices that perpetuate the cycle of poverty. Women may use business profits to offset emergency needs instead of using them for long-term growth or investment in their business. Any health episode can quickly exhaust savings and, force a family to sell off assets, often for a fraction of their worth, destroying future earning potential to meet current needs. The need to provide women with healthcare and the means to pay for it is therefore acute.

Healthcare costs can be disastrous to the business and family. Through more than 35 years of market research with women around the world, Women's World Banking has learned that healthcare costs often exert the most financial pressure on low-income families. Meeting the costs of an unexpected health emergency is the most common reason women give for having to liquidate or de-capitalise their businesses. These circumstances only serve as a catalyst for moving further into poverty, depriving families of the tools they once had to generate revenue. Given the negative impact a health emergency can have, microinsurance has tremendous potential to provide security and stability to a low-income household.

In 2007, Women's World Banking conducted a series of comprehensive qualitative analysis in Jordan that showed that poor women have specific needs that make it difficult to design profitable insurance products.

One clear message emerging from original focus group discussions concerned the importance of maternity care to those women. However, many health microinsurance products exclude pregnancy, citing the high costs caused by adverse selection.

Developing Caregiver

Social protection schemes are not sufficient. Through the research, Women's World Banking found that even clients covered under some form of social insurance scheme were incurring high out-of-pocket expenses in transportation, medicines, and bribes at government hospitals. In any health emergency, the clients were missing days from work resulting in loss of income as an indirect cost of health emergencies.

As a result of the research findings, Women's World Banking and MFW learned two things: **1) as resource managers and caregivers, women present a strong business case for insurance companies; and 2) microinsurance could offer a promising alternative for poor women to manage risk and use their assets more productively.**

The challenge, however, would be creating a microinsurance product that meets the needs of low-income women, minimizing operating costs, and keeping premiums affordable. The idea of Caregiver was conceived as a product to supplement existing government insurance, as well as an income replacement tool. Therefore, a critical feature of the product was to pay a fixed compensation for each night that the client was hospitalized. It was a simple, yet compelling proposition aimed at encouraging women to prioritize their own health and seek medical care when required.

The process of finding partners. Women's World Banking and MFW started discussions with local insurers to identify partners. As private microinsurance was a new concept in the market, insurers had no knowledge or experience of working with the target segment. Although a few insurers expressed interest, it was challenging to find the right insurance partner. MFW had to break ties with the first insurer and reach out to another insurance company to underwrite the product. This second insurance company, Jordan Insurance Company, which has now proven to be a successful partner for the Caregiver mission.

Initial Pilot Success

Simple and focused. MFW and Women's World Banking decided to start small and simple. Operating processes, policy terms and conditions, and claims procedures were all designed to be easy to understand, both for field staff and clients. Ease of implementation was a critical consideration. The challenge for selecting the pilot site was that it should be one site rather than multiple sites (to allow for intensive, ongoing monitoring without having to field multiple research teams) but that site should be large enough to yield significant data.

One important factor in Caregiver's start-up success was to make the **insurance product mandatory with all new loans**. This solved several problems, including allowing the product to reach scale (important for insurance products to reach solvency and sustainability) and reduce anti-selection risk. By making the product mandatory, it also increased the pressure to demonstrate the value of insurance by responding to clearly stated customer priorities such as the maternity coverage.

Client response and performance was monitored. Once the Caregiver product launched, client feedback was immediately positive, especially about the inclusion of pregnancy coverage. This would ultimately account for half of all claims filed during Caregiver's first two years. But in general, clients reported that they found the Caregiver programme both beneficial and easy to use. MFW and Women's World Banking designed the Pilot Protocol monitoring framework and briefed staff on its key features well before Caregiver launched.

Performance evaluation is important as it provides insight into how the new product is performing and helps shape that performance. For MFW, using simple metrics helped advance the internal organizational cultural change already underway within the institution.

Implications and Learnings

Five Years Later: Outcomes for women clients

MFW grew steadily between 2010 and 2015, reaching 125,000 clients. Currently, MFW disburses group loans of under 500 JOD (about US\$700) to over 80 percent of its clients, as well as a much smaller number of individual loans of over 1,000 JOD; most loans average 12-16 months in duration. The client base is 96 percent female, and all group loan clients are women.

Five years after the successful launch of the Caregiver product, after thousands of clients renewed loans and made claims, **Women's World Banking investigated the effect that the Caregiver product has had on women's livelihoods**. The product was established to specifically address costs and reduce burden associated with hospitalizations, specifically for women entrepreneurs. Women's World Banking conducted a mixed methods study to understand if initial intent had been realized. Employing rigorous quantitative and qualitative data, the specific research questions were formed to directly measure the outcomes associated with the Caregiver product:

Analysis of both quantitative and qualitative data sources revealed claims behaviors and patterns among women⁵

who had their own income-generating business and both (a) took out a loan for business investment purposes and (b) submitted claims against the Caregiver. Women's World Banking was able to investigate the effect of specific outcomes on women's livelihoods, many of which demonstrated a positive effect. Women who utilized or accessed the Caregiver product:

- Made loan payments on time and avoided additional debt. Once clients receive their insurance claim check, they applied funds towards loan repayments.
- Maintained overall consumption. The Caregiver claim was useful to pay for food for some women and their families, as well as transportation costs while she was hospitalized.

"I have military insurance but didn't have money when I was hospitalized, there was nobody to cook so I needed to buy readymade food for kids and transportation."
- Used the product for health-related expenses. Some women used the Caregiver claims benefits to purchase medicine or comply with medical dietary requirements.

"I would not have been able to pay. Would have gone without medicine. Very important to get that medicine, need to buy from outside (of hospital) which is expensive."

- Had greater financial literacy and skills. Some women understand insurance as a concept, as well as the product terms and conditions. Other women understood the costs and benefits associated with the product and loan.
- Had an enhanced perception of themselves. A majority of women with income-generating activities who have accessed credit and Caregiver have a strong sense of self-confidence as well as vision of their future.

“When you have money, you can use your own money and not depend on husband. I can go to hospital for treatment. Not wait for his money.”
- Made more decisions for herself and her family. Majority of women with income-generating activities who have accessed credit and Caregiver have an increased perception of her decision-making within their household.

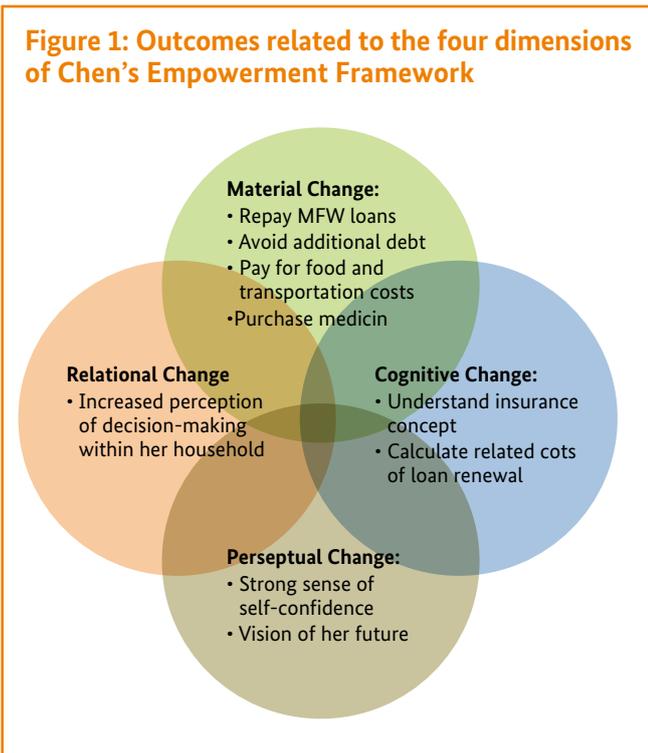
“When a woman has money, she’s strong in everything. If you have an opinion and your husband has an opinion, you can talk to him. ‘Money is strength.’”

Implication of Findings through a Women’s Empowerment Framework

The empowerment of women and the improvement of their political, social, economic, and health status is an important end in itself. Bringing private, public and NGO sector attention to this interest and investment can contribute to increasing social and economic returns for all. Women’s World Banking research seeks to understand how financial and non-financial services contribute to the empowerment of women. Women’s World Banking has adapted Kabeer’s⁶ framework and definition of empowerment as “the process by which women take control and ownership of their lives through expansion of their choices.” This analysis was grounded using Martha Chen’s four dimensions of women’s empowerment:⁷

The findings from this research clearly demonstrate alignment along the four key dimensions of empowerment, with positive results in women’s livelihoods a result of their own income-generating business as well as access to MFWs suite of financial and non-financial services, including Caregiver, as shown in Figure 1.

Figure 1: Outcomes related to the four dimensions of Chen’s Empowerment Framework



Demonstration of effect. The lessons from this outcomes research, focused through the lens of women’s empowerment, has illuminated not only the business case for offering specialized products to women, but also the significant implications and effect an affordable and obtainable product can have for individual women, their families, and their community.

Implications for Women’s World Banking Investment in Microinsurance

As a result of the success of Caregiver, Women’s World Banking has been working with network partners to launch both individual and family health insurance products bundled with loans in several institutions around the world, including both Egypt (launched November, 2015) and Uganda (launched February, 2016). Moreover, in Jordan, MFW has expanded the individual health insurance products to include family members (payments for nightly hospital stays for spouses and children as well as the woman client) and has also begun piloting individual policies. The lessons from this, and related, outcomes research will help inform future product design and innovative evaluation techniques.

Endnotes

- 1 Cohen and Sebstad, 2003; Perveen and Khuwaja, 2016.
- 2 See World Health Organization, 2016.
- 3 World Bank Data, 2015.
- 4 Microfund for Women's website.
- 5 Quantitative analysis based on 5 years of administrative data from MFW; qualitative analysis based on individual interviews and focus groups (totaling 78 respondents; all women).
- 6 Kabeer, 1999.
- 7 Chen and Mamud, 1995.

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Web Links

http://microfund.org.jo/Public/English.aspx?Site_Id=1&Page_Id=491&M=5

Women in Inclusive Insurance Markets: The Case of Mutuals and Cooperatives in the Philippines

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Introduction: Addressing the risk-protection needs of Microfinance Institutions (MFI) clients' have served as the catalyst for the growth of the microinsurance industry in the Philippines today. Recognizing these needs, a number of MFIs have begun to provide microinsurance to their clients. They have done this by entering into partner-agent arrangements with commercial insurance companies, and/or by organizing mutual benefit associations (MBAs) for their clients. Moreover, several savings and credit cooperatives have entered into partnership arrangements with cooperative insurance societies.

Just as women comprise a sizable proportion of microfinance clients in the Philippines, they also currently represent a large majority of the microinsurance clients in general, and specifically, a large proportion of MBA members. Furthermore, cooperative insurers (CIS), another type of mutual insurer, also cater to significantly high numbers of female clients in the market.

This focus note explores the importance of mutual organizations in meeting the risk protection needs of women. It also identifies specific challenges in meeting gender-specific risk protection needs, based on a mutual approach and provides challenges and recommendations for ensuring that the risk protection needs are appropriately addressed.

Gender Approaches used by Mutual Organizations in the Philippine insurance market

Women comprise the main client base of MBAs and play a significant leadership role in MBAs in the Philippines.¹

As an organization that is comprised mainly of women, MBAs meet the risk protection needs of women, particularly those in the rural and semi-urban areas. MBAs are formal insurance organizations that are regulated and supervised by the Insurance Commission. They are required to obtain a license before beginning operations and to renew this annually, depending on the results of the annual examination conducted by the Insurance Commission.

As of 2014, there were 34 licensed and operating MBAs in the country. Of these, 22 were specifically dedicated to microinsurance serving about 3.1 million members and covering some 13.6 million lives, which includes the family members of policyholders. The microinsurance MBAs are members of the RIMANSI network, an association of MBAs wholly engaged in microinsurance. The network is now comprised of 17 Microinsurance (MI) MBAs that cater to 2.5 million members covering about 10 million insured lives, compared to only one MI-MBA consisting of 28,000 members in 1999. MI-MBA licenses are reduced, as they

are only allowed to sell life microinsurance and to operate within the microinsurance space (i.e., their products are limited to the definition of MI as per the definition of microinsurance in the insurance law 2013). While it is observed that members of the MI-MBAs are mostly women, there is no specific data available on this at the level of the Insurance Commission. The Insurance Commission does not currently collect sex-disaggregated information on insurance statistics. However, in 2014, RIMANSI reported that nine out of 10 members of their partner MBAs are female.² This confirms the results of some studies that have shown that women as homemakers and household finance managers decide on the allocation of household resources, to protect themselves and their families against risks by using the services offered to them.

Since MBAs are member-based organizations, women play an active role in the management and operations. Further, the Board of Trustees is mainly comprised of women-members. Microinsurance MBAs, particularly those that are members of the RIMANSI MBA association, assign women-members to act as center leaders. Center leaders are responsible for the collection of monthly contributions from members. These leaders also vouch for the veracity of claims and deliver benefits to members on behalf of the MBA when a contingent event happens. Center leaders also recruit new members into the MBA. Those recruited by women-members promote the value of being a member of an MBA in their neighborhood.

Cooperative Insurance Societies (CISs)³ serve the insurance needs of women. There are two CISs in the country, both of which have obtained commercial insurance licenses.⁴ Cooperative Insurance System of the Philippines (CISP) has a commercial life insurance license, while Coop Life Mutual Benefit Services (CLIMBS) has a composite insurance license that allows it to engage in the provision of both life and non-life insurance products. Both organizations pride themselves on the fact they provided grassroots insurance, a type of insurance that catered to the low-income sector long before the concept of microinsurance was conceived. As of 2014, there were 4397 primary cooperatives that

are considered member-owners of CISP and of CLIMBS. Unlike MBAs, the board of directors and management of these two insurance cooperatives are mostly male. The technical and support staff however, are mostly female.

Table 1. Data on Cooperative Insurance Societies, as of December, 2014

	Women	Men
CLIMBs		
Board of Directors	5	6
Management	1	8
CISP*		
Board of Directors	2	7
Management	0	2
Staff members	27	20
No. of insured lives under Group insurance for credit life only	15,029	8,084

**Data as of 2015 of Insurance Commission*

To market and distribute its services, both CLIMBS and CISP use primary cooperatives as distribution centers. The primary cooperative markets and distributes insurance products and services to its members. As a result, CISP insured more than 23,000 lives in 2014 for credit life, with almost two-thirds being women.

Addressing women's needs for risk protection through mutual organizations in the Philippines

Confronted with similar needs for risk protection, women, particularly those in the lower income segment, collaborate to address their needs. The following section explains how MBAs and CISs in the Philippines meet the risk protection needs of women and how women can become drivers of inclusive insurance.

MBAs and CISs provide a structure that is readily accessible and favorable for women. Women comprise the majority of MFI clients. As such, women are comfortable dealing with MBAs⁵ because the organizing MFIs have already gained the trust of women in meeting their savings and credit needs. In view of this, women appreciate and are easily convinced of their roles and responsibilities as members of an MBA or a cooperative (e.g., monthly contributions, monthly meetings, etc.). Also, as owners and managers of the MBA, women are empowered to participate in the governance and operations of the MBA.

In the case of a CIS, membership in a primary cooperative facilitates women's access to insurance. Considering the multiple roles of women as caregiver, homemaker, and household resource manager, proximity to a financial service provider that meets her various needs for financial services is very important. As rural and semi-urban grassroots and member-based organizations, cooperatives provide an accessible and affordable source of financial services for women. Since cooperatives are close to where women reside, they are aware of the specific financial needs of women (e.g., loan products for women-owned enterprises in the area). Similar to MBAs, familiarity of women with the savings and credit services of a primary cooperative facilitate easy acceptance of insurance as an additional financial service that meets their risk protection needs.

Microinsurance MBAs customize products according to their members' needs. As member-based organizations comprised mostly of women entrepreneurs, microinsurance MBAs are owned and managed by the members. As such, women have a voice in the design of products that are relevant to their needs. At present, microinsurance MBAs, particularly those that are a member of the RIMANSI group, offer the following products: basic life insurance plan, credit life insurance plan, retirement savings fund, burial, hospitalization, and medical reimbursement.⁶

Membership in an MBA is family- or household-based, with dependents registering and provided with specific benefits. This is particularly helpful for women in as the MBA is able to take care of a woman's financial needs when contingent events occur, in particular when the spouse as primary earner dies. Since MBAs are only allowed to provide life insurance products, CARD, the biggest MI-MBA in the country, entered into partnership with PIONEER, a non-life insurance company, to meet the non-life insurance needs of their members (e.g., fire, accident, earthquake, typhoon, and flood). CLIMBS as a composite insurance company, provides both life and non-life products to members of primary cooperatives. As household managers, protection from risks against non-life perils is also important for women so that there is minimal disruption for their families when calamities occur.

Box 1: Example of CLIMBS Product: COOP Family Plan

Face Amount: The face amount of insurance is P 15,000 up to the maximum of P 100,000 insurance covers

BENEFITS	AMOUNT OF INSURANCE		
	Principal	Spouse	3 Children
Life Insurance	P 15,000	P 15,000	Ex P 15,000
Accidental Death & Dismemberment	P 15,000	P 15,000	NONE
Cash Burial Benefits	P 5,000	P 5,000	P 5,000/child
Hospital Confinement Daily Benefit	P 200/day for five days of the current policy	P 200/day for five days of the current policy	P 200/day of the current policy
Weekly Indemnity for Loss of Income due to Accident	P 5/1000 of coverage for one week of the current policy	P 5/1000 of coverage for one week of the current policy	NONE

CLIMBS provides a product that covers the whole family. As shown in Box 1, CLIMBS sells an insurance product that provides benefits to the whole family. Considering that women have a longer life expectancy than men, products that only insure women (as MFI or coop clients) put them at a disadvantage if the husband dies without insurance. However, in the case of the coop family plan, the wife receives benefits when a risk event happens to any member of her family (e.g., spouse or children).

Low premiums or contributions for products offered by microinsurance MBAs, as well as by CISP and CLIMBS, meet women’s needs. With relatively lower income, women, particularly those in the rural and semi-urban areas, prefer insurance products that meet their risk protection needs while considering their financial capacity. Several studies have shown that women’s income is mostly spent on fulfilling the needs of her family and children, such as on food and education. Women will likely only spend money on insurance provided it is within her financial capacity. The relatively low premium on products offered by CIS and the low contribution required by MBAs address the needs of women for risk protection.

Women as owners and managers of MBAs play an important role in promoting the value of insurance for risk protection. Women in the Philippines have higher literacy rates than men.⁷ As household finance managers, women tend to be more critical and concerned about the “value for money” of any purchase. Therefore, when a woman understands the value and importance of insurance, they are likely to become clients of insurance. When satisfied with the services, women will renew their policies or remain in the mutual, or even become agents or promoters of insurance among their peers. Recognizing this, MBAs in the Philippines have designated women as center leaders who among other things are responsible for recruiting new members of the MBA.

The Way Forward: Challenges and Recommendations

While mutual organizations in the Philippines have undoubtedly served the risk protection needs of women, challenges still remain that can be addressed through focusing on the following recommendations:

- **Conduct market research on the risk protection needs of women to address the gap in market research that is gender-sensitive to inform the development of innovative insurance products that are tailor-made to the specific needs of women.** Women have different needs for risk protection.⁸ In view of this, it is important to know the needs of women to be able to design relevant targeted products and use appropriate delivery channels.
- **Broaden product offerings of mutuals to meet both life and non-life insurance needs of members. This is to provide insurance products that meet both the life and non-life insurance needs of women.** MBAs in the Philippines are only allowed to provide life insurance products. Since women and their families are also exposed to perils such as typhoons, calamities and accident, mutuals should be allowed to broaden product offerings to include non-life products.

- **Regulatory authorities should require the submission of insurance information broken down by sex to respond to the lack of sex-disaggregated data and information.** The information required by the Insurance Commission does not currently disaggregate data by sex. Consequently, most insurance providers do not have sex-disaggregated data and information as a part of their insurance operations. Monitoring sex-disaggregated data and information on insurance operations is relevant to determining the insurance experience by gender. By collecting this type of information, premiums and contributions may be adjusted appropriately.
- **Implement a financial literacy program tailor-made to the specific needs of women for risk protection.** With higher literacy rates and as de-facto household resource managers, women have a high appreciation of the risks confronting the household. As a result of this, financial literacy programs that emphasize the importance of managing household risks and that teach women the importance of insurance can further broaden insurance uptake. As leaders of mutual insurance organizations, women can serve as strong “word of mouth” advocates for inclusive insurance particularly among their peers.

Endnotes

- 1 According to the Insurance Law of 2013, (Republic Act 10607, section 403) MBAs are member-owned and member-based non-stock, non-profit organizations (e.g., society, associations) engaged in the provision of risk protection products and services to their members. An MBA is comprised of members that regularly contribute a fixed amount of money to a pooled fund, which is then used to provide benefits to members in case of death; sickness; and/or loss of employment due to old age, illness, and/or accident. MBAs are allowed to offer optional policies or other voluntary products (e.g., pension products or retirement plans).
- 2 Rimansi, 2015.
- 3 In principle, CIS or insurance cooperatives are cooperatives engaged in the business of insuring life and property of the constituting cooperatives and their members. CIS are prohibited to serve the insurance needs of cooperatives that are not member-owners of the CIS.

- 4 Cooperative insurers that opt to also serve the non-member cooperatives and the general public are required to get a commercial insurance license from the Insurance Commission. Therefore, CISP and CLIMBS are allowed to serve the insurance needs of cooperatives that are not necessarily their members or investors.
- 5 All 17 MBA members of RIMANSI are microinsurance MBAs and were organized to serve the insurance needs of partner MFIs.
- 6 Rimansi, 2015.
- 7 Compared to men in the Philippines, women have higher literacy rates. As of 2015, the basic literacy rate of women is 96.1 percent compared to and 95.1 percent for men.
- 8 For instance, specific health risk concerns of women such as those related to pregnancy, delivery, and other gynaecological diseases vary across income classes.

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