

Access to Insurance Initiative

Promoting responsible inclusive insurance growth – the role of the supervisor

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Agenda

1| Inclusive Insurance – an introduction

2| The role of the insurance supervisor in enhancing access to insurance

3| Current trends & supervisory reactions

As implementation partner of the IAIS, we strengthen the **capacity** and understanding of supervisors to facilitate the promotion of **inclusive and responsible insurance**, thereby reducing vulnerability.



Inclusive Insurance - Definition

Microinsurance

“Insurance that is accessed by the low-income population, provided by a variety of different entities, but run in accordance with generally accepted insurance practices.” (IAIS, 2007)

Inclusive Insurance

“All insurance products aimed at the excluded or underserved market, rather than just those aimed at the poor or a narrow conception of the low-income market.” (IAIS, 2015)

Inclusive Insurance - Characteristics



Appropriate and affordable products



Accessible and convenient distribution channels

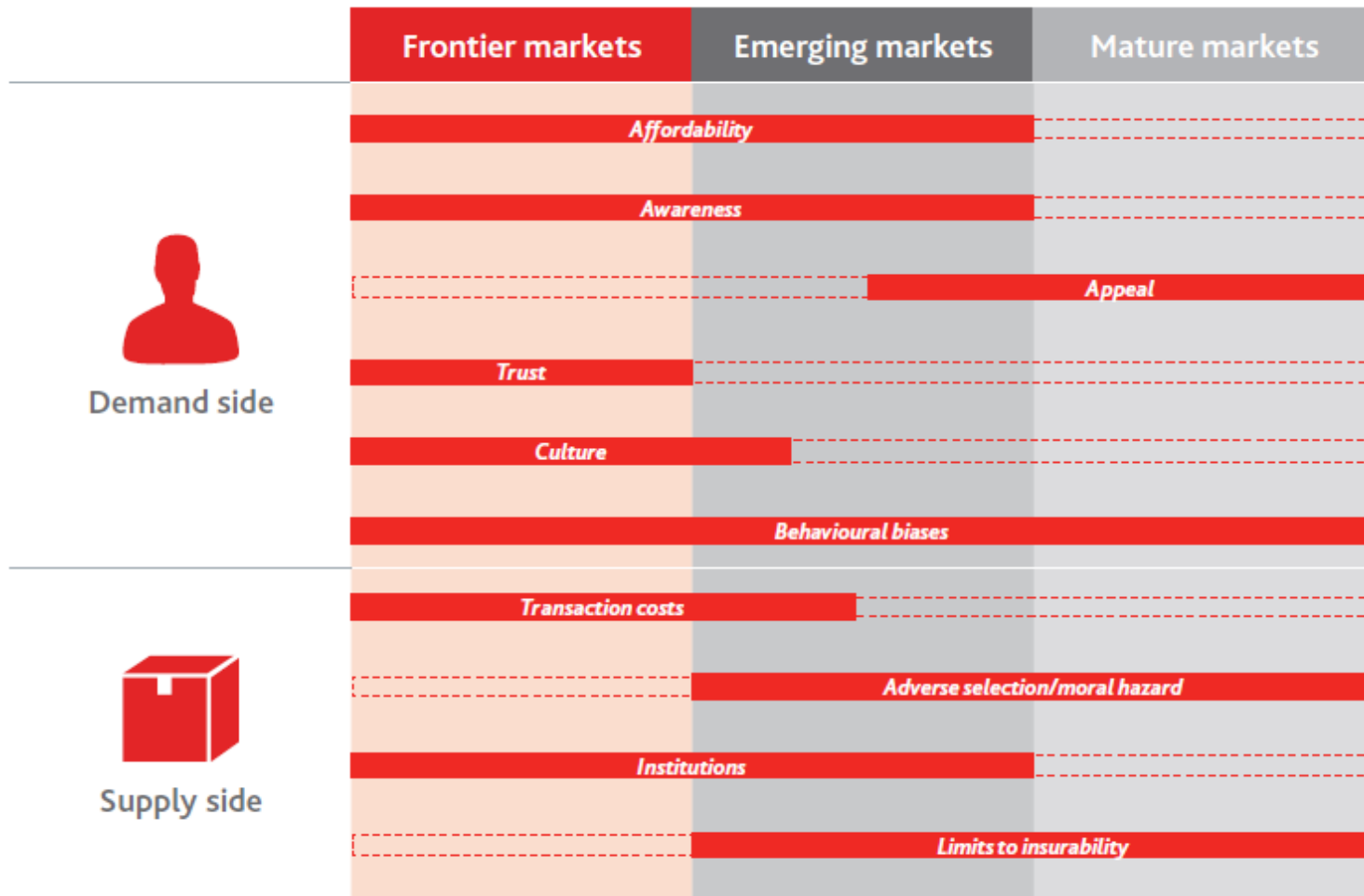


Sustainable business models



Responsible providers and intermediaries (licensed and supervised)

Causes of insurance protection gaps



Source: The Geneva Association (2018): Understanding and Addressing Global Insurance Understanding and Addressing Global Insurance Protection Gaps.

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What's the role of regulation and supervision?

Expand the market



- Innovation
- Lower cost of *compliance/ reduce regulatory burden*
- Healthy competition
- Consumer education
- Facilitate formalisation

Protect consumers



- Efficient, fair, safe and stable insurance markets
- Insurers meet their obligations
- Fair treatment of consumers



- Proportionate regulatory approach
- Strike the balance between incentives and obligations

State of Inclusive Insurance Regulation in 2018

Implemented 21

23 Under development

AFRICA

CIMA*
Egypt
Ethiopia
Ghana
Mozambique
Nigeria
Tanzania
Zimbabwe

LATIN AMERICA and THE CARIBBEAN

Argentina
Brazil
Mexico
Nicaragua
Peru
Venezuela

ASIA

Cambodia
China
India
Nepal
Pakistan
Philippines
Chinese Taipei

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

AFRICA

Kenya
Malawi
Lesotho
Namibia
South Africa
Swaziland
Tunisia
Uganda
Zambia

LATIN AMERICA

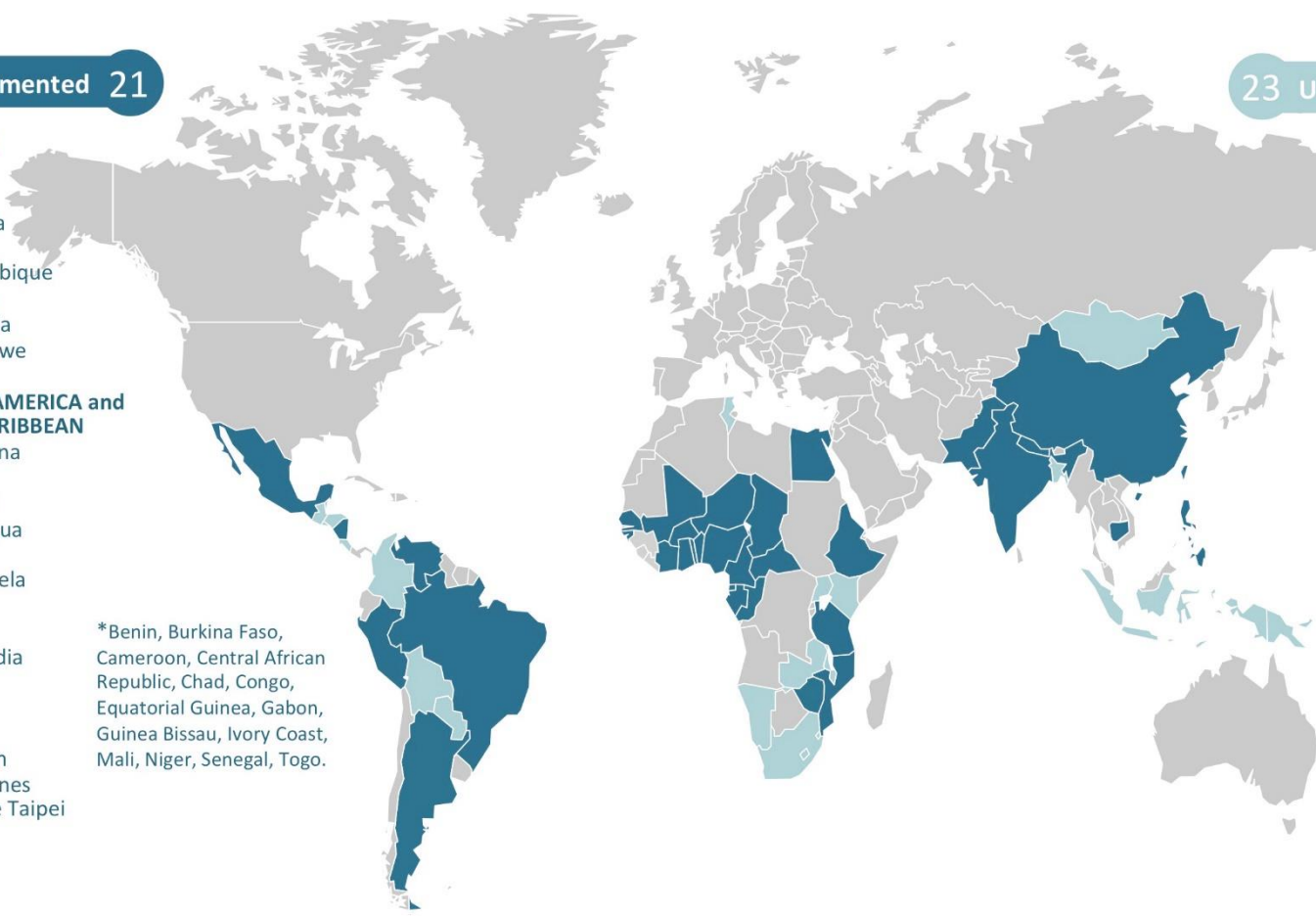
Belize
Bolivia
Colombia
Costa Rica
El Salvador
Guatemala
Honduras
Jamaica
Paraguay

ASIA

Bangladesh
Indonesia
Mongolia

PACIFIC

Fiji
Papua New Guinea



Approaches to inclusive insurance regulation

Definition

- Qualitative
- Quantitative
- A mix of both

Licensing

- Business line approach
- Institutional approach

Proportionate regulatory treatment

- Establish an enabling business environment and ensure vulnerable consumers are protected.



Lessons from a Decade of
Inclusive Insurance Regulation

Examples of proportionality in practice

Risk carrier permitted

Product development

Distribution

Disclosure and documentation

Premium collection

Complaints handling

Claims settlement

Regulatory procedures

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3| **Current trends & supervisory reactions**

Inclusive insurance trends and supervisors' reactions



Involvement of non-Insurance parties/Intermediaries

From microinsurance to Inclusive Insurance

Index-based Insurance

Mass distribution

Insurance as a public policy tool

Digital technologies, InsurTech and M-Insurance

Data collection and performance monitoring

Thank you.

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Useful links

- IAIS Application Paper on Regulation and Supervision of Inclusive Financial Services
<http://iaisweb.org/index.cfm?event=getPage&nodeId=25248>
- IAIS Report on FinTech Developments in the Insurance Industry:
<https://www.iaisweb.org/page/supervisory-material/other-supervisory-papers-and-reports/file/65440/report-on-fintech-developments-in-the-insurance-industry>
- IAIS Issues Paper on Conduct of Business in Inclusive Insurance
<https://www.iaisweb.org/page/consultations/closed-consultations/issues-on-conduct-of-business-in-inclusive-insurance//file/58440/post-consultation-draft-issues-paper-conduct-of-business-in-inclusive-insurance-clean>
- Proportionate Regulatory Frameworks in Inclusive Insurance: Lessons from a Decade of Microinsurance Regulation: <https://a2ii.org/en/report/regulation-and-supervision/proportionate-regulatory-frameworks-inclusive-insurance-lessons>
- Regulatory Impact Assessments: Microinsurance in Peru and in the Philippines
<https://a2ii.org/en/report/newsflash-thematic-reports-briefing-notes-philippines-peru-inclusive-insurance-regulation>
- Proportionality in Practice: Disclosure of Information: <https://a2ii.org/en/report/regulation-and-supervision/proportionality-practice-disclosure-information>
- Proportionality in Practice: Distribution: <https://a2ii.org/en/report/regulation-and-supervision/proportionality-practice-distribution>