

Roundtable on Insurance for Women: Specific Needs and Inclusion

For insurance supervisory authorities, insurance practitioners
and policymakers

Buenos Aires, Argentina
June 12, 2019

The **Roundtable on “Insurance for Women: Specific Needs and Inclusion”**, jointly organised by the **Superintendencia de Seguros de la Nación (SSN)** and the **Access to Insurance Initiative (A2ii)**, with the support of the **International Association of Insurance Supervisors (IAIS)**, was held on 12 June 2019 in Buenos Aires, Argentina. The roundtable took place in parallel to the Global Seminar of the International Association of Insurance Supervisors (IAIS) and gathered together some 35 representatives of insurance supervisors, policymakers and the local industry. This was the first event on this theme organised by the A2ii and thus can be viewed as an important starting point for future engagement of policymakers, regulators and supervisors on the topic.

“One of the reasons why women have more limited access is a lack of products responding to their specific needs, as well as legal, economic, social and cultural barriers.”

*Juan Alberto Pazo,
Superintendent of the Superintendencia de Seguros de la Nación*

“There is a steadily increasing acknowledgement that women are part of an underserved market with high growth potential.”

*Victoria Saporta,
Executive Director, Prudential Policy at the Bank of England and Chair of the IAIS Executive Committee*

Introduction

Effective and adequate insurance can empower women by boosting women’s abilities to mitigate risks and manage crises effectively. It has positive impacts on their job productivity, their assets and their health. Insurance helps avoid dependence on traditional risk management mechanisms – such as selling off assets, informal loans or taking their children out of school – when an unexpected event such as a natural disaster or disease strikes, and causes losses. As women are more likely to work in informal jobs, insurance can play a key role in stabilising and increasing their incomes, which can help with the transition out of poverty.

However, policymaking and industry decisions on insurance provision are 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. Despite progress in financial inclusion and improvements in financial service usage during the past few years among both men and women, the gender gap still remains. The most recent data¹ shows a persistent gender gap of 7% worldwide in accounts in financial institutions, rising to 11% in low-income countries. There is currently minimal data on the gender gap in insurance, but it is unlikely to fare any better than other forms of financial services.

¹ Global Findex data

What are the barriers limiting women's access to financial services and insurance?

Although gender disaggregated data on the insurance sector for developing countries is limited², it is apparent that women face a set of legal, economic, social and cultural barriers that may disproportionately hamper their access to insurance.

In developing countries up to 95% of women's employment is informal and they tend to have irregular incomes³. Women are also at higher risk of losing their assets or incomes due to pregnancy, widowhood, divorce or separation⁴. In some countries, social mores impose constraints on women's ability to sign agreements, open bank accounts and hold assets in their own names. This may prevent women from taking out insurance coverage in their own names and/or hinder claim pay-out procedures. Women are also more likely than men to lack formal identification documentation⁵. However, insurance companies are typically required to comply with anti-money laundering and combating the financing of terrorism (AML/CFT) and Know-Your-Client (KYC) requirements, which necessarily require applicants to present some type of identification document.

The financial literacy of women tends to be lower than that of men. Two-thirds of some 750 million illiterate adults worldwide are women⁶. In addition, products, services and distribution channels are poorly adapted to women, making them more susceptible to unfair practices by intermediaries and brokers. The weaker understanding of the benefits offered by insurance and the inconvenience of dealing with these institutions further exacerbates the lack of trust in formal financial institutions among women.

Mobile technology has proven to be a key factor in boosting access to financial services in developing countries. However, women's ownership of mobile phones is lower than men's. So, not by chance, some 980 million women currently remain outside the formal financial system⁷.

"There is a 9% gap in financial expertise between men and women. According to a March 2019 study conducted by the Universidad Torcuato di Tella, unfamiliarity with financial products reflects financial education problems, as well as a lack of financial advisory services offered by financial institutions or other entities striving to support women in business."

*Francisco Sosa del Valle,
Under Secretary of Financing and
Financial Services in the Ministry of
Finance*

"The new Insurance Act, which came into effect in July 2018, establishes prudential requirements for microinsurers. These standards allow for a lower barrier for entering with a more rules based approach and the ability to progressively realise requirements. The microinsurance prudential requirements supported by market conduct requirements around the microinsurance products would allow for more accessible and affordable insurance but still having protection for policyholders as the main objective."

*Suzette Volgelsang,
Head of Banking, Insurance, Market
Infrastructure and CFI Supervision at the
Prudential Authority, South Africa*

² Based on the limited qualitative research which has been conducted and findings from the banking sector

³ Source: UN WOMEN

⁴ For example, Nigerian women are forbidden to inherit land or assets shared with their partners prior to death or divorce; in some parts of India, second marriages are not permitted.

⁵ This may be due to a lack of national identification, such as a birth certificate. In some countries the practice is such that a male relative's signature is required to authorize her request.

⁶ UNESCO Institute for Statistics

⁷ Source: 2017Findex

“Anti-discrimination insurance legislation is a complex issue that requires careful handling and additional research particularly in emerging economies where gender gaps are greatest.”

*Regina Simões,
Regional Coordinator for
Latin America, A2ii*

“In 2017, the Law #56 established the obligation for government institutions and others, whose organisational structure includes an executive board or similar bodies, to appoint women to at least 30% of their positions. This directly affects insurance company boards.”

*Joaquín Riesen,
Superintendent of the SSRP, Panama*

“There is ample empirical evidence that it is good business for the insurance industry to have more women as its clients. However, to carry out campaigns to attract more women, modern leadership is needed, with a more daring approach.”

*Helena Estrada,
Director of the Centre for the Economic
Development of Women (CEDEM)*

Why is promoting inclusive insurance for women important and why should stakeholders be concerned?

Inclusive insurance for women contributes to economic development while opening up new market opportunities, and supports broader policy goals for policymakers, central banks and insurance supervisors.

The access to and usage of financial services provides leverage that expands women’s participation in the economy, which in turn supports GDP growth. According to data compiled by the International Finance Corporation (IFC), wider inclusion of women in the economy would increase GDP by 2% to 3.5%. Moreover, it has been observed that women reinvest in their families more than men, particularly regarding their children, leading to generational changes that could pave the way for long-term prosperity and security.

Inclusive insurance for women can provide new market opportunities. A study carried out by the IFC, AXA and Accenture estimates that women will offer market opportunities of USD 1.45 to USD 1.7 trillion in insurance premiums in 2030. This study also indicates that women are willing to spend 10% to 15% of their incomes on insurance. Microfinance research also shows that women tend to be better at saving, and more reliable and effective borrowers and investors. Therefore, women are likely to be more profitable clients for insurers that operate with inclusive insurance.

For policymakers, central banks and insurance supervisors, inclusion of women could also help them to achieve their broader policy goals for the financial sector, such as greater financial stability, financial integrity and consumer protection. In turn, government support for greater inclusion of women buttresses current commitments, such as the Universal Declaration of Human Rights (UDHR)⁸ as well as the Sustainable Development Goals (SDG) established by the UN⁹, especially to SDG 5¹⁰: “achieve gender equality and empower all women and girls”. This also supports other government policies, such as the eradication of poverty.

⁸ Drawn up by representatives from all over the world with different peoples and cultural backgrounds, this Declaration was issued by the United Nations General Assembly in Paris on December 10, 1948, through its Resolution 217 A (III), as a common ideal for all peoples and nations.

⁹ In 2015, the United Nations approved the 2030 Agenda for Sustainable Development, as an opportunity for countries and their societies to set out along a new path in order to enhance the lives of all, leaving no-one behind. This Agenda has seventeen Sustainable Development Goals, ranging from the elimination of poverty to dealing with climate change, education, equality for women, environmental protection and urban planning.

¹⁰ ODS 5: Gender Equality. See <https://www.un.org/sustainabledevelopment/es/gender-equality>

Why should a specific approach be adopted for women?

Women have specific insurance needs, risk attitudes and behaviours that warrant a different approach to insurance.

Women have specific healthcare needs, with longer life expectancy than men, and tend to work more in the informal sector. These characteristics give rise to specific demands for certain insurance products, such as medical aid, retirement and pension plans, with a differentiated approach.

In terms of behaviour, women tend to be more risk-averse than men and they are more concerned about health prevention. They tend to earn less than men and engage in lower-value transactions. Women more often face geographical mobility constraints whether for the unpaid work they do for their families, or even socio-cultural issues that prevent them from circulating freely. Evidence suggests that women desire higher levels of confidentiality and tend to be more comfortable in the presence of other women. In this context, digital services and providers have the potential to overcome women's mobility barriers and offer them more privacy than traditional face-to-face service providers. The lower transaction costs typically associated with digital channels also makes it easier for suppliers to offer products that are affordable to women. In addition, the participation of women as insurance distributors enhances insurance acceptance, particularly among low-income female clients.

Insurance companies, regulators and supervisors must work more meticulously, preferably with gender disaggregated data, to ensure that policymaking and regulatory developments provide women with the necessary support and more convenient and appropriate insurance products. This does not necessarily demand a completely new approach focused only on women, but rather it requires a better understanding of women's needs and behaviours, and approaches to be tweaked to ensure these are addressed.

"Every 90 seconds a woman dies during childbirth or pregnancy. These deaths could largely be avoided if women had access to good quality medical care. Health insurance products, designed with women's specific needs in mind, with do not exclude maternity coverage, could make a real difference".

*Hannah Grant,
Head of the A2ii Secretariat*

"Only 17% of women have bank accounts in the country. This is why the inclusion strategy is based on financial education targeted specifically at women, where communication requires special attention, particularly in view of many cultural specificities, as local dialects for example."

*Siham Ramli,
Communications and International
Affairs Director, ACAPS, Morocco*

FINANCIAL INCLUSION AND THE FOCUS ON INCLUSIVE INSURANCE FOR WOMEN IN ARGENTINA

According to data released by the Central Bank, (*Banco Central de la República Argentina – BCRA*), Argentina has a significant gender gap in terms of access to financial services. By March 2018, only 48% of adult women had some type of financing through the financial system.

The Under-Secretariat for Financial Services at the Finance Bureau, Argentine Ministry of Finance, oversees the design and implementation of public policies linked to financial inclusion. In addition, the Under-Secretary heads up the Financial Inclusion Coordination Council (*Consejo de Coordinación de la Inclusión Financiera – CCIF*) which is an advisory body of Ministers with a variety of portfolios in the Executive Branch¹¹. The CCIF aims to ensure the Ministers take a common approach in terms of the public policies that they support.

Initially, the work of the CCIF focused on the **supply side**, promoting **access and use** through the preparation and implementation of policies ensuring universal access to banking and financial services. The intention is to curtail informal activities, extend bankarisation and lower interest rates for the most vulnerable sectors of society. In a second phase, the focus will be on **demand**, which will require more consistent data, with a look at **gender issues**. The financial inclusion agenda drawn up by the CCIF has two goals: i) to develop a **National Financial Inclusion Strategy (ENIF)**¹²; and ii) define high-priority public policy areas for its implementation in 2019.

The Mission of this Strategy is to: “promote access to responsible and sustainable financial services by all companies and persons in Argentine territory”, “contribute to social development and the economic growth of the country” and reduce “the economic vulnerability of individuals and companies through financial inclusion.”

In order to move ahead and improve gender equity, the Argentine Government drew up the **Equality of Opportunities and Rights Plan (PIOD) 2018/2020**¹³ as a State policy, encompassing all areas of the Argentine Civil Service, as well as civil organisations, the private sector, trade unions, business associations, the academic world and international organisations. The PIOD is based on the concept of autonomies, including economic autonomy, where the greatest challenge is to ensure that all Argentine citizens can access financial services.

¹¹ The Central Bank of the Argentine Republic (BCRA), the Ministry of Health and Social Development (MSyDS); the Ministry of Production and Labor (MP); the Ministry of Interior, Public Works and Housing (MIOP&V); the Ministry of Education, Culture, Science and Technology (ME); the Federal Administration of Public Revenues (AFIP); and the National Social Security Administration (ANSES).

¹² Currently in its final preparation stage, this Strategy will be released on the Financial Inclusion website in late June. www.inclusionfinanciera.gob.ar

¹³ <https://www.argentina.gob.ar/noticias/plan-nacional-de-igualdad-de-oportunidades-y-derechos-2018-2020>

Based on this Plan, the **Superintendencia de Seguros de la Nación (SSN)** has been striving to promote access to financial services for women through insurance, due to its importance for the development of the nation's economy. To do so, it is proposing "Insurance and Women" as a line of action for achieving sustainable access.

To implement this initiative, the SSN is engaged in coordinating a joint project between **the public sector and the insurance market, which is intended to:**

1. Expand the insurance market through **creating and/or adapting products and services** that respond to the specific needs of women;
2. **Generate insurance awareness** as a tool for financial inclusion;
3. Develop **appropriate channels** for effectively providing these products and social services.

Furthermore, the SSN will engage in the following activities: i) **capacity-building and awareness-heightening** focused on social and financial inclusion; and ii) **communication** about new products and their benefits.

In parallel, and pursuing Sustainable Development Goal N° 5, the SSN intends to support initiatives encouraging greater involvement of women in the insurance industry. Although major changes have occurred during the past few decades in terms of the proportion of men and women within the social and labour contexts in Argentina, the wage gap is still very apparent, together with job rankings in corporate hierarchies. It is thus necessary to heighten awareness and ensure greater participation of women in top management and more senior jobs. Pursuing this goal, the SSN is conducting the first study of women's participation in the insurance market.¹⁴

For the SSN staff, "enhanced awareness is the first step towards transforming reality."

¹⁴ <https://www.argentina.gob.ar/superintendencia-de-seguros/estadisticas/cargos-de-directorio-por-genero>

What can be done by supervisors, regulators and policymakers to bridge this gender gap?

1. Compile and analyse **gender disaggregated data**.
2. Address **legal and political constraints** that are hampering women's access to insurance.
3. Foster **market research into innovation** targeting women.
4. **Adapt claims infrastructure** to ensure that it is accessible and responsive to women's needs.
5. Develop national financial inclusion strategies that **address gender-related issues and inclusive insurance**.
6. **Build up stakeholder capacities** on gender-related matters and inclusive insurance.
7. Support **financial consumer education**, adapted and directed to women.
8. Promote **gender diversity** in the insurance industry.
9. **Work in coordination with other stakeholders** – including the industry, and lead the process of promoting inclusive insurance.

CASE STUDY EXAMPLES FOR POLICYMAKERS, SUPERVISORS AND REGULATORS:

- Legislators can prevent exclusions through anti-discrimination insurance laws or require mandatory coverage for specific benefits, providers and categories of dependents. In some jurisdictions, gender-based approaches for insurance policies and regulations have paved the way for discussions on gender-based discrimination. For example, the European Union finds that it is discriminatory to consider policyholder gender as a risk factor when assessing private insurance contracts. The results, however, may lead to widening the gender gap. For example, the Brazilian Courts have used the anti-discrimination argument to question some insurance products that were charging lower prices for women compared to men, based on statistics.
- The legislation can still encourage the participation of women in decision-making processes, as in Panama where the Law #56, of 07/11/2017, established the right of women to access to active participation in decision-making of public and private entities in the country, which includes insurers.
- Regulators may allow more flexible KYC identification requirements to make it easier for women to have access to insurance. For example, depending on the type of coverage, driver's licenses or voter cards could be accepted as proof of identification requirements.
- Policymakers can put in place beneficial centralised infrastructure. The recent advances of the Argentine government, which authorised digital signatures (available through mobile phones) and digital policies, are of great support to increase women's access to insurance. And the development of a payment infrastructure encourages innovation that also allows cost reduction and operations to be carried out instantly, for example, by paying bills or sending money conveniently from home or cell phone.
- Customer service and consumer protection structures must consider the unique risks and needs of women according to the characteristics of each jurisdiction. For example, the Palestinian Monetary Authority intervened in a consumer protection case in which banks pursued widows to repay loans of their deceased husbands despite their husbands' compliance with a regulatory requirement that credit life insurance is purchased for all loans exceeding 48 months.
- Financial education programs appropriate to the reality of the country are essential for women to know their rights and use insurance as an effective protection. In Morocco, the Autorité de Contrôle des Assurance et de la Prévoyance Sociale (ACAPS) encourages financial education, with a focus on women on radios, which is carried out in two languages: French and Arabic.

What can be done by the industry to bridge this gender gap?

1. Compile and analyse **gender disaggregated data**.
2. Develop a better understanding of **women's specific needs and behaviours**.
3. Develop insurance products that are **affordable and relevant** for women.
4. Support **marketing advice, brand management and financial education** tailored for women.
5. Increase the **participation of women in decision-making** and the entire insurance life cycle.
6. Promote the **role of women as insurance distributors**, especially among low-income clients.
7. Invest in the **digitisation of insurance products and distribution channels** with the potential to surmount traditional barriers hampering access for women.
8. Develop **deeper actions to raise awareness about gender** issues through the **different levels of employees** of the institutions.
9. Work, whenever possible, in a **coordinated manner with supervisors and regulators**.

CASE STUDY EXAMPLES FOR THE INSURANCE INDUSTRY:

- The industry should support and finance consumer research with a focus on women's needs and/or organise focus groups. This will support the development of women-oriented products and identify ways to reach them. For instance, in Argentina, a study¹⁵ was conducted to explore the problem of access to financing by gender. Female respondents explained that they are treated and served differently from men on some occasions. Mentions were made of social issues or matters related to affinity, unequal treatment by bank officers in terms of knowledge of financial services, giving them less attention, for example, or even asking after the man making the decisions in the business. This shows there is a deeply-rooted cultural bias in the staff of some institutions, which not only requires decisions on change at the board level, but also far-reaching actions that heighten awareness throughout different employee levels in these institutions. Along these lines, a gender-focused market study is being conducted through secret shoppers, to ascertain whether women are treated and served differently and whether this affects their access to financial products.
- The Sancor Seguros Group, an active supporter of the Executive Forum for Women in Insurance (FEMS) in Argentina, shared their experiences and the progress achieved in terms of gender equality within the organisation, mentioning that the group is working on the implementation of the Women's Empowerment Principles (UN Women)¹⁶ and the SDGs established by the United Nations. They have progressed in terms of achieving a work-life balance (introducing on-site breastfeeding areas and running campaigns stressing the importance of breastfeeding); setting up a Gender Committee; and opening more job opportunities for women, thus increasing their participation in the entire insurance life cycle. The Group offers products designed for women, such as health insurance covering breast and ovarian cancer, and runs finance workshops for women in low-income communities to heighten the awareness of the importance of insurance.
- In Brazil, women insurance practitioners have been striving to set up a non-profit association since 1994, to exchange experiences and build up networks. With the rising involvement of women in the insurance sector, companies have incorporated women's needs into products, always with excellent results. The health coverage encompasses the most common diseases or events linked to women (such as pregnancy and coverage for breast, ovary and cervical cancer diagnoses), in addition to benefits when purchasing medications most commonly used by women. Furthermore, these products are linked to additional services offering women-specific health tests, special discounts in some beauty clinics, gyms and drugstores, advice on sports, dentists, laboratories and others.

¹⁵ Universidad Torcuato Di Tella: <https://www.utdt.edu/>

¹⁶ The Women's Empowerment Principles (WEPs) are a set of good business practices that foster equality between men and women in all management areas.

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