Bridging the Gender Gap: The role of the Insurance Supervisor
Presenters

Expert

Gilles Renouil
Director, Microinsurance
Women’s World Banking

Michelle Chong-Tai Bell
Independent Consultant and
Program Leader
Toronto Centre

IAIS representative

Natalia Escobar
International Association
of Insurance Supervisors
(IAIS)

Moderator

Janina Voss
Access to Insurance Initiative
(A2ii)
Gender inclusive insurance and regulation

May 2019
Every 90 seconds, a woman dies during pregnancy or childbirth.

SOURCE: World Health Organization
Women and girls are more affected by climate change

80% of people displaced by climate change are women

SOURCE: World Health Organization, United Nations
Agenda

- About Women’s World Banking
- Why does gender matter?
- Gender barriers we address
- What can regulators do to help?
53 institutions in 32 countries serving 70% women

Network

US$25M in donor-funded member institution investments in 2017

29 core members and 24.5M clients
About Women’s World Banking

Why does gender matter?

Gender barriers we address

What can regulators do to help?
What is Gender – why is it important?

Gender roles
Roles, responsibilities and duties of women vs. men

Roles are dynamic
These roles change over time as the social construct changes

Gender mainstreaming
Gender stereotypes influences policies and legislation

Empowerment of women
Gender equality leads to more empowerment of women
Gender Equality goal is an enabler for other goals

The UN Sustainable Development Goals are connected
An estimated 735 million people lived below the international poverty line of $1.90 a day.

Source: World Bank
Every 90 seconds, a woman dies during pregnancy or childbirth.

Source: 2017 Findex

There are approximately 750 million illiterate adults worldwide – two-thirds of whom are women.

Source: UNESCO Institute for Statistics
Women make up 50% of all refugees and displaced people. Instruments of genocide such as sexual violence and rape are often directed at women and girls.

SOURCE: UNICEF
Women spend roughly two and half times as many hours in unpaid domestic and care work as men.

SOURCE: UN Women
About Women’s World Banking

Why does gender matter?

Gender barriers we address

What can regulators do to help?
Approximately 980 million women – remain outside the formal financial system.

Source: 2017Findex
In developing countries, up to 95% of women’s employment is informal in jobs unprotected by labor laws.

Source: UNWOMEN
Women are 23% less likely than men to use mobile internet

Source: 2019 GSMA Report
Caregiver insurance – what’s in it for women clients?

Caregiver, Women’s World Banking’s flagship health insurance program meets the unique health financing needs of low-income women. As the name implies, this program is a tribute to the role that women play in their families and communities.

**Meaningful**
Caregiver provides fixed cash per night of hospitalization, which allows the flexibility of using the money as she desires.

**Relevant**
All conditions are covered from day one (including maternity and pre-existing conditions), and there are no waiting periods.

**Affordable**
At a nominal monthly premium, the insured can receive a cash amount up to 30x per night of hospitalization, making the program very cost effective for low-income women.
“Caregiver”: Simple inclusive model that works for women

- **Product Design**:
  - No exclusions for any health condition
  - Only one document required for claims

- **Marketing**:
  - Reinforce 3 key features that the customers must be able to recollect anytime
  - Regular monitoring of customer awareness through phone surveys

- **Operating Model**:
  - Delivered through a financial intermediary and underwritten by an insurer
  - Linked/bundled with the core financial products of the intermediary e.g. credit or savings

2 million lives insured
1.03 million women covered
>120,000 claims paid

*Commercially viable solutions creating win-win for all*
What can regulators do to help?

**For bank and other distribution partners:**
Developing insurance comes with a high cost and they often are not able to navigate Insurance regulation

- Review regulation from a woman segment perspective (e.g. ownership titles, ID requirements, payment to her account)
- Make sure gender-disaggregated data is collected, analyzed and published
- Allow bundling of high value products that align with sustainable development
- Allow service based agreements to improve client experience and reduce costs
- Allow paperless filing
- Remove VAT on digital products
- Think about airtime = money

**For insurers:**
Insurers often see regulation as the source of problems

- Penalize unnecessary exclusions
- Silent approval or shorten approval timelines, allow innovation in sandboxes.
- Create “peer” dialogue with insurance companies (to avoid “licensing” fear that puts transparency at stake). Include other regulators
- Avoid rule-based regulation (e.g. 5 days to pay claims), which can frighten the industry
- Allow and acknowledge micro-insurance group schemes within the existing regulation
- Break myth that “market practice” is the same as regulation
With micro-insurance, low-income women can mitigate financial distress caused by unexpected events affecting their family. It can protect the first layer of assets they have created as they move out of poverty.

We believe that Insurance products can be designed in a way that creates meaningful value to clients and sustainable solutions to insurers.
Gender equality in insurance is what we need to do to offer women and girls the same fair chances to protect their future.

Insurance regulators can make it happen!
Your contacts:

Gilles Renouil - Director, Microinsurance (CET Time)
gr@womensworldbanking.org

Shilpi Shastri - Microinsurance Specialist (EST Time)
ss@womensworldbanking.org

Maria Sanchez – Leadership and Diversity Specialist (CET Time)
mss@womensworldbanking.org

Twitter: @womensworldbnkg
BRIDGING THE GENDER GAP – THE ROLE OF THE INSURANCE SUPERVISOR

May 23, 2019

Michelle Chong Tai-Bell F.S.A.
THE SOCIAL AND ECONOMIC VALUE AND BUSINESS POTENTIAL OF EXPANDING WOMEN’S FINANCIAL INCLUSION IS NOT IN DEBATE
COMPATIBLE WITH OUR SUPERVISORY MANDATE

• Promote the maintenance of a fair, safe and stable insurance sector for the benefit and protection of policyholders and beneficiaries
  ▪ By ensuring safety and soundness of supervised entities and transparent and fair treatment of customers
• Contribute to financial stability
• Development of the insurance market
• Promote competition
• Promote financial inclusion
• Contribute to economic development
• Ensure AML/CFT compliance
KEY POINTS

Financial Inclusion cannot achieve its promise without an enabling regulatory framework and a well run effectively supervised industry.

Unintended consequences – certain gender neutral policies are inherently gender biased.

Although there has been progress in meeting financial inclusion goals, in certain countries (Pakistan and Bangladesh) the gender gap has increased.
WOMEN’S CUSTOMER PROFILE IS DIFFERENT FROM MEN

IN GENERAL LOW INCOME WOMEN ARE MORE VULNERABLE

• They respond to risks differently from men
• Longer life expectancies
• Women-specific health risks such as pregnancy and childbirth
• More likely to be self-employed, and are more likely to be in the informal economy with limited discretionary spending
• Societal expectations and constraints such as inheritance customs, restrictions on land and asset ownership, and divorce practices
• Often have fluctuating cash flows and own fewer assets, problems that are compounded
• Labour force participation constrained by unpaid caring responsibilities
• Lower levels of education and literacy
BARRIERS TO WOMEN’S FINANCIAL INCLUSION

- Lack of ID
- Lack of Collateral
- Data gaps
- Vulnerable to risks e.g. Illness, climate change/hurricanes
- Poverty
- Illiteracy
- Norms, cultural and other issues (handset ownership, mobility constraints, rural location)
- Regulation and supervisory approaches
OUR ROLE AS INSURANCE SUPERVISORS

Institutionalizing a gender mindset

Designing and consistently implementing evidence based gender inclusive policies
CONTINUUM OF REGULATORY APPROACHES

Source: A2ii paper “Regulatory Approaches to Inclusive Insurance Market Development February 2014”

**Public Provision**
- State identifies risk and manner in which to be covered and subsidises provision
- Agricultural and rural insurance in China

**Directive**
- State requires (with sanctions for non-compliance) insurers to serve a specific market segment
- India rural and social sector quotas

**Concessionary**
- Regulatory requirements reduced for lower risk products to reduce cost of provision
- Philippines, Brazil

**Nudge**
- Rely on market forces to move insurers downstream with enabling environment
- Colombia, Thailand

**Long-term market development**
- Focus on developing insurance industry with no specific focus yet on low income market
- Uganda, Mongolia

Figure 2: Continuum of identified regulatory approaches
HOW REGULATORS CAN MAKE A DIFFERENCE

PROPORTIONATE APPROACHES

RISK BASED SUPERVISION

BE OPEN TO INNOVATION AND EXPERIMENTATION

DATA DRIVEN POLICY-MAKING

GENDER SENSITIVE FINANCIAL LITERACY STRATEGIES
HOW REGULATORS CAN MAKE A DIFFERENCE

PROPORTIONATE APPROACHES
“...supervisory measures should be appropriate to attain the supervisory objectives of a jurisdiction and should not go beyond what is necessary to achieve those objectives.”
“...supervisors should have the flexibility to tailor supervisory requirements and actions so that they are commensurate with the risks posed by individual insurers as well as the potential risks posed by insurers to the insurance sector or the financial system as a whole.”

Paragraph 8 of the Insurance Core Principles of the IAIS
HOW REGULATORS CAN MAKE A DIFFERENCE

PROPORTIONATE APPROACHES

Recognizing that certain gender neutral policies may be inherently gender biased e.g.

- Product approval
- Licensing
“Lower risks
16. There are circumstances where the risk of money laundering or terrorist financing may be lower. In such circumstances, and provided there has been an adequate analysis of the risk by the country or by the financial institution, it could be reasonable for a country to allow its financial institutions to apply simplified CDD measures.”

“17. When assessing the money laundering and terrorist financing risks relating to types of customers, countries or geographic areas, and particular products, services, transactions or delivery channels, examples of potentially lower risk situations include the following:”

“(b) Product, service, transaction or delivery channel risk factors:

- Life insurance policies where the premium is low (e.g. an annual premium of less than USD/EUR 1,000 or a single premium of less than USD/EUR 2,500).
- Insurance policies for pension schemes if there is no early surrender option and the policy cannot be used as collateral.
- A pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages, and the scheme rules do not permit the assignment of a member’s interest under the scheme.
- Financial products or services that provide appropriately defined and limited services to certain types of customers, so as to increase access for financial inclusion purposes.”

HOW REGULATORS CAN MAKE A DIFFERENCE

BE OPEN TO INNOVATION AND EXPERIMENTATION

“Just a year ago, the talk was all about cryptoassets: Bitcoins and its multiple evolutions. We have moved on, since then. Now, we must reckon with eMoney, a new form of digital currency with the potential to be much more disruptive.”

Stablecoins, Central Bank Digital Currencies, and Cross-Border Payments: A New Look at the International Monetary System
Remarks by Tobias Adrian at the IMF-Swiss National Bank Conference, Zurich, May 14, 2019
HOW REGULATORS CAN MAKE A DIFFERENCE

DATA DRIVEN POLICY-MAKING

Collection and analysis of sex-disaggregated inclusive insurance data (e.g. Product and client data, Sector development, performance data, and demand data)

Metrics to assess regulatory effectiveness
HOW REGULATORS CAN MAKE A DIFFERENCE

GENDER SENSITIVE FINANCIAL LITERACY STRATEGIES

Research and outcome based

Simple and plain language, woman friendly imagery

Include insurance with other financial education and training on health and safety issues

Build awareness of how insurance can bring security and some certainty and tailor content to women’s issues

Delivery channels with women’s mobility and social norms in mind
HOW REGULATORS CAN MAKE A DIFFERENCE

PROPORTIONATE APPROACHES

RISK BASED SUPERVISION - AML RISK BASED APPROACH

BE OPEN TO INNOVATION AND EXPERIMENTATION

DATA DRIVEN POLICY-MAKING

GENDER SENSITIVE FINANCIAL LITERACY STRATEGIES
KEY SUCCESS FACTORS

COLLABORATION IS CRITICAL

BENCHMARK EXPERIENCES FROM ELSEWHERE – TRY NOT TO REINVENT THE WHEEL

SUPERVISORS MUST BE CLEAR ABOUT DESIRED OUTCOMES

ORGANIZATIONAL ARRANGEMENTS SHOULD MINIMIZE POTENTIAL FOR CONFLICTING OBJECTIVES

GET THE MEN INVOLVED
Key References

https://a2ii.org/sites/default/files/reports/fullwomeninclusiveinsurancebmz_web.pdf

Advancing Women’s Digital Financial Inclusion. Toronto Centre. January 2018
https://res.torontocentre.org/guidedocs/Advancing%20Womens%20Digital%20Financial%20Inclusion%20FINAL.pdf

Bridging the gender gap: promoting women’s financial inclusion. Alliance for Financial Inclusion. August 2017

Application Paper on Regulation and Supervision Supporting Inclusive Insurance Markets. IAIS. October 2012

Application paper on Product Oversight in Inclusive Insurance. IAIS. November 2017

Application Paper on Use of Digital Technology in Inclusive Insurance. IAIS. November 2018


•
Additional Readings

INVISIBLE WOMEN Data Bias in a World Designed for Men. Caroline Criado Perez. 2019

Financial Access Survey. IMF. 2018
https://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C


Ensuring financial education and consumer protection for all in the digital age. OECD. April 2017

https://www.cgap.org/blog/series/microinsurance-key-managing-risk

https://www.bain.com/insights/many-consumers-trust-technology-companies-more-than-banks-snap-chart/


https://clearbridgemobile.com/how-fintech-is-transforming-the-insurance-industry/

Additional Readings cont’d

**Inclusive Insurance:** A missing piece in many National Financial Inclusion Strategies. A2ii. August 2018  


Gender considerations in balancing financial inclusion and anti-money laundering and countering the financing of terrorism (AML/CFT). AFI. November 2018  

Bridging the gender gap: promoting women’s financial inclusion. AFI. November 2017  

Additional Readings cont’d


https://www.cgap.org/blog/why-people-dont-buy-microinsurance

Key References can be found here. The TCRC is an online curated library compiling publications relevant to supervisors and regulators drawn from over 50 sources worldwide.
Thank you

Program Funded by:

Global Affairs Canada
Affaires mondiales Canada
Sida
International Monetary Fund
Thank You!

Save the Date!
Next Consultation Call on 18 July, 2019

Follow us on Twitter @a2ii_org, YouTube and LinkedIn

Supported by

The Initiative is a partnership between:

Hosted by: