Insurance and the Sustainable Development Goals

A2ii-ASSAL-IAIS Regional Dialogue

16 September 2021
16:00–17:30 CET / 11:00–12:30 Santiago
Welcome remarks

Tomas Soley
President of ASSAL
and member of the A2ii Governing Council

Manuela Zweimueller
Head of Implementation IAIS

Moderator:
Regina Simões
Regional Coordinator for Latin America A2ii
Agenda

1 | Welcome remarks

2 | Session 1 – The Sustainable Development Goals

3 | Interactive Discussion

4 | Session 2 - Aligning the insurance sector with the SDGs

5 | Final remarks
Session 1 - The 17 Sustainable Development Goals (SDGs)
Video on SDGs

Session 1 - The 17 Sustainable Development Goals (SDGs)

Why does insurance matter to the SDGs?

Speaker: Pascale Lamb
         Advisor and Technical Lead on the SDGs
         A2ii
The role of insurance in the Sustainable Development Goals

A2ii-ASSAL-IAIS Regional Dialogue

Pascale Lamb | 16 September 2021
1 | Insurance & SDGs
2 | Mapping the SDGs to Insurance
3 | The role of the Insurance Supervisor
4 | A2ii Resources on the SDGs
Insurance & the SDGs

Why does insurance matter to the SDGs?

❖ Insurance is a key enabler in achieving multiple SDG Goals
❖ Insurance underpins the sustainable development agenda
❖ Access to insurance can help in attaining the SDGs

Role of Insurance in delivering the SDGS

❖ Underwriters facilitating risk transfer
❖ Investors & Asset Managers
❖ Corporate Citizens & Employers
Insurance & the SDGs

Source: AXCO, SDG index database 2018 (Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung for the 2018 SDG Index).
Mapping SDGs to Insurance

SDG 1: No Poverty
SDG 2: Zero Hunger
SDG 3: Good Health & Wellbeing
SDG 5: Gender Equality
SDG 8: Decent Work & Economic Growth
SDG 9: Industry, Innovation & Infrastructure
SDG 11: Sustainable Cities & Communities
SDG 13: Climate Action
SDG 17: Partnerships for Goals
The Role of the Insurance Supervisor

Why do the SDGs matter to Insurance Supervisors?

❖ Insurance Supervision plays an important role in sustainable economic development
❖ As governments emerge from the Covid-19 pandemic, they need to find ways to handle complex & interrelated policy areas
❖ Supervisors can advise governments on how to mobilise insurance to build resilience
❖ Can help play a key role in bringing together key stakeholders
Challenges with integrating the SDGs

- Insurance is underrepresented in the SDGs
- Lack of data/metrics relating to insurance
- Lack of understanding of insurance by policy makers
- Transferring SDGs to regulatory mandates
- Insurance sector needs to recognise their role
How can Insurance Supervisors support the SDGs?

**Build Capacity**
Facilitate understanding of the SDGs & how they apply to your market

**Analysis**
Analyse the factors that influence the ability of the insurance sector to support the SDGs

**Collaboration**
Work with other relevant stakeholders and policymakers to align efforts in support of the SDGs

**Peer Knowledge & Exchange**
Exchange experiences with other regulators and learn from their experience & practices

**Gather Data & Evidence**
Work with industry to collect regulatory data and evidence
The Role of the Insurance Supervisor

The Brazilian Ministry of Agriculture and Superintendencia de Seguros Privados (SUSEP) developed the **Subsidy Programme for Rural Insurance Premium** which incentivises insurers to operate in rural areas.

The Central Bank of Egypt (CBE) has achieved introduced a number of initiatives to provide financially underserved households and female MSME owners by enabling the **legal and regulatory framework** and building a comprehensive **gender-disaggregated data set**.

Japan FSA has conducted **thematic reviews on natural disaster risk management for non-life insurers**. The reviews include claim management and the protection gap among SMEs for water-related disasters and large natural disasters.
A2ii Policy Note: Insurance & the SDGs
This policy note makes a case for why insurance matters to achieving the Sustainable Development Goals (SDGs). It argues why data is essential to ensure that insurance gains a fixed place in development toolkits.

Supervisory KPIs Lexicon
Interactive, searchable directory of KPIs for insurance supervisors across four pillars: prudential soundness, market conduct, insurance market development and the Sustainable Development Goals.

A2ii-IAIS Dialogues: SDG Dialogue Series
Series of public and supervisory webinars highlighting the link between insurance and the Sustainable Development Goals

A2ii Webpages
Dedicated webpages covering the SDGs and insurance
¿Qué ODS le interesa más personalmente?

Which SDG do you personally care most about?
¿En qué áreas cree que las aseguradoras pueden contribuir con mayor eficacia?

In which areas do you think insurers can contribute most effectively?
¿Por qué los seguros no se utilizan lo suficiente como herramienta para el desarrollo?

Why isn´t insurance used more as a tool for development?
¿Cuál función de supervisión es más importante para apoyar los ODS?

Which supervisory role is most important to support the SDGs?
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Interactive Discussion
Interactive Discussion

Response of participants when registering - general

General - all participants

SDG 1  SDG 2  SDG 3  SDG 5  SDG 8  SDG 9  SDG 11  SDG 13  SDG 17
Interactive Discussion

Response of participants when registering – Supervisors/Government
Interactive Discussion

Response of participants when registering – industry/consultants
Interactive Discussion

Do you believe that your team members have the same opinion about the level of relevance of each SDG?

Why do stakeholders - public & private - have different views on the SDGs and what could be done to seek alignment between them?
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Session 2 – Aligning the insurance sector with the SDGs

*KPIs to measure the contribution of insurance to (nine) SDGs*

Speaker:
**Hui Lin Chiew**
Advisor and Technical Lead on regulatory impact and market conduct A2ii
Aligning the insurance sector with the SDGs: Why Data is Essential

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Hui Lin Chiew I 16 September 2021
Insurance is still underrepresented

- Insurance metrics lacking in SDGs: Only explicitly mentioned once under Target 8.10, without a KPI
- Absent in key global indices on financial inclusion
- Not prevalent in national development plans and financial inclusion strategies
Lack of data is a root cause

Not enough:
- Raw data: Insurance uptake, product line data, disaggregated data by target groups
- Contextualised data: Asset allocation based on ESG considerations

You can only manage what you measure.
What kind of data is needed...

**Type of data/KPI**

**Impact Story**
- ✓ Who and how many are in the protection gap? What risks do they face? What is the evidence that insurance works?

**Product**
- ✓ How much are insurers are contributing to SDGs via insurance products and services? Which target groups and product types?
- ✓ What is the uptake, quality and accessibility of the products concerned?

**Corporate Citizen**
- ✓ How much are insurers are contributing to SDGs as an investor, employer, expert, convener, business overall?
...and how to use them

<table>
<thead>
<tr>
<th>Type of data/KPI</th>
<th>✓ Help stakeholders decide how best to deploy insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Story</td>
<td>✓ Evidence for advocating with decision-makers: policymakers, shareholders, funders…</td>
</tr>
<tr>
<td></td>
<td>✓ Measure baseline – contributions today</td>
</tr>
<tr>
<td></td>
<td>✓ Set aspirations and targets together – contributions tomorrow</td>
</tr>
<tr>
<td></td>
<td>✓ Carve out roles for insurance industry beyond products and services</td>
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<tr>
<td>Product</td>
<td></td>
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<tr>
<td>Corporate Citizen</td>
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The Supervisory KPIs Lexicon: SDG Pillar

✓ An interactive and searchable public directory of KPIs, for supervisors, industry and policymakers
✓ Lists KPIs for the link between insurance and the SDGs: State of play, the gap, the potential contribution
✓ A reference list, a basis for dialogue and idea generation – but only a starting point!

Link: https://a2ii.org/en/supervisory-kpis-lexicon
Example: SDG1 No Poverty

Impact Story
- % and no. and number of people under national threshold for low-income
- How they cope with financial shocks, and whether their strategies work
- Their protection gap, focusing on key risks e.g. mortality and health

Product
- Number, types, uptake and performance of inclusive insurance or microinsurance products e.g. life, hospitalisation, personal accident, agriculture or property

Corporate Citizen
- Industry research on low-income communities such as needs surveys (association OR individual insurer)
- Instances of insurers collaborating with policymakers on poverty reduction initiatives e.g. national insurance schemes
Example: SDG5 Gender Equality

<table>
<thead>
<tr>
<th>Impact Story</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>❑ Which occupational groups employ the most women and the risks associated</td>
<td>❑ Number, types, uptake and performance of</td>
</tr>
<tr>
<td>❑ Gender aggregated data on uptake of key insurance product lines e.g. life,</td>
<td>❑ Products addressing gender-specific risks/ targeting women-centric</td>
</tr>
<tr>
<td>health, income protection</td>
<td>jobs e.g. mothers, caregivers, MSMEs, care workers, domestic helpers</td>
</tr>
<tr>
<td>❑ Data on the needs of women as insurance clients</td>
<td>❑ Products distributed through channels that reach women e.g. MFIs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate Citizen</th>
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</thead>
<tbody>
<tr>
<td>❑ Gender pay gap in insurance sector</td>
</tr>
<tr>
<td>❑ Gender composition of the Boards, management and leadership positions in</td>
</tr>
<tr>
<td>the insurance workforce</td>
</tr>
<tr>
<td>❑ policies and product governance</td>
</tr>
</tbody>
</table>
Example: SDG13 Climate Action

| Impact Story | % and no. of households exposed to disaster/climate risk  
Quantification and identification of key insurable climate related risk e.g. fiscal impact and estimated insurable proportion that can be transferred to insurance  
How quickly countries recover with vs. without insurance |
|----------------|---------------------------------------------------------|
| Product | Number, types, uptake and performance of  
‘Green insurance’ or ‘Climate-smart insurance’  
Products protecting the agricultural sector, natural ecosystems and biodiversity  
Protecting households, businesses and properties in disaster-prone areas |
| Corporate Citizen | No. of insurers who have active ESG frameworks addressing climate risk  
No. of insurers complying/aligned with prudential regulatory frameworks on environmental/climate risk management  
Instances where industry contributes expertise e.g. consumer education, new risk financing tools, data hubs |
Where to start?

Supervisors and industry:

- **Start with good supervisory data:** Product line, distribution channel, target group data, categorised in a useful way for analysis
  - Not just premiums! No. of policies/people covered, claims, complaints, renewals/persistency...

- **Agree on what ‘counts’ towards the SDGs:** What do you consider, in your local context, as ‘inclusive’, ‘gender-specific’, ‘green’ etc.?

- **Support knowledge and data generation:** Commission, support and pool research to generate the data needed
Session 2 – Aligning the insurance sector with the SDGs

Gender Equality (SDG 5) and Inclusive Insurance
"Insurance for Women" project

Speaker:
Verónica López Quesada
Manager for Institutional Affairs and International Relations
SSN / Argentina
Women and Insurance

Empresas que forman parte

RUS®

CNP Seguros

GRUPO ASEGURADOR
La segunda

TRIUNFO
SEGUROS

VARESE

San Cristóbal
SEGUROS

SANCOR
SEGUROS
Introduction

Route

INNOVACIÓN SOCIAL
Design Thinking

TARGET
Segments of the population underserved by the insurance industry

SELECTED SEGMENTS
- Domestic workers
- Entrepreneurs

PROTOTYPE
- Insurance Awareness
- Freemium model

Argentina
Team
Of those with the lowest income in Argentina are women. Their main economic activity is domestic work, with the highest informality and lower wages, being the one most affected by the pandemic.

70% Domestic Workers

1500 Domestic workers
70% Informality.
95% Are women.
200 mil Women lost their jobs in private homes during 2020.
Protecting people who do paid housework

We invite you to answer this short questionnaire, based on your experience. It will be very important for us to know your opinion.

*Obligatorio
Main survey results

DOMESTIC WORKERS SURVEYED THROUGH OUR OWN WORKERS

- They care about their health and that of their children.
- When they get sick, they lose their work income.
- They are worried about losing their purses/wallets or bicycles in a robbery.
- Insurance seems a long way off. They need a tangible experience.
- In most cases, they are the main supporters of the family income.
- There is a high percentage of smartphone usage, but they prefer a personal first contact.
- They are concerned with training because they have an entrepreneurial spirit.
Questions

We started prototyping

01. How can we connect with people so that they perceive the power of insurance?

02. How can we generate an accessible product for domestic workers that meets their needs and is financially viable?
Insurance Awareness

Social networks

- Simple language with real and everyday stories.
- Focused on young women (they don’t make long-term decisions)
- Thinking that there are other coverages and services, beyond the mandatory ones, that can contribute to improving their quality of life
- Generate a useful insurance concept in people's minds. Reversing the distorted picture of insurance: expensive, inaccessible, unnecessary
Freemium Model

Freemium Platform

• Microinsurance marketing. Conversion to premium coverage.

• Free courses on various topics that promote entrepreneurship. Scholarships and Labor Insertion Programs.

• New Distribution Channels (eg Spotify, cleaning supplies stores, hairdressers), and callcenter for domestic workers.

• Generation of a Sandbox and sponsorship of companies and organizations
Thank you!
Questions & Answers
Final remarks

Hannah Grant
Head of the A2ii Secretariat

Tomas Soley
ASSAL President and member of the A2ii governing council
Thank you!
Síganos en Twitter @a2ii_org, Youtube y LinkedIn