

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

A2ii- IAIS Consultation Call  
23 May 2019

# Presenters

Expert



**Shilpi Shastri**  
Microinsurance specialist,  
Women's World Banking

Expert



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

IAIS representative



**Natalia Escobar**  
International Association  
of Insurance Supervisors  
(IAIS)

Moderator



**Mariella Regh**  
Access to Insurance Initiative (A2ii)

# Gender inclusive insurance and regulation

May 2019

A photograph of a woman sitting on the floor in a traditional setting, with a baby wrapped in a cloth on her back. She is surrounded by other people, including a woman standing next to her wearing a patterned dress. The background shows a brick wall and a woven basket. The text is overlaid on the image.

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

**SOURCE: World Health Organization**

A woman in a pink shirt and grey skirt stands in a field of dry, harvested crops, likely rice stalks, under a cloudy sky. The image is dimly lit, with a dark overlay.

*Women and girls are more affected  
by climate change*

**80% of people displaced by climate  
change are women**

**SOURCE: World Health Organization, United Nations**

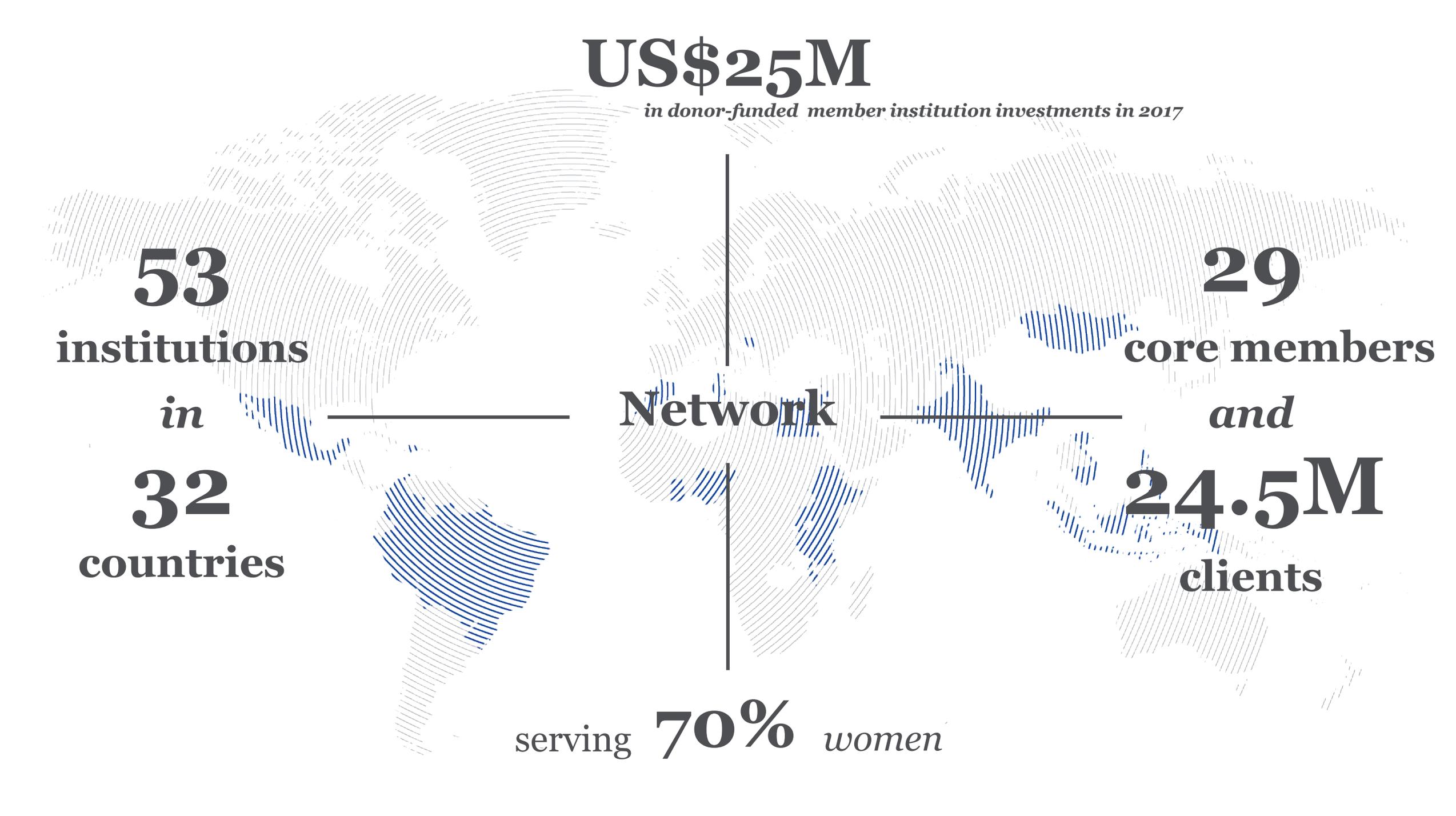
## Agenda

**About  
Women's  
World  
Banking**

**Why does  
gender  
matter?**

**Gender  
barriers we  
address**

**What can  
regulators  
do to help?**



**US\$25M**

*in donor-funded member institution investments in 2017*

**53**  
institutions

*in*

**32**  
countries

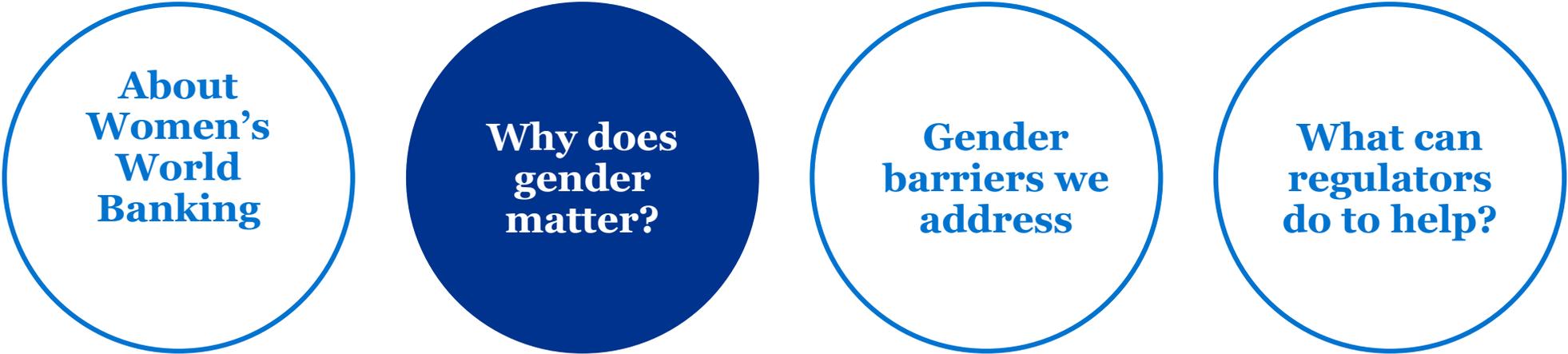
**Network**

**29**  
core members

*and*

**24.5M**  
clients

serving **70%** *women*



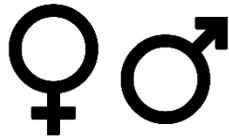
**About  
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## What is Gender – why is it important?



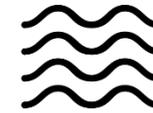
### **Gender roles**

*Roles, responsibilities and duties of women vs. men*



### **Roles are dynamic**

*These roles change over time as the social construct changes*



### **Gender mainstreaming**

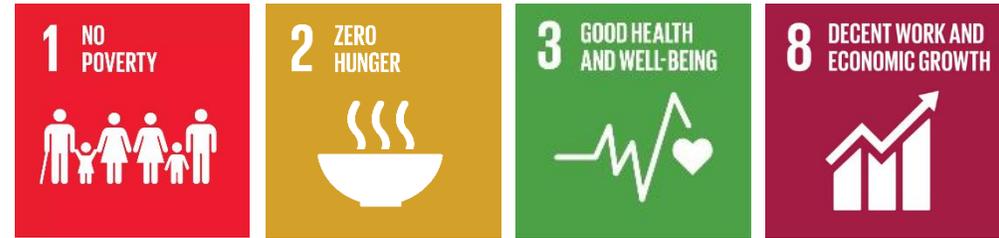
*Gender stereotypes influences policies and legislation*



### **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



A photograph of a woman in a green shirt cooking over a small fire in a brick stove in a slum. She is surrounded by various items like pots, a basket, and a yellow water container. In the background, other people are visible, including a woman holding a child, amidst a cluttered and impoverished environment.

*An estimated 735 million  
people lived below the  
international poverty line of  
\$1.90 a day.*

Source: World Bank



*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**

A woman with dark hair, wearing a patterned dress with orange, green, and white designs, is bent over a large metal tub, washing clothes. She is in an outdoor setting with a concrete wall behind her. To her right, there is a wooden table with more laundry on it. In the foreground, there are several plastic bags and another tub. The overall scene suggests a daily domestic chore.

*Women spend roughly two and  
half times as many hours in  
unpaid domestic and care work as  
men*

**SOURCE: UN Women**



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A woman wearing a patterned headscarf and a colorful, patterned blouse is seated at a sewing machine in a factory or workshop. She is focused on her work, with her hands positioned near the machine. The background is slightly blurred, showing other workstations and equipment. The overall scene is dimly lit, with a green wall visible in the background.

*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*

A photograph of a woman in a colorful pink and green outfit carrying a child on her back, and a man in a light purple shirt sitting on a stone ledge talking on a mobile phone. The background shows a building with large windows and a paved area.

*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



2 million  
lives insured

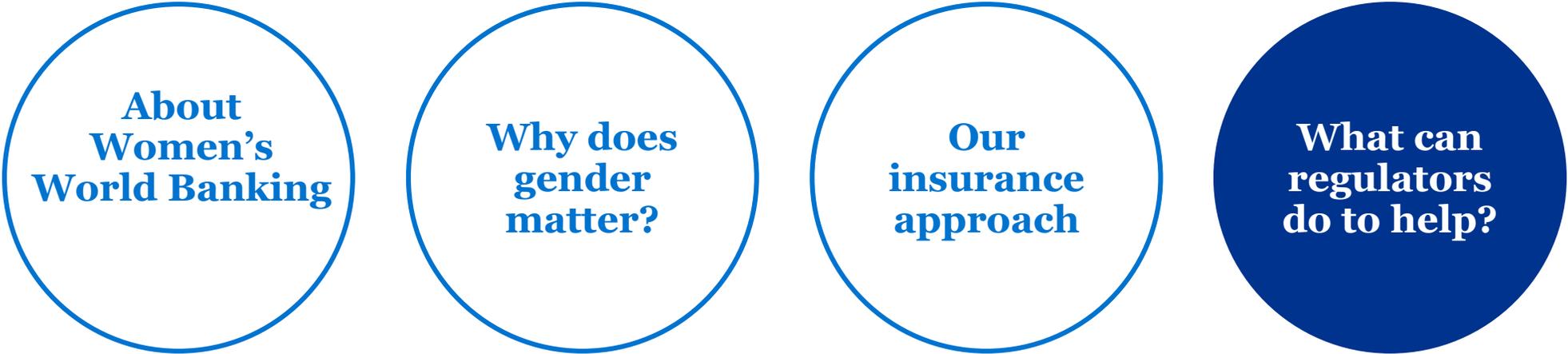


1.03 million  
women covered



>120,000  
claims paid

*Commercially viable solutions creating win-win for all*



**About  
Women's  
World Banking**

**Why does  
gender  
matter?**

**Our  
insurance  
approach**

**What can  
regulators  
do to help?**

# 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



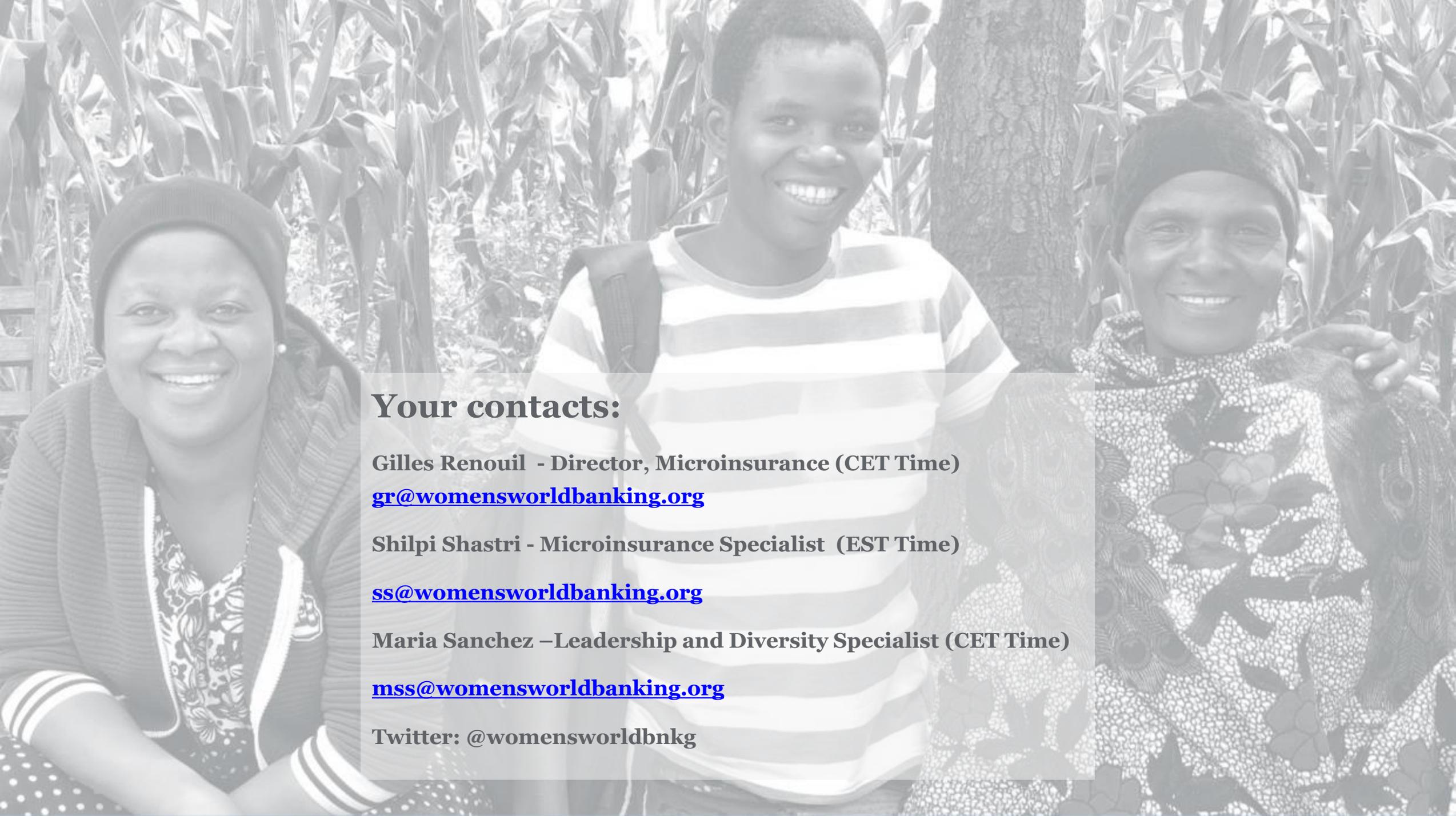
With micro-insurance, low-income women can mitigate financial distress caused by unexpected events affecting their family. It can protect the first layer of assets they have created as they move out of poverty.



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](mailto:gr@womensworldbanking.org)**

**Shilpi Shastri - Microinsurance Specialist (EST Time)**

**[ss@womensworldbanking.org](mailto:ss@womensworldbanking.org)**

**Maria Sanchez – Leadership and Diversity Specialist (CET Time)**

**[mss@womensworldbanking.org](mailto: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.

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**THE SOCIAL AND ECONOMIC VALUE AND  
BUSINESS POTENTIAL OF EXPANDING  
WOMEN'S FINANCIAL INCLUSION IS NOT IN  
DEBATE**



## COMPATIBLE WITH OUR SUPERVISORY MANDATE

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- 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

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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

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- 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

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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”

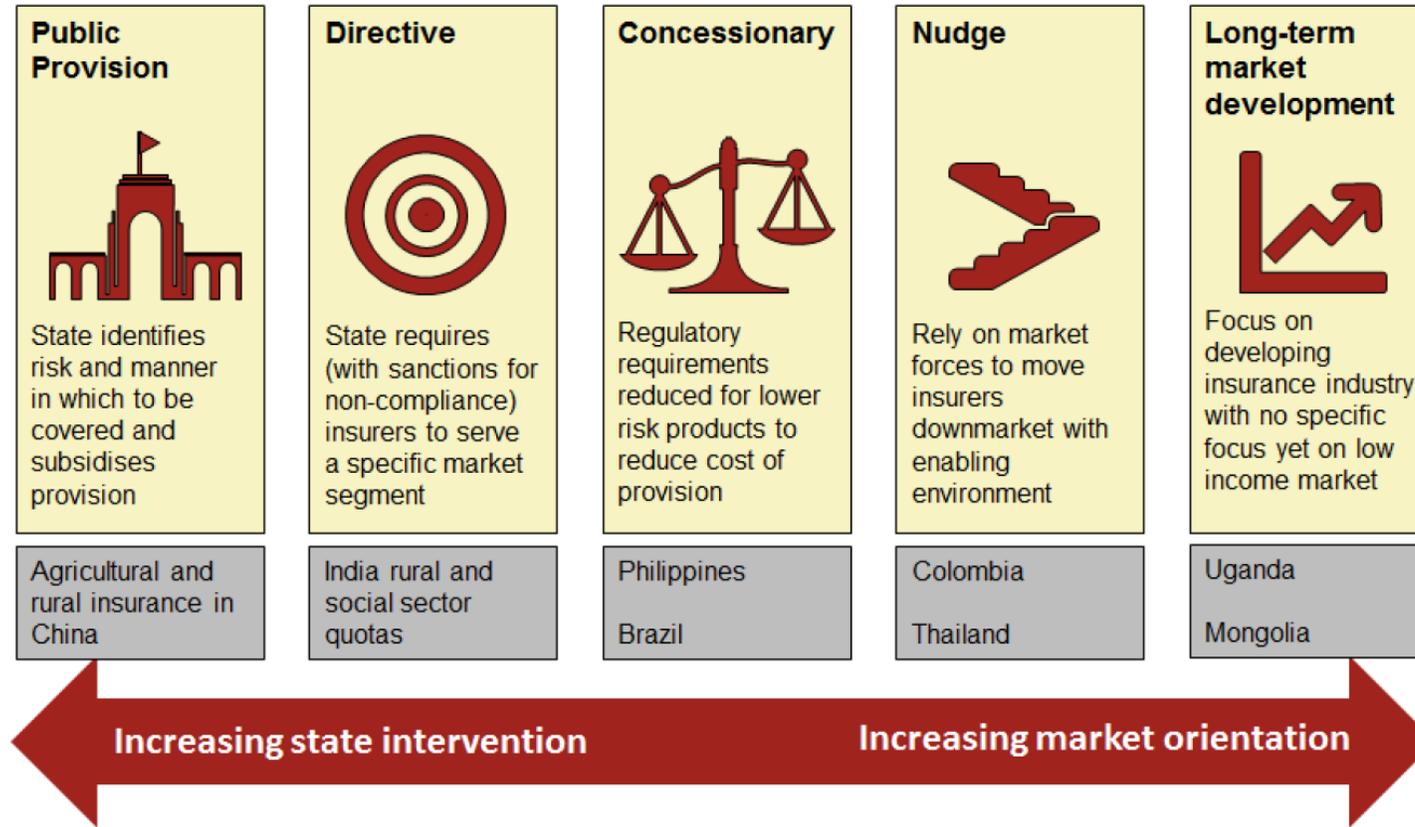


Figure 2: Continuum of identified regulatory approaches



# HOW REGULATORS CAN MAKE A DIFFERENCE

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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

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## 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

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## PROPORTIONATE APPROACHES

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

- Product approval
- Licensing



# HOW REGULATORS CAN MAKE A DIFFERENCE

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## **RISK BASED SUPERVISION** AML/CFT risk based approach

EXTRACT FROM FATF RECOMMENDATIONS

### **“ INTERPRETIVE NOTE TO RECOMMENDATION 10 (CUSTOMER DUE DILIGENCE)”**

#### **“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.”

## EXTRACT FROM FATF RECOMMENDATIONS CONT'D



“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.”

FATF (2012-2018), *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*, FATF, Paris, France, [www.fatf-gafi.org/recommendations.html](http://www.fatf-gafi.org/recommendations.html)

# HOW REGULATORS CAN MAKE A DIFFERENCE

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## 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

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## 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

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## 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

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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

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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



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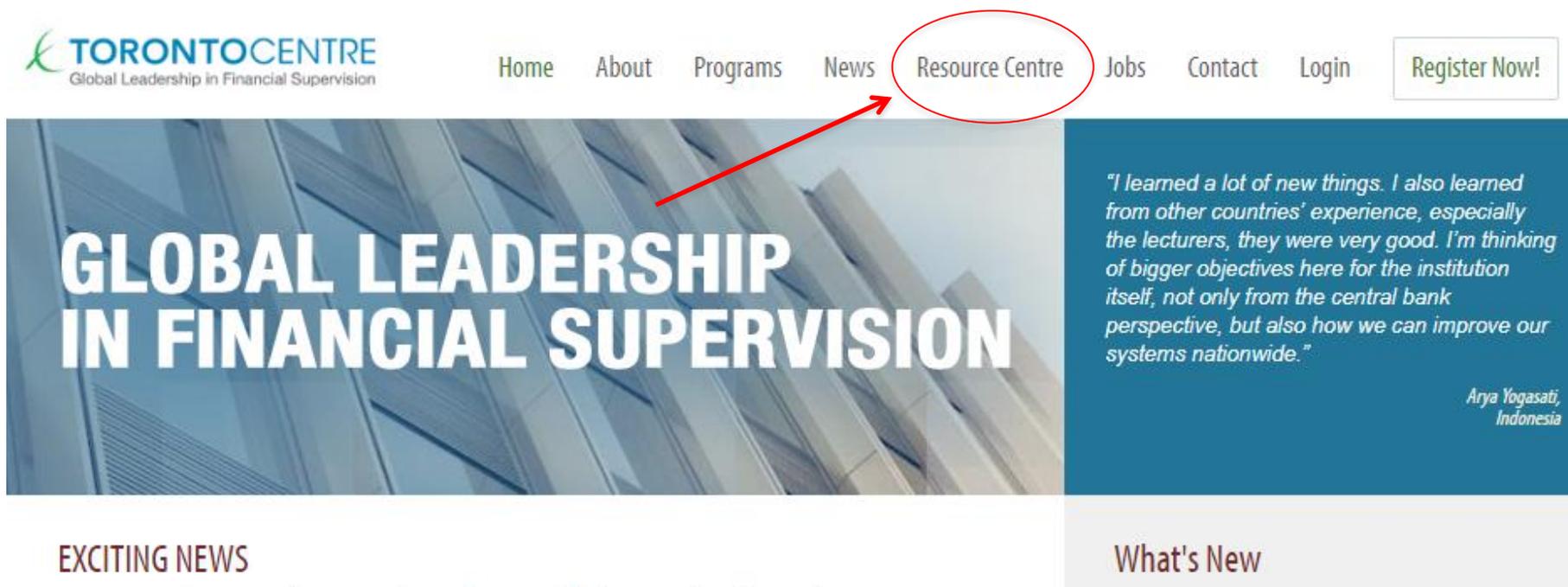
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# Toronto Centre Resource Centre

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.





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

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