

Inclusive Insurance

Many across the Pacific, particularly those that are most vulnerable, do not have access to appropriate or affordable insurance products. Insurance acts as a safety net for households and, in times of crisis, can provide people with much-needed funds to re-establish their lives and livelihoods. In many developing countries there has been a movement to develop affordable and appropriate insurance products for clients in the low-income segment. These products, often defined as micro-insurance or inclusive insurance, can be offered by licensed insurance providers to match the demand and risk exposure of the large uninsured segment.

PFIP has been actively working to promote policies, support formal insurers, and to expand the understanding of insurance concepts through financial literacy activities. From a policy perspective, PFIP has been working with insurance supervisors to enhance their capacity in the topics of supervision, inclusive insurance, and risk management. This has led to concrete outcomes that promote well regulated and robust inclusive insurance markets.

To assist in identifying potential opportunities PFIP has supported the process to identify the risk priorities of low-income households through demand research studies in Fiji and PNG. PFIP has provided performance based grants and technical assistance in the areas of product design and partnership formation which has led to five microinsurance pilots. In Fiji, this support has resulted in the piloting of Term Life products being offered in a partnership between Life Insurance Corporation of India (LIC), TISI Sangam (a religious organisation) and PCDF (a grass-root community based organisation.) In PNG, a low-cost term life product is being coupled with mobile phone accessed bank accounts in a partnership between Nationwide Microbank and Pacific MMI Insurance. In Timor-Leste a credit life insurance product underwritten by NITL, is being distributed by two MFI's: Moris Rasik and Tuba Rai Metin.

At A Glance

Key Impacts

- Currently, close to 22,000 low income clients have benefitted from pilots across the pacific
- Pacific Islands Working Group in September 2013 endorsed to support the development of:
 - a. Model regulation(s)/guideline(s) to facilitate expansion of inclusive insurance and integrate it with country level National Financial Inclusion (NFI) strategies.
 - b. Build regional capacity amongst supervisors in risk based supervision, compliance to IAIS insurance core principles in a proportionate manner and developing modules for reinsurance.



Beneficiaries of the LIC and TISI Sangam Micro-Insurance Pilot scheme, The Solovi Sangam Mothers.

PFIP is a Pacific-wide programme helping to provide sustainable financial services to low income households. It is a joint project of the UN Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) and has received support from AusAID and the European Union. The programme is based at the UNDP Pacific Centre in Suva, Fiji.

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