

# A ROADMAP FOR EXPANDING THE COVERAGE OF MICROINSURANCE IN APEC

An Undertaking of the  
**Asia-Pacific Financial Forum (APFF)**

TO IMPLEMENT A DELIVERABLE OF THE **CEBU ACTION PLAN'S** INITIATIVE 3B

*[DEVELOP A **ROADMAP** AND NETWORK OF EXPERTS THROUGH THE SUPPORT OF APFF FOR  
**EXPANDING THE COVERAGE OF MICROINSURANCE]***

**Asia-Pacific Financial Forum**  
**A ROADMAP FOR EXPANDING THE COVERAGE OF MICROINSURANCE**  
**IN APEC**

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# A Roadmap for Expanding the Coverage of Microinsurance in APEC

## 1. FINANCIAL INCLUSION, INCLUSIVE INSURANCE MARKETS AND MICROINSURANCE

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Financial inclusion is defined as a state in which all working age adults have effective access to all types of financial services (i.e. credit, savings, payments, and insurance) from formal providers. “Effective access” involves convenient and responsible service delivery, at a cost affordable to the customer and sustainable for the provider.<sup>1</sup> **For economies with low insurance coverage, provision of effective access to insurance products and services for all is deemed an important component of financial inclusion.**

**Inclusive Insurance aims to provide insurance products and services to all including those who are excluded and/or those who are underserved.** Microinsurance, on the other hand, is defined as “insurance that is accessed by the low-income population, provided by different entities, but run in accordance with generally accepted practices including the Insurance Core Principles.”<sup>2</sup> **Since the excluded and the underserved are typically comprised of the low-income population, inclusive insurance markets include microinsurance which services the low-income earning segment of the population.**

An **inclusive insurance market caters to all including the insurance needs of the low-income population** who are generally characterized by: low education levels and low insurance awareness, low levels of disposable income which are mostly spent on food and shelter, living in rural areas and poorer parts of urbanized areas and generally having negative perceptions about insurance. Because of their inherent profile, they are likely to be less financially sophisticated, more difficult to reach and would need greater protection (i.e. because this segment is more prone to mis-selling and customer abuse). The excluded and underserved are also either not aware or not convinced of the value, relevance and importance of insurance to them. **Inclusive insurance should therefore be able to provide value for money and foster trust between the insured and the insurer.**

To meet the insurance needs of this income segment and provide value for their money, **innovative approaches in product design, coverage, and service delivery should be adopted. Innovations are focused on changes to product features, manner of service delivery and use of alternative delivery channels and vehicles for delivering the products and services.** Because of the inherent profile of the low-income segment, **consumer protection through adoption and implementation of conduct of business regulations and supervision<sup>3</sup> is given prime importance in inclusive insurance.**

To foster trust between the insured and the insurer, **providers of inclusive insurance products and services should be appropriately regulated and supervised<sup>4</sup>.** Regulations

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<sup>1</sup> IAIS, “Application Paper on Regulation and Supervision supporting Inclusive Insurance Markets,” October, 2012.

<sup>2</sup> IAIS, “Issues Paper on Regulation and Supervision of Microinsurance” June, 2007

<sup>3</sup> IAIS application paper on Conduct of Business on Inclusive Insurance provides guidance and specific examples and applications on this.

<sup>4</sup> The IAIS application paper on the Regulation and Supervision of Inclusive Insurance states that “...All entities that act as insurers for products directed at supporting inclusive insurance markets should be subject to licensing and supervision.”

should, however, permit innovative approaches adopted by insurers and ensure ample protection for policyholders. **To encourage insurers to serve the low-income market and motivate informal providers and intermediaries to integrate with the formal insurance sector, regulations that are proportionate to the nature, scale and complexity of risks confronting inclusive insurance should be adopted.** In view of this, **insurance supervisors are given lead roles in the development of inclusive insurance markets.**

Innovative approaches to inclusive insurance require the participation and support of entities that may not be within the jurisdiction of the insurance supervisor. In this regard, **promotion of inclusive insurance requires coordination and cross-sector cooperation between public authorities and agencies (e.g. central banks, revenue authorities, telecommunications regulators, health authorities, and departments of agriculture and social protection) that serve the low-income segment.**

This roadmap identifies specific strategies and priority actions that support the development of microinsurance as catalyst and important element of inclusive insurance markets.

## **2. STATUS OF MICROINSURANCE (MI) DEVELOPMENT IN SELECTED APEC MEMBER ECONOMIES**

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The level of MI development among APEC member economies varies widely. Leading the pack in terms of MI coverage are the Philippines, Mexico, Thailand and Peru. Except for Thailand<sup>5</sup>, these economies were also noted to have proportionate regulations for insurance products for low-income population (also known as microinsurance)<sup>6</sup>. With relative success in increasing microinsurance coverage, the regulatory environment adopted in these countries can be examples of good practice for countries where microinsurance is still in the early stage of development.

- 2.1. **Market Drivers.** The presence of the **appropriate policy and regulatory environment** that encourages the private sector to engage in microinsurance is considered one of the key market drivers for the growth of microinsurance in the three economies mentioned. Aside from the issuance of proportionate regulations on microinsurance, the presence of large aggregators (e.g. mobile network operators or MNOs and large MFIs) have also largely contributed to the development of the microinsurance industry in Peru, Mexico and the Philippines. This is shown in the chart below. **Partnerships with large aggregators** enables insurance providers to take advantage of the large numbers of clients catered to by the partner aggregator.

Another common denominator among the three economies is the **adoption of a comprehensive strategy on financial inclusion** that shows the government's intent and long-term commitment to provide everyone access to financial services. It also articulates the policy thrusts and strategies that shall be pursued for greater financial inclusion. With clear government direction, the private sector is encouraged to develop products that are tailor fitted to and to provide services that caters to those at the bottom of the pyramid.

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<sup>5</sup> The Bank of Thailand has commenced the formulation of the Financial Sector Master Plan Phase 3 (FSMP III), which covers 2016 through 2020. Two of the plan's major aims—the promotion of electronic payments and financial access—are very relevant to the progress of financial inclusion. BOT is still drafting the details and implementation.

<sup>6</sup> <https://publications.iadb.org/bitstream/handle/11319/7988/Global-Microscope-2016-The-Enabling-Environment-for-Financial-Inclusion.pdf?sequence=1&isAllowed=y>, accessed June 28, 2017

| Economy        | With MI regulation | Large aggregator | MI coverage ratio | Stage of MI development | Population | Poverty ratio | Poverty line | FI strategy |
|----------------|--------------------|------------------|-------------------|-------------------------|------------|---------------|--------------|-------------|
| China          |                    |                  | 0.89%             | Growth stage            | 1.3B       | 2%            | nd           |             |
| Indonesia      |                    |                  | 0.56%             | Growth stage            | 263M       | 8%            | 11%          |             |
| Malaysia       |                    |                  | 3.84%             | Inception stage         | 31M        | 0.28%         | nd           |             |
| PNG            |                    |                  | 0.0%              | Inception stage         | 7M         | 39%           | nd           |             |
| Philippines    |                    |                  | 21.3%             | Maturity stage          | 103M       | 13%           | 25%          |             |
| Thailand       |                    |                  | 14.02%            | Inception stage         | 68M        | 0.04%         | 12%          |             |
| Chinese Taipei |                    |                  | nd                | Growth stage            | 23M        | nd            | nd           |             |
| Vietnam        |                    |                  | 0.18%             | Inception stage         | 95M        | 3%            | 17%          |             |
| Chile          |                    |                  | 10.8%             | Inception stage         | 18M        | nd            | nd           |             |
| Mexico         |                    |                  | 11.5%             | Maturity stage          | 130M       | 3%            | 52%          |             |
| Peru           |                    |                  | 16%               | Maturity stage          | 32M        | 3%            | 23%          |             |

Illustration by GIZ RFPI Asia

2.2. Market Potential. While only 5 (Chile, Mexico, Peru, Philippines and Thailand) of the APEC member economies have relatively high microinsurance coverage and a relatively mature<sup>7</sup> regulatory policy environment, other APEC members show potential for microinsurance as evidenced by the following: **presence of a national strategy for financial inclusion, large number of low income people, and to some extent presence of large aggregators**. As shown in the chart, economies with these characteristics are classified as those where microinsurance are in the inception and/or growth stage.

The potential for microinsurance in the other APEC economies could further be harnessed with the **existence and availability of distribution channels with large clientele**. Tapping these channels with new and innovative distribution approaches is pivotal in expanding the microinsurance market. Moreover, with **technology**, efficiencies can be increased and administrative costs associated with distribution of microinsurance can be reduced. With the **growing interest in financial inclusion** and the **availability of technology and new delivery channels**, microinsurance markets are likely to grow in APEC member-economies particularly for those with relatively low insurance coverage and density ratios.

The table below shows the market potential of microinsurance in some of the APEC member economies. **Economies with high population, high poverty ratio, large**

<sup>7</sup> The Landscape of Microinsurance in Asia and Oceania, 2013 Study, generally classified the regulatory policy environment of an economy as 'matured stage' if the MI regulation are functional and institutionalized; the economies that have some form of functional MI guidelines (in the absence of a fully-fledged MI regulations) were classified as 'growth stage'; and the economies that do not have specific MI regulations however MI has started to develop under the regulatory guidelines of conventional insurance or microfinancing were categorized as 'inception stage' [http://www.munichre-foundation.org/dms/MRS/Documents/Microinsurance/2013MILandscape/2013LandscapeofMIAsiaOceania\\_fullReport/The%20landscape%20of%20microinsurance%20in%20Asia%20and%20Oceania%202013%20-%20full%20report.pdf](http://www.munichre-foundation.org/dms/MRS/Documents/Microinsurance/2013MILandscape/2013LandscapeofMIAsiaOceania_fullReport/The%20landscape%20of%20microinsurance%20in%20Asia%20and%20Oceania%202013%20-%20full%20report.pdf), accessed June 29, 2017

**magnitude of poverty, low insurance density and low MI coverage ratio present huge opportunities for the promotion of inclusive insurance and the development of the microinsurance market.** Moreover, formulation and adoption of a comprehensive financial inclusion strategy shows the economy's keen interest to provide everyone access to all types of financial services, including insurance.

| APEC Member Economies        | Population (in million) as of 2015* | Poverty Ratio (%) ** | No. of poor (in million) | Insurance Density (in USD) *** | MI Coverage Ratio (%) **** | Financial Inclusion Strategy |
|------------------------------|-------------------------------------|----------------------|--------------------------|--------------------------------|----------------------------|------------------------------|
| Australia                    | 23.8                                | 0.67                 | 0.16                     | 2928                           |                            |                              |
| Brunei Darussalam            | 0.42                                | No Data              | No Data                  | No Data                        | 0.0 (2012)                 |                              |
| Canada                       | 35.8                                | 0.34                 | 0.12                     | 1916                           |                            |                              |
| Chile                        | 17.9                                | 0.92                 | 0.16                     | 631                            | 10.8 (2016)                | Yes                          |
| People's Republic of China   | 1371                                | 1.85                 | 25.36                    | 329                            | 0.89 (2012)                | Yes                          |
| Hongkong                     | 7.3                                 | No Data              | No Data                  | 6278                           |                            |                              |
| Indonesia                    | 257.6                               | 8.25                 | 21.25                    | 53                             | 0.56 (2012)                | Yes                          |
| Japan                        | 127                                 | 0.35                 | 0.44                     | 2362                           |                            |                              |
| Republic of Korea            | 50.6                                | No Data              | No Data                  | 3466                           | 0.0 (2012)                 |                              |
| Malaysia                     | 30.3                                | 0.28                 | 0.08                     | 467                            | 3.84 (2012)                | Yes                          |
| Mexico                       | 127                                 | 3.04                 | 3.86                     | 193                            | 11.5 (2016)                | Yes                          |
| New Zealand                  | 4.6                                 | No Data              | No Data                  | 989                            |                            |                              |
| Papua New Guinea             | 7.6                                 | 39.31                | 2.99                     | No Data                        | 0.0 (2012)                 | Yes                          |
| Peru                         | 31.4                                | 3.13                 | 0.98                     | 118                            | 16.0 (2016)                | Yes                          |
| Republic of the Philippines  | 100.7                               | 13.11                | 13.20                    | 55****                         | 21.35 (2012)               | Yes                          |
| Russia                       | 144.1                               | 0.04                 | 0.06                     | 117                            |                            |                              |
| Singapore                    | 5.5                                 | No Data              | No Data                  | 4346                           |                            |                              |
| Chinese Taipei               | 23.4                                | No Data              | No Data                  | No Data                        |                            | Yes                          |
| Thailand                     | 68                                  | 0.04                 | 0.03                     | 219****                        | 14.02 (2012)               | Yes                          |
| The United States of America | 321.4                               | 1.0                  | 3.21                     | 6289                           |                            |                              |
| Vietnam                      | 91.7                                | 3.06                 | 2.81                     | 32****                         | 0.18 (2012)                | Yes                          |

\*\*\*\*\* <http://worldmapofmicroinsurance.org/>

### 3. THE ROADMAP

#### 3.1. Context: Why the need for a Roadmap

The APEC Finance Ministers adopted the Cebu Action Plan (CAP) in September 2015. The CAP provides a 10-year roadmap for building a connected APEC community that is financially integrated, transparent, and resilient. The roadmap is anchored on four (4) pillars: (i) promoting financial integration; (ii) advancing fiscal reforms and transparency; (iii) enhancing financial resilience; and (iv) accelerating infrastructure development and financing.

Under the pillar of Enhancing Financial Resilience, information and experiences in developing innovations on disaster risk finance and insurance mechanisms (including microinsurance) shall be shared among APEC economies. Innovations in disaster risk finance and insurance mechanisms that shall help reduce the fiscal burden on APEC economies that are exposed to natural disasters shall be implemented and shared among the member economies. In particular, microinsurance can play a key role in disaster risk financing particularly for APEC member economies where underdevelopment of the capital markets constrains the use of financing instruments like natural catastrophe bonds

for disaster risk.<sup>8</sup>

Under the Finance Ministers' Process, the APFF was created to bring together institutions, organizations and initiatives geared towards the development and strengthening of the region's financial markets. Recognizing the need to provide access to financial services for all, the APFF includes the promotion of inclusive insurance and the development of microinsurance markets as one of its work streams. Under this work stream, private insurance programs shall be established and promoted through the collaboration and exchange of information and experiences among economies, international development organizations and the private sector. Insurance penetration shall also be deepened through the development of relevant products and regional risk sharing schemes. To accomplish this, a roadmap to facilitate and establish a platform for continuous dialogue between the public and the private sector regarding the expansion of microinsurance coverage in the region shall be developed.

The roadmap identifies specific strategies and priority activities that will promote the adoption and implementation of rules and practices across APEC member economies to support the development of strong, viable, sustainable and inclusive insurance markets in the region.

### 3.2. Direction: What challenges shall be addressed

As demonstrated by economies with relatively strong MI markets, the development of MI is primarily anchored on the synergy of key institutions in both the public and the private sectors. A review of the status of microinsurance and the state of inclusive insurance in selected economies identified the following key challenges: i) lack of responsive policies and proportionate regulations supportive of microinsurance; ii) dearth of scalable business models that take advantage of large aggregators and the use of fintech; iii) need for sustainable financial literacy measures that will inform and educate key stakeholders on microinsurance; and iv) inadequate public-private sector collaboration and poor inter-agency cooperation within economies.

As such, this roadmap identifies four key result areas or pillars that will guide APEC member economies in developing an inclusive insurance market. These are:

- Establishment of policies and proportionate regulations for inclusive insurance and microinsurance;
- Adoption and replication of scalable business models using fintech for inclusive insurance;
- Establishment of inter-agency coordination and public-private sector coordination mechanisms supportive of inclusive insurance; and

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<sup>8</sup> Microinsurance has proven very effective in helping promote recovery, in particular after the devastation caused by Typhoon Haiyan in 2013. In November 2013 Typhoon Haiyan hit the Philippines with the highest wind speeds ever recorded on land. It impacted over 16 million people impacted and displaced nearly 4.1 million. It resulted in over 6,000 lives lost and an estimated USD 700 million in damage to agriculture and infrastructure. Following the typhoon, 126,363 microinsurance claims were made with payments from insurers totaling USD 12 million. The average payment to microinsurance clients was USD 108 (PHP 4,777) which was used for either housing repairs (50 percent) or restarting livelihoods (50 percent). In terms of timing, 27 percent of claims were paid within the first 4 ½ weeks of the typhoon, with 60 percent being paid by March 2014. Source: GIZ

- Adoption and implementation of financial literacy and consumer protection measures for insurance clients.

### 3.3. Action Plan: What are the priority initiatives and activities

To promote the development of microinsurance and ensure that everyone has access to insurance, the following action plan shall be adopted.

## Priority Initiatives and Activities

### ***Pillar 1: Establishment of policies and proportionate regulations for Inclusive insurance and microinsurance***

1. Draw the support of ABAC, the APFF platform, and other international organizations in expanding the MEFIN<sup>9</sup> model to become a regional MI network that will facilitate consultation workshops, dialogues, peer to peer learning and studies among APEC member economies on key issues relevant to the formulation of policies and proportionate regulation for inclusive insurance.
2. Development of comprehensive strategies for microinsurance development in APEC-member economies that highlight the role of the private sector in MI market development with government providing the relevant policy and regulatory environment including among others the possibility of providing smart incentives.
3. Develop model language for the establishment of legal frameworks and formulation of proportionate regulations for microinsurance following IAIS general principles within the context of APEC member economies.
4. Establish a monitoring and reporting system that tracks MI market development
5. Development of policy frameworks for: i) establishing risk pools and other DRFI instruments (e.g. provision of incentives, use of technologies) and ii) developing mechanisms for public-private sector cooperation.
6. Following IAIS principles, develop clear regulatory guidelines on the following: i) informal insurance; ii) complementation between microinsurance and social protection schemes; iii) use of fintech to facilitate the distribution of insurance and claims processing and iv) establishment of risk pools and other disaster risk financing instruments.
7. Building capacities of the regulator to formulate proportionate regulations for microinsurance
8. Formulation of regulatory impact studies that will assess relevance and influence of proportionate regulations in expanding the microinsurance market.

### ***Pillar 2: Adoption of scalable business models using fintech for inclusive insurance***

1. Establish peer-to-peer learning platforms that will facilitate the sharing of information, data and experiences to develop deeper understanding of the supply and demand for insurance of various segments of society (e.g. low-income sector, agriculture, health etc.)
2. Identify and develop innovative and scalable business models that use technology (MNOs) as a platform to increase outreach.
3. Adoption of the toolkit developed by the Regulatory Framework Promotion of Pro-poor

<sup>9</sup> The Mutual Exchange Forum for Inclusive Insurance (MEFIN) is a Network of insurance regulatory authorities in Asia working for a peer-to-peer exchange of knowledge and experiences with the insurance industry. More information at [www.mefin.org](http://www.mefin.org)

## Priority Initiatives and Activities

Insurance Markets in Asia (RFPI Asia) of the GIZ for integrating insurance into DRFI mechanisms to help insurers develop appropriate products

4. Create across the economy a network of large aggregators engaged in the delivery and distribution of insurance to facilitate the adoption of good practices.
5. Facilitate the collection, use and sharing of big data in the development of relevant insurance products that meet the risk protection needs of various segments of society (e.g. agri. and natcat insurance and the use of weather data and information for index-based insurance products).

### ***Pillar 3: Establishment of inter-agency coordination, public-private sector coordination mechanism and relevant support infrastructure for inclusive insurance***

1. Establish inter-agency coordination mechanism between the insurance regulatory agency and government agencies engaged in the provision of social protection schemes
2. Clearly articulate and specify policies and strategies related to the provision of access to insurance in the economy's financial inclusion strategy.
3. Convene roundtable dialogues and discussions among public and private sector stakeholders engaged in the provision of insurance, particularly for NatCat and agriculture insurance.
4. Establishment of mechanisms for public-private dialogue in developing products and solutions for responses to and mitigation of disaster risk.
5. Development of data management support for catastrophic events and establishment of central business registries with hazard mapping and catastrophe coverage for enterprises.

### ***Pillar 4: Adoption and implementation of financial literacy and consumer protection measures for insurance clients.***

1. Establish code of conduct for insurance providers following the IAIS guidelines on insurance client protection
2. Adopt domestic strategies that promote insurance literacy and awareness among key stakeholders with support of the insurance regulatory agency
3. Create a platform for sharing experiences in promoting insurance awareness and buy-in of various sectors of the economy (e.g. farmers, fisherfolk, micro and small entrepreneurs).
4. Promote insurance inclusion and literacy through the Asia-Pacific Financial Inclusion Forum

The roadmap herewith provides in **Attachment 1 a List of Resources on Microinsurance and Inclusive Insurance.**

#### **3.4. Implementation Strategy and Monitoring**

The development of the microinsurance market that results in increased MI awareness and coverage among key stakeholders is a joint undertaking of both the government and the private sector stakeholders such as private insurance providers, large aggregators (MFIs, banks, MNOs), technology providers (fintech). To enjoin private sector participation, it is important for governments in APEC member economies to create the right and appropriate policy and regulatory environment with clear guidelines and policy directions as evidenced by the adoption of specific policy measures and

strategies to support MI market development. Because of this, governments of concerned APEC member economies are responsible for facilitating MI development within their respective jurisdiction. Each government, however may identify specific institutional champions for MI development within the economy (e.g. Ministry of Finance, Insurance Regulator, etc.).

Since MI development in the APEC region varies across economies, elements of the MIR may be implemented through any of the following: i) establishment and creation of relevant forums; ii) peer to peer learning activities (e.g. exchange learning and exposure visits among member economies with different levels of MI development); iii) formulation of MI knowledge management platform that shall provide relevant resources for APEC member economies; iv) creation of technical working groups on relevant thematic areas identified within the four pillars; and v) facilitating public-private sector dialogue within or across APEC member economies.

The APEC Business Advisory Council (ABAC), which has been entrusted by the Finance Ministers' Process to manage the APFF, shall monitor the status of implementation of the Microinsurance Roadmap (MIR). Since microinsurance is one of the APFF work streams under the Enhancing Financial Resilience pillar, APFF serves as the right platform for monitoring the MIR. As such, ABAC, as the designated manager of the APFF, shall include the MIR monitoring results in its regular progress report to the APEC senior finance officials and ministers. ABAC may work with development partners within the region and solicit support in the implementation of the identified priority activities for MI development in the region.

*Note: This document was prepared for APFF by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia). The draft took into consideration inputs from the panel of experts during the APFF Workshop on Microinsurance Development Roadmap for Asia-Pacific Emerging Markets held on March 16, 2017 in Hanoi. This draft was circulated for comments by the MIR Drafting Group and by other experts, and was discussed for consultation during the ABAC Financial Inclusion Forum in Hoi An on July 10-11, 2017. The MIR will be subjected to further discussion in the pre-conference session of the 13<sup>th</sup> International Microinsurance Conference in Lima Peru in November 7, 2017. GIZ RFPI Asia is the lead of the Microinsurance sub-group in the APFF.*

*The members of the MIR Drafting Group include Mr. Tran Duc Trung and Ms. Tran Thanh Ha from the Ministry of Finance-Insurance Supervisory Authority, Vietnam; Mr. Ferdinand George Florendo from the Insurance Commission, Philippines; Mr. Ellison Pidik, Ms. Elizabeth Gima and Mr. Saliya Ranasinghe from the Bank of Papua New Guinea; Mr. Mochamad Muchlasin from the Financial Services Authority/OJK, Indonesia; Dr. Julius Caesar Parreñas from APFF and Nomura Research Institute, Japan; Dr. Antonis Malagardis and Mr. Dante Oliver Portula from GIZ program RFPI Asia; Ms. Aparna Dalal from ILO Impact Insurance; Mr. Eduardo Moron from APESEG Peru; Mr. Yoga Prasetyo from Allianz Life Indonesia; Mr. Masaaki Nagamura from Tokio Marine Japan; Mr. Dirk Reinhard from Munich Re Foundation; Mr. Christiaan Loots from CENFRI, South Africa; Mr. Michael McCord from MicroInsurance Center, U.S.A.; and Mr. Yves-Daniel Cochand from Vietnam National Reinsurance Corporation.*

**List of Resources on Microinsurance and Inclusive Insurance**

| Title  | Source   | Description   |
|--|--|---|
| <b><i>Pillar 1: Establishment of policies and proportionate regulations for Inclusive insurance and microinsurance</i></b> |  |   |
| The Philippine Approach to Inclusive Insurance Market Development (2017)   | Insurance Commission and GIZ-RFPI Asia.<br><br><a href="http://www.microinsurancenet.org/groups/philippine-approach-inclusive-insurance-market-development">http://www.microinsurancenet.org/groups/philippine-approach-inclusive-insurance-market-development</a>                         | The presentation of this case study is structured according to three regimes of microinsurance policy and regulatory reforms in the Philippines during a span of 9 years (2006-2015). The study also offers a background of the Philippines, an overview of financial landscape including insurance and microinsurance, conclusions and lessons.  |
| Microinsurance Regulatory Framework (Philippines)  | Technical Working Group organized by the Department of Finance, Philippines<br><br><a href="http://www.inclusiveinsuranceasia.com/docs/Regulatory%20Framework%20for%20Microinsurance.pdf">http://www.inclusiveinsuranceasia.com/docs/Regulatory%20Framework%20for%20Microinsurance.pdf</a> | The framework outlines the government’s policy thrusts and direction for the establishment of a policy and regulatory environment that will encourage, enhance and facilitate the safe and sound provision of microinsurance products and services by the private sector. It will also identify and promote a system that will protect the rights and privileges of those who are insured.  |
| Microinsurance Strategy (Philippines)  | Technical Working Group organized by the Department of Finance, Philippines<br><br><a href="http://www.inclusiveinsuranceasia.com/docs/National%20Strategy%20for%20Microinsurance.pdf">http://www.inclusiveinsuranceasia.com/docs/National%20Strategy%20for%20Microinsurance.pdf</a>       | The Microinsurance Strategy defines the objective, the roles of the various stakeholders and the key strategies to be pursued in enhancing access to insurance by the poor. It discusses strategies to encourage complementation of social health insurance by the private sector. It provides directions towards mainstreaming informal insurance and insurance, like activities and the promotion of public awareness and financial |

| Title  | Source   | Description   |
|--|--|---|
| Enhanced Microinsurance Regulatory Framework (Philippines)   | Technical Working Group organized by the Department of Finance, Philippines<br><br><a href="http://inclusiveinsuranceasia.com/docs/Enhanced-MI-Regulatory-Framework-Philippines.pdf">http://inclusiveinsuranceasia.com/docs/Enhanced-MI-Regulatory-Framework-Philippines.pdf</a>                                     | literacy.<br><br>The enhanced framework provides an improved policy and regulatory environment that supplements the existing 2010 Regulatory Framework on Microinsurance.   |
| Proportionate Regulatory Frameworks in Inclusive Insurance: Lessons from a Decade of Microinsurance Regulation (2016)  | Access to Insurance Initiative (A2ii) hosted by GIZ<br><br><a href="https://a2ii.org/en/report/regulation-and-supervision/proportionate-regulatory-frameworks-inclusive-insurance-lessons">https://a2ii.org/en/report/regulation-and-supervision/proportionate-regulatory-frameworks-inclusive-insurance-lessons</a> | The report highlights the discussions at an Expert Symposium organized in Washington in December 2014. In addition, it includes lessons learnt from the A2ii's experience working with insurance supervisors on the ground. It also marks the 10-year milestone of the IAIS' engagement in financial inclusion.   |
| Application Paper on Regulation and Supervision supporting Inclusive Insurance Markets (2012)  | International Association of Insurance Supervisors<br><br><a href="https://www.iaisweb.org/page/supervisory-material/application-papers">https://www.iaisweb.org/page/supervisory-material/application-papers</a>  | The International Association of Insurance Supervisors (IAIS), through the Insurance Core Principles (ICPs), provides a globally accepted framework for the supervision of the insurance sector. This paper provides more specific information on how the ICPs can be implemented consistent with efforts to enhance the level of inclusiveness of insurance markets. |
| Issues Paper on the Regulation and Supervision of Mutuals, Cooperatives and other Community-based Organisations in increasing access to Insurance Markets (October 2010) | International Association of Insurance Supervisors<br><br><a href="https://www.iaisweb.org/page/supervisory-material/issues-papers">https://www.iaisweb.org/page/supervisory-material/issues-papers</a>  | Recommended as a follow-up from the work of the Issues in Regulation and Supervision of Microinsurance (June 2007) paper, this paper discussed the key elements of such organizations that are relevant to considering the approach to their regulation and supervision.  |
| Issues Paper in Regulation and Supervision of Microinsurance (June 2007)   | International Association of Insurance Supervisors<br><br><a href="https://www.iaisweb.org/page/supervisory-material/issues-papers">https://www.iaisweb.org/page/supervisory-material/issues-papers</a>  | This paper discussed regulation and supervision as well as providing some background to microinsurance concepts.  |

| Title   | Source   | Description  |
|---|--|--|
| Issues in Regulation and Supervision of Takaful (Islamic Insurance) (2006)  | Islamic Financial Services Board and the International Association of Insurance Supervisors<br><br><a href="http://www.microinsurancecentre.org/resources/documents/business-case-for-microinsurance/business-models-community-based-mutual-takaful-commercial/issues-in-regulation-and-supervision-of-takaful-islamic-insurance.html">http://www.microinsurancecentre.org/resources/documents/business-case-for-microinsurance/business-models-community-based-mutual-takaful-commercial/issues-in-regulation-and-supervision-of-takaful-islamic-insurance.html</a> | This document reviews Takaful Insurance against the IAIS Core Principles to identify areas where the Core Principles might require adjustment or additional considerations.                                  |
| <b>Pillar 2: Adoption of scalable business models using fintech for inclusive insurance</b>   |  |  |
| BIMA Factsheet  | BIMA<br><br><a href="http://www.bimamobile.com/assets/BIMA-FACTSHEET-FINAL-23.07.15-.pdf">http://www.bimamobile.com/assets/BIMA-FACTSHEET-FINAL-23.07.15-.pdf</a>  | BIMA is a provider of mobile-delivered insurance in emerging markets. They combine mobile technology with an agent-led approach to customer education to widen access to insurance.                          |
| Report of the 6th Azii IAIS Consultation Call Successful Business Models in Microinsurance (2014)                                   | Access to Insurance Initiative hosted by GIZ<br><br><a href="https://azii.org/sites/default/files/field/uploads/report_6th_consultation_call_sept_2014.pdf">https://azii.org/sites/default/files/field/uploads/report_6th_consultation_call_sept_2014.pdf</a>  | This report outlines a consultation call focused on successful business models in microinsurance. Two calls attended by 62 participants from across Asia, Africa, Latin America and North America were held. |
| Microinsurance distribution channels: Insights for insurers (2014)  | Microinsurance Innovation Facility<br><br><a href="http://www.impactinsurance.org/publications/mp33">http://www.impactinsurance.org/publications/mp33</a>  | This brief synthesises experiences in distributing microinsurance. It outlines key strengths and weaknesses of each channel for insurers.  |
| New Sales and Distribution Models in Mobile Financial Services (2013)   | MicroInsurance Centre<br><br><a href="http://www.microsave.net/files/pdf/RP161_FSP_Sales_in_MM_World_Kendall_et_al.pdf">http://www.microsave.net/files/pdf/RP161_FSP_Sales_in_MM_World_Kendall_et_al.pdf</a>   | This paper shows some lessons from institutions that use agents and mobile platforms as fully functional channels to distribute products and provide practical guidance to providers.                        |
| Beyond Sales: New Frontier in Microinsurance Distribution Lesson for the Next Wave of Microinsurance Distribution Innovation (2011) | Microinsurance Innovation Facility<br><br><a href="http://www.ilo.org/public/english/employment/mifacility/download/mp8beyo.pdf">http://www.ilo.org/public/english/employment/mifacility/download/mp8beyo.pdf</a>  | This paper considers the experiences of a group of leading microinsurance innovators and, in particular, the role that new distribution approaches has played.   |

| Title   | Source   | Description   |
|---|--|---|
| Technology for Microinsurance Scoping Study Final Report (2008)   | MicroInsurance Centre<br><a href="http://www.microinsurancecentre.org/resources/documents/products/property/technology-for-microinsurance-scoping-study-final-report.html">http://www.microinsurancecentre.org/resources/documents/products/property/technology-for-microinsurance-scoping-study-final-report.html</a> | The report identifies a number of representative technologies and then positions them relative to each other.   |
| <b>Pillar 3: Establishment of inter-agency coordination, public-private sector coordination mechanism and relevant support infrastructure for inclusive insurance</b> |  |   |
| Microinsurance Network Annual Report 2016 (2017)  | Microinsurance Network<br><a href="http://www.microinsurancenet.org/groups/microinsurance-network-annual-report-2016">http://www.microinsurancenet.org/groups/microinsurance-network-annual-report-2016</a>  | The Microinsurance Network's Annual Report 2016 provides a brief outline of its key achievements, activities, publications and events in 2016. The report also provides an overview on the Network's membership, and the composition of its Board of Directors and Secretariat team. The report closes with a brief sneak preview of the Network's activities in 2017.  |
| 9th Consultative Forum Briefing Note: Exploring challenges in scaling up insurance as a disaster resilience strategy for smallholder farmers (2017)                   | Microinsurance Network<br><a href="http://www.microinsurancenet.org/groups/9th-consultative-forum-briefing-note-exploring-challenges-scaling-insurance-disaster">http://www.microinsurancenet.org/groups/9th-consultative-forum-briefing-note-exploring-challenges-scaling-insurance-disaster</a>                      | The 9th Consultative Forum which took place in Singapore on March 14, 2017 brought together high-ranking representatives from the public sector, supervisory authorities and the insurance industry to discuss “Exploring challenges in scaling up insurance as a disaster resilience strategy for smallholder farmers”. This Forum Briefing Note provides a summary of the key takeaways from the event and outlines recommendations for action for the industry and regulators. |
| Multi-Stakeholder Dialogue on Microinsurance (2017)   | GIZ and Securities and Exchange Commission of Pakistan.<br><a href="http://www.microinsurancenet.org/groups/multi-stakeholder-dialogue-microinsurance">http://www.microinsurancenet.org/groups/multi-stakeholder-dialogue-microinsurance</a>   | This report shows the highlights of the Multi-Stakeholder Dialogue on Microinsurance in Pakistan in August 30-31, 2016.   |
| <b>Pillar 4: Adoption and implementation of financial literacy and consumer protection measures for insurance clients.</b>  |  |   |

| Title   | Source  | Description  |
|---|---|--|
| A Roadmap to Financial Literacy on Microinsurance (Philippines)             | Technical Working Group organized by the Department of Finance, Philippines<br><br><a href="http://www.inclusiveinsuranceasia.com/docs/Roadmap%20to%20Financial%20Literacy%20on%20Microinsurance.pdf">http://www.inclusiveinsuranceasia.com/docs/Roadmap%20to%20Financial%20Literacy%20on%20Microinsurance.pdf</a>  | The roadmap spells out the key strategies and measures to be adopted for institutionalizing financial literacy in microinsurance. Key principles, guidelines, and specific directions on how to promote and change behavior favorably for the adoption of microinsurance among the low-income sector is also provided for.   |
| Issues Paper on Conduct of Business in Inclusive Insurance (2015)           | International Association of Insurance Supervisors (IAIS), in cooperation with the Access to Insurance Initiative (a2ii) and the Microinsurance Network.<br><br><a href="http://www.microinsurancenet.org/groups/issues-paper-conduct-business-inclusive-insurance">http://www.microinsurancenet.org/groups/issues-paper-conduct-business-inclusive-insurance</a> | This Issues Paper on Conduct of Business in Inclusive Insurance is about the fair treatment of customers in inclusive insurance markets. The paper gives an overview of the issues in respect of conduct of business in inclusive insurance markets that affect the extent to which customers are treated fairly, both before a contract is entered into and through to the point at which all obligations under a contract have been satisfied. |
| Microinsurance Awareness Pilot Campaign Findings and Recommendations (2015) | Ghana Insurers' Association (GIA), National Insurance Commission (NIC), GIZ<br><a href="https://www.microfinancegateway.org/library/microinsurance-awareness-pilot-campaign-findings-and-recommendations">https://www.microfinancegateway.org/library/microinsurance-awareness-pilot-campaign-findings-and-recommendations</a>                                    | This report summarises the activities of the microinsurance awareness pilot campaign in Ghana, the research undertaken to evaluate it, and the results of that research.   |
| Report of Insurance Awareness Campaign (2011)                               | Insurance Regulatory and Development Authority<br><a href="http://www.microinsurancenet.org/groups/report-insurance-awareness-campaign">http://www.microinsurancenet.org/groups/report-insurance-awareness-campaign</a>   | The report, based on a survey of 30,200 respondents over India, explores underlying trends in customer awareness levels and their implications on insurers.  |

## **ABOUT THE ASIA-PACIFIC FINANCIAL FORUM (APFF)**

The Asia-Pacific Financial Forum (APFF) is a platform for public-private collaboration to accelerate the development of robust and integrated financial markets in the APEC region.

The APFF responds to the need for active collaboration among policy makers, regulators and experts from industry and international and academic organizations to address key issues. These include expanding access to finance for micro-, small and medium enterprises and households in emerging markets; facilitating trade and supply chain finance; creating deep, liquid and integrated capital markets; expanding the region's institutional investor base and its capacity to finance infrastructure and other long-term projects; strengthening financial resilience; and harnessing innovation to build inclusive and efficient financial markets.

The APEC Business Advisory Council (ABAC) proposed the APFF's establishment to the APEC Finance Ministers, who launched the Forum at their 2013 annual meeting in Bali. APFF is one of the three policy initiatives under the APEC Finance Ministers' Process whose management was entrusted by the Ministers to ABAC, together with the Asia-Pacific Forum on Financial Inclusion and the Asia-Pacific Infrastructure Partnership (APIP).

Over 300 experts and senior representatives from more than 150 institutions collaborate in the APFF's undertakings. These institutions include financial services firms (global and regional commercial and investment banks, asset management companies, insurers, pension funds, Fintech firms), legal, accounting and related services firms, business and investor information service providers, international financial industry associations, finance, trade and justice ministries, regulatory authorities, multilateral development banks, international organizations and academic and research institutions.

The work of APFF covers key areas of financial markets that are critical to the development of the region's economy and financial services:

- Credit infrastructure (legal, regulatory and institutional ecosystems for credit information sharing, secured transactions and receivables/warehouse financing)
- Trade and supply chain finance (regulations, technological and innovative solutions to working capital access)
- Insurance and retirement income (retirement income market, infrastructure and capital market investment environment for insurers and pension funds, regulation and accounting standards, disaster risk financing and insurance, micro-insurance)
- Capital markets (repo and derivatives markets, information for capital market investors, regional funds passporting)
- Financial market infrastructure (ecosystem for cross-border portfolio investment, cybersecurity, know-your-customer rules, electronic payments)

In addition, APFF provides a platform for continuous dialogue between industry and the public sector with the involvement of subject matter experts from academic and research institutions and international organizations in areas such as the international financial architecture and financial technology (Fintech).

Link to APFF page: <https://www2.abaconline.org//page-content/22613276/Asia-Pacific%20Financial%20Forum>

## **ABOUT APFF'S WORK ON MICROINSURANCE**

In 2015, the APEC Finance Ministers incorporated in their Cebu Action Plan (CAP) the development of a roadmap to expand the coverage of microinsurance in APEC. To help implement this, the APFF Microinsurance Sub-Stream led by the GIZ Regulatory Framework Promotion of Pro-poor Insurance Markets in Asia (RFPI Asia) formed an international group of experts and leading representatives from insurance regulators, regional insurance companies, international network of insurance regulators, global network of microinsurance stakeholders, association of insurers, international foundation, international consulting/service company, and international development organizations to draft a roadmap for expanding the coverage of microinsurance in the region, referred to henceforth as the Microinsurance Roadmap (MIR). During the course of 2017, these stakeholders met twice in Vietnam (Hanoi and Hoi An) and once in Lima, Peru to progress the MIR, which has now been submitted for consideration by the APEC Finance Ministers.