



SHEforSHIELD:

INSURE WOMEN
TO BETTER
PROTECT ALL

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1. Abbreviations and Acronyms

AIG	American International Group Inc.	MENA	Middle East and North Africa
AMIS	Asociación Mexicana de Instituciones de Seguros	MFI	Micro Finance Institution
BCG	Boston Consulting Group	MSME	Micro, Small, and Medium Enterprises
CAGR	Compounded Annual Growth Rate	NGO	Non-Governmental Organization
GDP	Gross Domestic Product	OECD	Organisation for Economic Cooperation and Development
FMSAR	Federation Marocaine Des Societes D'Assurances et de Reassurance	OIC	Office of Insurance Commission (Thailand)
HUL	Hindustan Unilever Limited (India)	P&C	Property and Casualty Insurance
ICBC	Industrial and Commercial Bank of China Limited	SCR	Société Centrale de Réassurance
IFC	International Finance Corporation	SEWA	Self Employed Women's Association (India)
IFES	International Foundation for Electoral Systems	SME	Small and Medium Enterprises
ILO	International Labour Organization	UN	United Nations
IWPR	The Institute for Women's Policy Research	WEF	World Economic Forum
		WHO	World Health Organization



2. Acknowledgments

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The core working group of the initiative, led by Marieme Esther Dassanou, comprised Girish Bhaskaran Nair, Besa Rizzvanoli, Levan Shalamberidze, and Prapti Sherchan from IFC, and Assiba Bouazza, Helene Caillet, Mariana Donnelly, Anne-Charlotte Dymny, Quentin Gisserot, Claire Milliat, Amélie de Montchalin, Laura Rosado, and Marta Santamarta from AXA. Peter Wrede, Senior Insurance Specialist, World Bank Finance and Markets group provided technical expert advice and guidance to the working group.

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The team would like to thank the peer reviewers who also contributed their time and expertise: Martin Hommes, Meera Narayanaswamy, Heather Mae Kipnis, Yakhara Ngally Sembene, and Jessica Schnabel from IFC; Anne Barret and Isabella Falautano from AXA; and all IFC and AXA country offices in Brazil, China, Colombia, India, Indonesia, Mexico, Morocco, Nigeria, Thailand, and Turkey.

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3. Forewords

IFC



The insurance industry shows promising signs of growth in emerging economies. Yet, the industry has largely overlooked a key consumer segment: women.

Women in emerging economies are beginning to enjoy rising incomes and purchasing power. Their risk-mitigation needs, accordingly, are growing. By 2030, for example, the insurance industry is expected to earn up to \$1.7 trillion from women alone — half of it in just 10 emerging economies.

That's what we found in a ground-breaking study we conducted with AXA and Accenture, the results of which are presented here. At IFC, we believe that women are an important force for development — as consumers, employees, leaders, and entrepreneurs. We know from our experience working with banks that expanding access to finance for women-owned enterprises goes hand-in-hand with bank profitability.

We wanted to explore the possibility of achieving similar results in the insurance sector. That's why we decided to conduct the first-of-its-kind research on the business case for focusing on the women's insurance market. This report is very much in line with IFC's overall commitment to developing gender-smart solutions with our clients — so they can improve their businesses by strengthening women's roles in the private sector.

In our research, we asked how women can be better equipped to mitigate risks so they can live healthier and wealthier lives, protect their families, and grow their business. We also examined the prospects for women to buy more insurance. We found that women — unlike men — tend to buy insurance policies not only for themselves but also for their families. Women tend to be more alert to risks that confront their children and parents.

To forgo this key market segment, therefore, is to forgo significant revenue opportunities — and to miss an opportunity to drive economic growth. This report highlights a variety of ways for insurance companies to reach the women's market: by creating customized products, by leveraging the power of mobile technology, and by creating partnerships to educate women on their insurance options. We are confident that the findings can help plant the seeds for a thriving women-focused insurance market — enabling women to better protect themselves, their families, communities, and societies.

A handwritten signature in black ink that reads "Jin-Yong Cai". The signature is fluid and cursive.

Jin-Yong Cai
IFC Executive Vice President and CEO

AXA Group



Women hold up half the sky, or so the Chinese proverb goes. This has been true since the beginning of time. But today they are increasingly doing so with one hand, continuing to care for both their parents and children, and becoming breadwinners with the other, contributing to the development and growth of their economies. Women are the largest growth opportunity in the world, will soon represent more than half the university students worldwide, and by 2028 will control 75 percent of discretionary spending globally.¹ What is more, they are at the heart of significant global demographic and economic tectonic shifts, be it with regards to the aging of the population or the emergence of a massive middle class across high growth markets.

Yet more often than not, women continue to act behind the scenes. They feel — and are — vastly both undervalued and underserved, despite the remarkable strides in market power and social position they have made, even if at uneven speeds, across both developed and emerging economies. Few industries have taken into account the demands made on women's time due to conflicting priorities stemming from their work, their homes, their families. With regards to insurance, this report demonstrates that the industry has overlooked the fact that women, who are more risk-aware, are driving a shift in spending patterns, focusing more on things such as education, health, savings, and overall the holistic protection of their households. They are also risking the entrepreneurial leap and creating their own businesses. This grows their protection needs faster than those of men, and insurers have a genuine interest in filling in this growing protection gap. But women lack awareness and understanding of what is available, as well as access to relevant insurance products and proper advice — advice by women and men who understand their specific needs as women, but also as income earners and decision-makers.

As they will increasingly fuel tomorrow's growth, emerging markets are and will continue to be a strategic priority for AXA. One of our key ambitions is to contribute to their economic development through better and more wide-ranging risk-sharing, protection, and prevention. Protecting women is one of the key building blocks of this ambition, as we believe it will contribute to sustaining growth by bringing women into the workforce and raising the overall level of human capital, productivity, and wages.

This research comes at a critical time. There have been limited global resources allocated to better understanding women's attitudes towards insurance, their needs and expectations. This is true for the developed world but even more strikingly for the emerging one, which is why we decided to join forces with IFC and put our complementary heads together in order to improve the collective understanding of how insurers can best support and protect women. How we can empower the business owners, give the home-makers peace of mind, anticipate the needs of all. And by so doing, society as a whole.

By looking to fill this gap, we aim to further push the borders of insurability, thereby ultimately contributing to a more sustainable future that welcomes the world's transformations with open, prepared arms.

I hope the critical insights and recommendations offered in this report will help the wider industry but also all our partners and stakeholders at large further contribute to better catering to this half — to better protect the whole.

A handwritten signature in black ink, appearing to read 'Denis Duverne', written in a cursive, flowing style.

Denis Duverne
Deputy CEO, AXA Group

Accenture



Accenture is proud to have partnered with the International Finance Corporation and AXA on **SheforShield: Insure Women to Better Protect All**, a comprehensive report on the state of the women's insurance market in developing markets. This report explores the size and importance of the opportunity that the uptake of insurance among women represents for the insurance industry and the development community.

Insurance companies have long played a leading role in society — investing in the wellbeing of communities, helping individuals and families thrive in the face of uncertainty, and catalyzing innovation through businesses by offering products and solutions that fit the marketplace. Insurers once again have the opportunity to do good, and thus to do well — to transform the commercial and employment power of women in emerging markets and help them become a financially viable and vital customer base and workforce.

This report presents compelling evidence that women's consumer needs must be addressed in order to capitalize on the incredible growth potential in emerging markets. As individuals, they represent a multi-faceted customer base, with growing financial means that they are ready to invest in products that meet their life needs.

Women can play an important role in explaining and selling insurance products across customer segments, and especially to other women. Across the value chain, from the rural sales agent to the corporate executive, including women in the creation, marketing, and distribution of insurance products will help insurance companies sell *solutions* to meet the needs of their new customer base.

Clearly, the women's market in these countries — and in other emerging economies — represents an enormous opportunity for insurance companies. The report estimates that women's individual spending on insurance premiums will grow to three times its current size, to \$1.4 to \$1.7 trillion, by 2030. Women entrepreneurs are now one-third of the world's business owners, and they are looking for ways to expand their businesses and contribute more to the wealth and security of their families. Despite this, relatively few insurers are targeting the women's market and positioning themselves to share in the success of these entrepreneurs.

Opening up this large potential market will require investment and partnership across organizations and sectors. It will require an understanding of women's needs before developing products, and the transformation of single products into multi-layered solutions with wrap-around services and clear whole-family and business protection. By providing the right products and the right information, by expanding the role of women in their salesforce, and by providing the tools, training, and structure to help women sell effectively, insurers can foster economic growth while helping improve the lives of women around the world. Insurers that take this path can also open up new avenues for their own continuing, profitable growth.

We encourage all actors across the private, public, and development sectors to consider their role in furthering the advancement of women in the insurance sector — and watch as women cultivate, grow, and innovate both within their communities and globally with the support of the risk assurance community.

A handwritten signature in black ink, appearing to read 'Thomas D. Meyer', written in a cursive style.

Thomas D. Meyer
Accenture Insurance Industry Lead Europe, Africa and Latin America

The women's market of the 10 emerging economies covered in this report will represent up to half of the global women's market premium by 2030



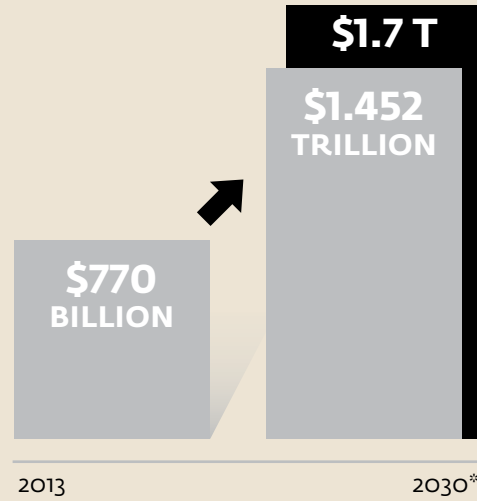
AT-A-GLANCE

GLOBAL OPPORTUNITY



2X GROWTH

2030 annual premium value of the women's global market is predicted to grow approximately TWICE the size of the 2013 market.



LIFE INSURANCE

2X
GROWTH

Annual premium value of the women's global life insurance market is predicted to grow from **\$448 billion** in 2013 to **\$825 – \$963 billion** in 2030.*



HEALTH INSURANCE

3-4X
GROWTH

Annual premium value of the women's global health insurance market is predicted to grow from **\$43 billion** in 2013 to **\$162 – \$184 billion** in 2030.*



NON-LIFE INSURANCE

2X
GROWTH

Annual premium value of the women's global non-life insurance market is predicted to grow from **\$279 billion** in 2013 to **\$465 – \$554 billion** in 2030.*

Trends:

What's causing this growth globally and in emerging markets?

Socioeconomic progress:


Women's willingness to spend on insurance:

Increase in women's tertiary education.

Household bargaining power.

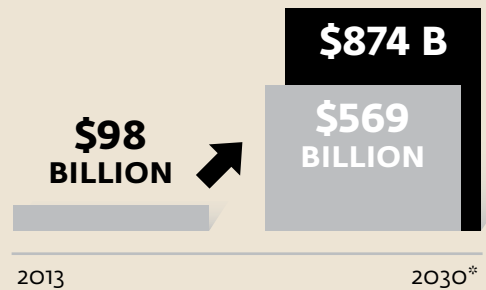
Independence as a result of an increase in income.

EMERGING MARKET OPPORTUNITY



6-9X GROWTH

2030 annual premium value of the women's global market is predicted to grow SIX to NINE times the size of the 2013 market.



LIFE INSURANCE

5-8X
GROWTH

Annual premium value of the women's global life insurance market is predicted to grow from **\$55 billion** in 2013 to **\$298 - \$458 billion** in 2030.*



HEALTH INSURANCE

6-9X
GROWTH

Annual premium value of the women's global health insurance market is predicted to grow from **\$5 billion** in 2013 to **\$29 - \$46 billion** in 2030.*



NON-LIFE INSURANCE

6-10X
GROWTH

Annual premium value of the women's global non-life insurance market is predicted to grow from **\$38 billion** in 2013 to **\$242 - \$370 billion** in 2030.*

Increase in women's labor force participation.

Increase in women's income in emerging markets.

Risk-awareness.

Women as conduit to family members.

Willingness to pay for peace of mind.

*The 2030 market size estimate is bounded by:

- a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
- b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman

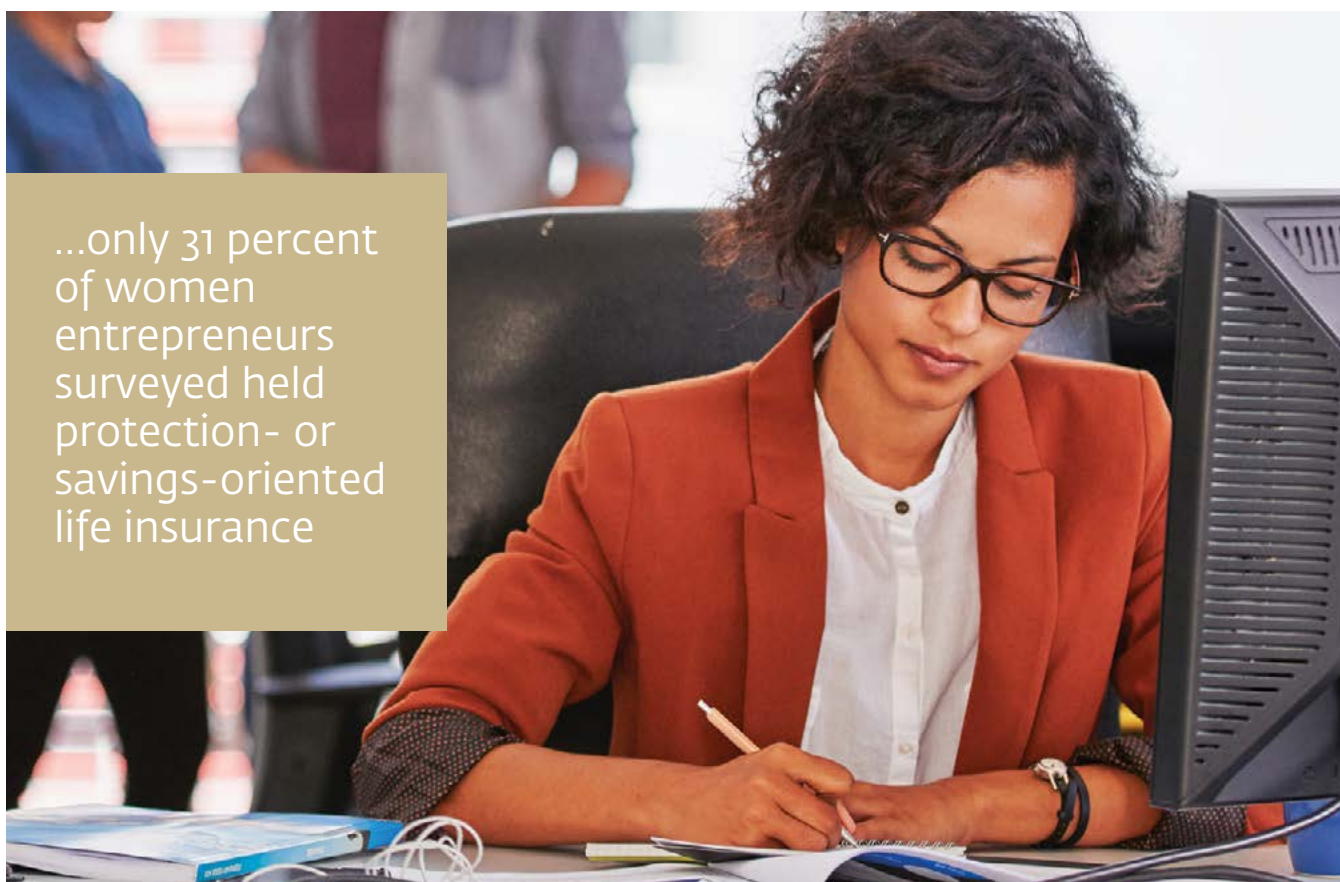
4. Executive Summary

The insurance industry plays an important role in the growth and stability of the global economy, providing individual, family, and community level protection against economic, social, and environmental shocks. Women are half of the world's population. They also represent more than half of all global graduates and increasingly participants in the workforce. When it comes to insurance — both uptake and distribution — and the protection it provides, women are therefore an essential market to target. Furthermore, women play a multi-faceted role in society which enables them to act as a conduit for social change and economic progress making them an increasingly important part of the population to protect. Yet to date, limited research has been done on the women's market. This report is the first of its kind to provide an understanding of how much growth the women's market alone represents for the insurance industry, and what women want and need from insurance products and services in particular in emerging markets. It also provides recommendations on how to attract and retain women as vital clients.

10 KEY INSIGHTS ABOUT WOMEN AND THEIR PROTECTION NEEDS

1. **WOMEN ON THE RISE — FROM BILLIONS TO TRILLIONS:** From a market of nearly \$800 billion in 2013, the women's market globally is expected to represent between \$1.45 and \$1.7 trillion by 2030.
2. **A RE-BALANCING ACT:** The women's market of the 10 emerging economies covered in this report will represent up to half of the global women's market premium by 2030. Women are gaining ground; their increased level of education, income, improved socioeconomic status, and their greater need for protection make them a big opportunity for insurers. This is strongly reflected in a very simple yet telling number: women across the world are willing to invest 90 percent of their income into their households.²
3. **A VALUABLE CLIENT:** Women's attitudes toward fraud, claims, loyalty, their roles as a trusted source of recommendations, and their relational rather than transactional approach to networks make them a valuable customer and an inexpensive brand ambassador for insurers.
4. **IT'S NOT ONLY ABOUT MONEY:** It's more than just financial compensation for loss. Women want protection and peace of mind not only for themselves, but also for their husbands, children, and parents. They do not want to be a burden; they want short-term simplicity and long-term stability, advice, and support.
5. **IT'S ALL ABOUT LIFE'S BIG MOMENTS:** Women's needs and preferences differ by segment and lifecycle events, requiring insurers to tailor products and services. There are five to six tipping points during a woman's life at which she makes a significant amount of her insurance related decisions: marriage, entering the workforce, buying a house/car, having children, divorce/widowhood, and retirement. She has little time to think about protection products on a regular basis.

6. **THE BIRTH OF A SALESWOMAN:** Women in the insurance industry are a performing salesforce. In particular, their point of differentiation relates to their ability to develop long-term client relationships, thereby improving client retention and possibly influencing the iterative uptake of insurance products with existing clients.
7. **EMPOWER WOMEN ENTREPRENEURS:** One-third of the world's entrepreneurs are women who want to grow their business and take more calculated risks, but who face a glaring gender gap and access to finance. By helping them manage the risks, insurance increases women's ability to access credit and helps them to make this leap.
8. **ONE SIZE DOESN'T FIT EVERY WOMAN:** Women are not a homogeneous group but are a diverse market with different needs depending on their income, location, employment, and status. Different women face different constraints in accessing and using insurance.
9. **DIGITAL CHANNELS: NOT ONLY FOR THE YOUNG, BUT ALSO FOR THE TIME-POOR:** Insurers need to leverage digital distribution channels to increase awareness and communicate with women clients, as they have recourse to time-gaining digital services to manage both their family and professional agendas. Given women's role as conduits and the value they place on peer-to-peer recommendations, their lack of time and desire to save it, insurers should leverage targeted social networks and mobility.
10. **STRONGER TOGETHER:** Partnerships with governments, non-governmental organizations, women's associations, and other private sector players can be developed to expand access to insurance for women. In particular, given the extent to which women tend to lack time and look to save it, they often see value in buying things together thanks to "transitive trust" i.e. if one brand/provider trusts another enough to partner with it, then so will the woman client. The insurance industry should look to identify the right private partner(s) with whom to envisage a bundled offer.



Recommendations



Step 1:

Build intelligence on women's insurance needs

- **Gather** gender-disaggregated data across the insurance value chain to further analyze and build the strategy for the women's market opportunity;
- **Monitor** gender-disaggregated data across the insurance value chain to track the performance of, and refine the strategy for the women's market;
- **Analyze** existing data and collect new information on women's demographics, socioeconomic trends, as well as needs and behaviors to 1) segment women's market 2) design targeted products and services and 3) implement dedicated marketing and distribution strategies.



Step 2:

Develop targeted value propositions for women segments

- **Conduct** more in-depth focus groups for each segment to further understand needs and cultural nuances;
- **Develop** targeted products for women client segments based on segment specific needs (e.g. conditional payouts or product bundles);
- **Provide** wrap-around services to enhance product value by helping women address everyday needs.



Step 3:

Improve distribution and proximity to women clients

- **Use** a digital approach as an opportunity to increase proximity with women clients and sell insurance through mobile and online channels;
- **Build** on women's specific networking and advocacy habits to increase proximity to women clients and increase their trust in insurance companies;
- **Provide** clear, relevant coverage information and targeted risk management advice to reduce the time and cost for women to research products;
- **Engage** and empower more women in the insurance salesforce and within other departments of insurance companies i.e. actuaries, product designers, marketers, and mid-management, to represent the needs of and create affinities with women clients;
- **Provide** gender sensitive training to the salesforce to better engage women clients;
- **Engage** in partnerships to expand women's access to and use of insurance and enhance product and service value.



5. Objectives and Methodology

This report is a call-to-action for insurers to recognize the potential of women as clients and distributors. Specifically, this report will:

1. **Present the business opportunity** in the women's insurance market globally and within 10 emerging markets.
2. **Identify drivers of growth**, be they micro or macro, in the women's insurance market that make them a valuable market segment.
3. **Highlight women's needs, preferences, and constraints** in accessing and using insurance products. Examine different behaviors, needs/ preferences, and constraints faced by different segments of women clients.
4. **Examine women's role and impact as members of the distribution force**, including how women's skills can be leveraged to increase the uptake of insurance within the 10 emerging markets and beyond.
5. **Identify recommendations** for insurers to begin unlocking the potential within the women's market, while working with other industries, governments, and non-governmental organizations (NGOs).

As this is the first global report of its kind on the topic of women and insurance, the findings do not represent all women in each market. Opportunity drivers, recommendations, and constraints for women vary across geographies and socioeconomic brackets, and additional research is required to tailor services in order to respond to different market needs.

Scope of the Report

The report is global in scope, with a specific focus on 10 emerging markets - Brazil, China, Colombia, India, Indonesia, Mexico, Morocco, Nigeria, Thailand, and Turkey. These countries were selected because the socioeconomic advancements made by women in these markets are expected to further increase the need for insurance to protect their growing assets and independence. In addition, insurance growth in these markets is outpacing growth in developed markets.

Market Research

A combination of in-person interviews, surveys, and desk research was conducted.

1. **Primary Research:** 174 interviews were conducted with representatives from the insurance industry, brokers, agents, women clients, regulators, and insurance associations.
2. **Secondary Research:** Global literature on gender, insurance, and development was reviewed to understand women's insurance needs and existing insurance initiatives that targeted women.

Modelling — Estimating the Market Opportunity

The annual premium spend by women retail clients³ was estimated based on the population of women in the labor force, income earned per woman, and insurance as a percentage of consumer spending. The market size does not include commercial spending.⁴

A range is provided for 2030 market forecasts. The lower boundary of the range represents the "baseline growth" i.e. predicted market-specific changes in socioeconomic factors such as labor force participation and income. The upper boundary represents "opportunistic growth," which assumes successful efforts in targeting more women to purchase insurance and in upselling/cross-selling more products to women.

For more information on the methodology, please refer to Annex C: Detailed Methodology.



Women play a multifaceted role in society which enables them to act as a conduit for social change and economic progress

6. Women on the Rise: From Billions to Trillions

Globally, women's income is projected to reach \$6 trillion by 2017, and, by 2028, women are expected to control close to 75 percent of discretionary spending worldwide.⁵ Changes in women's socioeconomic status, while different across regions, are increasingly empowering women to influence and make decisions.⁶ Women are not just earning more, but are also increasingly deciding how their wealth, that of their households and businesses, is spent.

In addition to being a fast growing segment, women exhibit behaviors that make them a highly valuable customer base for insurers. From women's lower tolerance toward fraud to their role as advocates for insurance, they represent an opportunity for insurers to capture significant growth at potentially better margins.

Finally, providing better protection for women is an investment in society. Women tend to reinvest up to 90 percent of their income back into their children's education, nutrition, and health needs, which makes them a vehicle for growth for their families' and societies' well-being. Women's focus on education and health also helps grow these industries, which are critical to the development of economies. Thus, by helping women protect and increase their income and assets, and empowering women through informed risk taking, insurers are indirectly helping to grow society overall.

"Whoever targets women clients in the market first will have a first-mover advantage and earn the fast-growing income of this increasingly important customer base."

— Executive, National Insurer, Beijing, China

6.1 WOMEN ON THE RISE: A STRONG GROWTH OPPORTUNITY

A — Global and Accelerated Growth Across the Board

The women's insurance market represents a significant and exciting growth opportunity for insurers globally, and within the 10 focus markets in particular. Currently, the annual premium value of the global women's retail insurance market across life, non-life, and health product lines is \$770 billion,⁷ 17 percent of the \$4.6 trillion⁸ in total global retail and commercial insurance premium volume. By 2030, the annual premium value of the global women's retail insurance market is predicted to range from \$1.452 trillion to \$1.701 trillion,⁹ representing approximately 19 percent to 22 percent of the projected total global retail and commercial insurance market in 2030. The 2030 market size estimate is bounded on the lower end by baseline growth (growth from projected market-specific improvements in women's socioeconomic conditions) and on the upper end by opportunistic growth (additional growth assuming successful targeting of women clients in upselling and/or cross-selling).¹⁰

Within the 10 emerging markets,¹¹ the growth rate of the women's retail insurance market is even higher. Currently, the annual women's retail insurance market size in these 10 focus markets across all product lines is \$98 billion, or 18 percent of the \$527 billion in total retail and commercial insurance premium volume.¹² By 2030, the projected

annual women's retail insurance market size is expected to grow six to nine times its current size to \$569 billion¹³ to \$874 billion,¹⁴ representing 22 percent to 33 percent of the total retail and commercial insurance market value of \$2.6 trillion in these 10 markets¹⁵ (see Graph 1 right).

Within the 10 focus countries, the largest women's insurance markets are projected to be China and Brazil (see Figure 1 facing page).

Furthermore, in examining the market size and growth rate, the current market maturity is taken into account. While China and Brazil are expected to have the largest markets in 2030, they are also currently larger than other markets. The fastest growth rate is actually projected to occur in Indonesia and Nigeria (see Graphs 2 and 3 facing page) due to the rapid growth expected in both the insurance industry and in women's socioeconomic development, particularly in women's income.

Graph 1: Women's Retail vs. Total Retail and Commercial Insurance Market Size in the 10 Focus Markets (US\$ B)

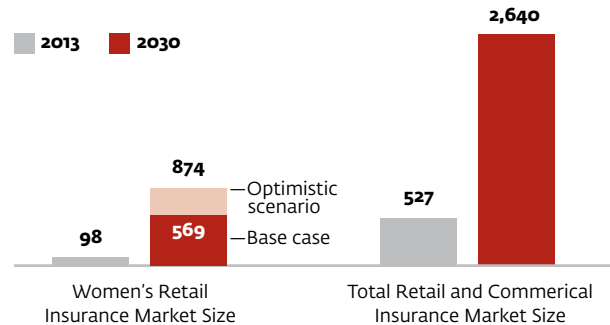
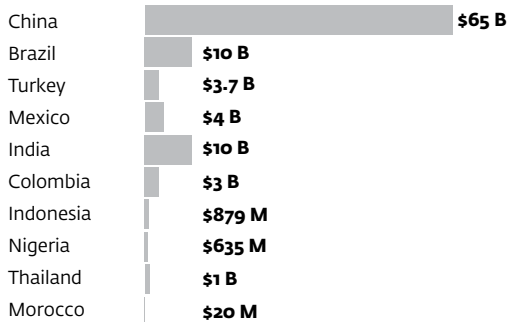


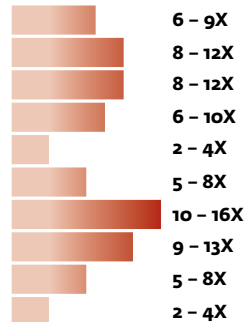
Figure 1: Projected Women's Insurance Market Size in 2030 in the 10 Focus Markets



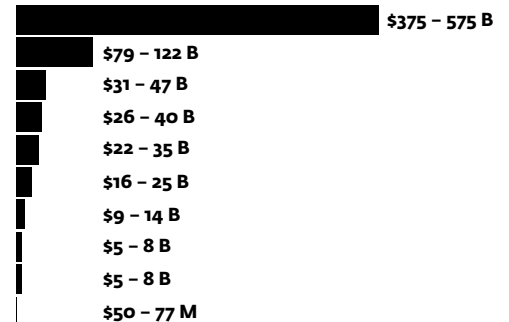
Graph 2: 2013 Women's Insurance Market Size in the 10 Focus Markets (USD)



Growth from 2013-2030
(As a Multiple of its 2013 Size)



Graph 3: 2030 Women's Insurance Market Size in the 10 Focus Markets (USD)



B — Projected Growth in Life Insurance

Globally, the annual women’s retail life insurance market is estimated to be \$448 billion, approximately 17 percent of the total global retail and commercial life insurance market value of \$2.6 trillion.¹⁶ By 2030, the annual women’s retail life insurance market is expected to grow between \$825 billion and \$963 billion, growing at a 3.7 percent to 4.6 percent compounded annual growth rate (CAGR), a slightly faster rate than the global retail and commercial life insurance market which is at 3.3 percent.

Across the 10 focus markets, the current annual women’s retail life insurance market value of \$55 billion is projected to grow by a CAGR of 10.4 percent to 13.2 percent to reach

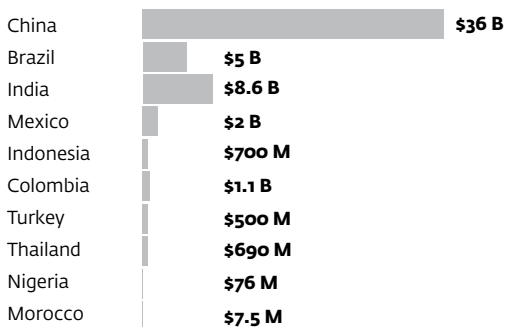
\$298 billion to \$458 billion by 2030. The women’s retail life insurance market is projected to be the largest in China, Brazil, and India (see Figure 2, Graphs 4 and 5 below). In comparison, growth figures in life insurance overall in emerging markets range from a CAGR of 3.9 percent to 8.9 percent.¹⁷

Life insurance policies which include savings and retirement products are especially important for women due to their longer life expectancy. In the 10 focus markets, women outlive men by an average of five more years, with higher age gaps in Brazil, Colombia, Indonesia, Thailand, and Turkey (see Graph 6 right). However, the statutory retirement age for women in many countries is lower than men’s and does not reflect this dramatic

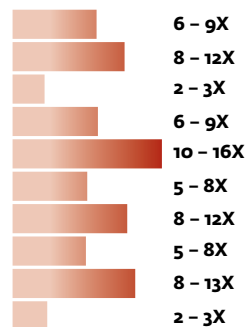
Figure 2: Projected Women’s Life Insurance Market Size in 2030 in the 10 Focus Markets



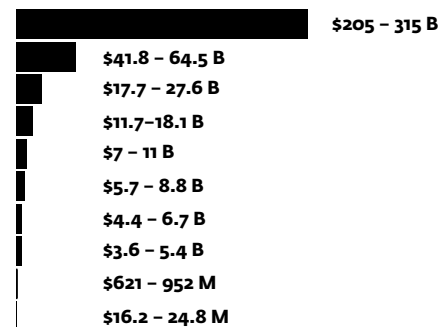
Graph 4: 2013 Women’s Life Insurance Market Size in the 10 Focus Markets (USD)



Growth from 2013-2030
(As a Multiple of its 2013 Size)



Graph 5: 2030 Women’s Life Insurance Market Size in the 10 Focus Markets (USD)



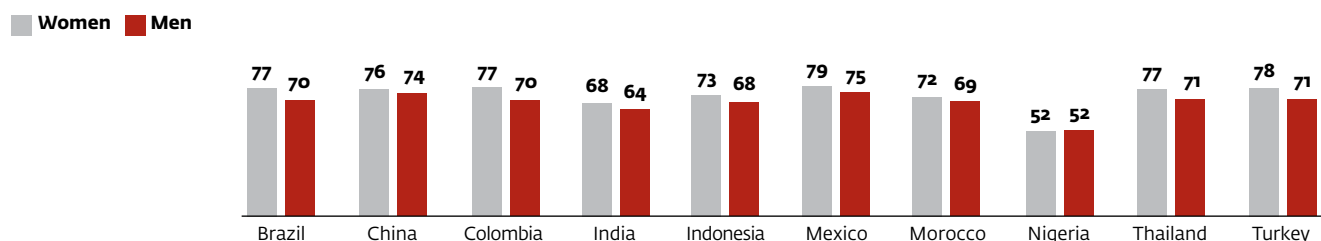
difference in life expectancy (see Graph 7 below). Because women may not work for as many years as men and are more likely to have worked part-time due to care responsibilities, they do not contribute as much to their pension over their lifetime. This widening gap between retirement and life expectancy means it will be more important than ever to make sure women have adequate savings and pensions.

Findings from the International Labour Organization (ILO) show that women are more likely than men to be concerned about being a burden to their families (for example, due to outstanding debts).¹⁸ Women, particularly working mothers, also want peace of mind in controlling who will receive their financial benefits after they pass away, as they want to leave their assets to their children.

Market interviews in Mexico show that more women will designate their children, not their spouses, as beneficiaries. This type of post-mortem financial security is what protection-oriented life insurance is designed to provide.

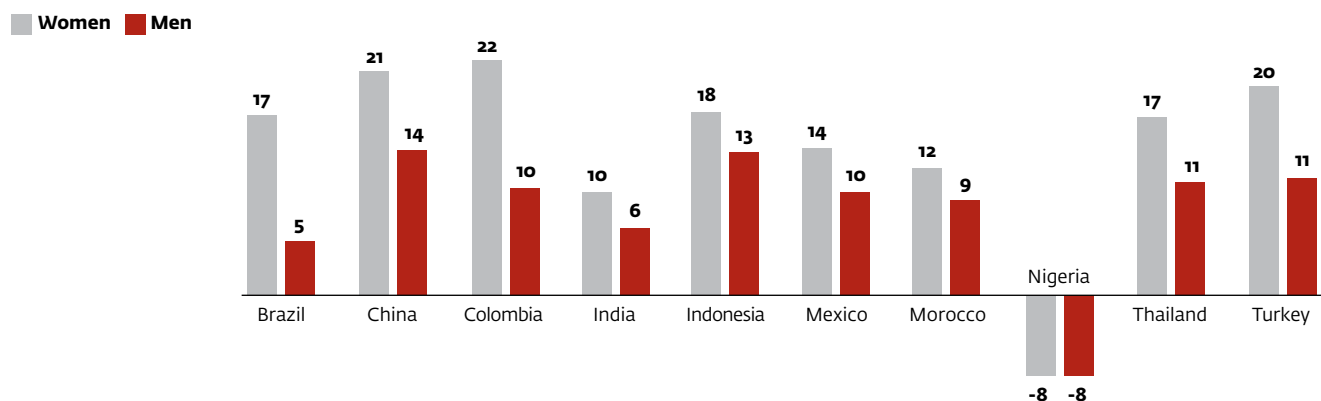
The potential of the women's life insurance market has been recognized in a few countries. For example, a report by the Society of Actuaries in the United States establishes a strong business case for life insurers to target women in China. The report states that, "[...] the market would seem to be ripe for a company to develop and implement a women's marketing initiative," as women in China buy life insurance for "[...] security, to protect their families, and provide peace of mind."¹⁹

Graph 6: Life Expectancy in Years of Women vs. Men in the 10 Focus Markets



Source: Economist Intelligence Unit, "Country Forecast," Economist Intelligence Unit Database, accessed January 2015.

Graph 7: Gap in Years Between Life Expectancy and Statutory Retirement Age for Women and Men



Note: The negative gap experienced in Nigeria occurs as the average life expectancy is lower than the average pension age. This does not represent all individuals, but is instead an average across the country.

Sources: Economist Intelligence Unit, "Country Forecast," Economist Intelligence Unit Database, accessed January 2015. International labor Office, "ILO Social Security Inquiry; Indicator: old-age pensioners recipient ratio above retirement age," ILO Database, accessed April 2015.

C — Projected Growth in Health Insurance

Demand for health insurance is attributed to a complex interplay of income level, availability of private healthcare, public health systems, and population growth, so no single factor can be attributed to the growth predicted in the women's market.

Although the present monetary value for women's retail health insurance is low in comparison to other product lines,²⁰ interviews with women across the 10 focus markets show great demand for private health insurance. Currently, most health insurance coverage is extended either through the government or the employer. However, as women transition from the lower to middle income brackets, they are increasingly seeking better coverage, treatment facilities, and faster care for themselves and their families.²¹ Out-of-pocket payment for these enhanced medical treatments may become too expensive without insurance coverage, hence the increasing demand for private health insurance.

Globally, the annual women's retail health insurance market is estimated to be \$43 billion in 2013, and is expected to grow to \$162 billion to \$184 billion with an annual CAGR of between 8.2 percent and 9 percent by 2030. While limited data is available on the global retail health insurance market size, the total global private health insurance market, which includes both individual insurance spend and employee benefit coverage, is currently valued at \$1.25 trillion,²² with a projected CAGR of 3.2 percent.²³

“Having private healthcare coverage is the second most desirable item in Brazil after having your own house.”

— Representative, BTG Pactual Asset Management Bank, Brazil



Life insurance policies which include savings and retirement products are especially important for women due to their longer life expectancy

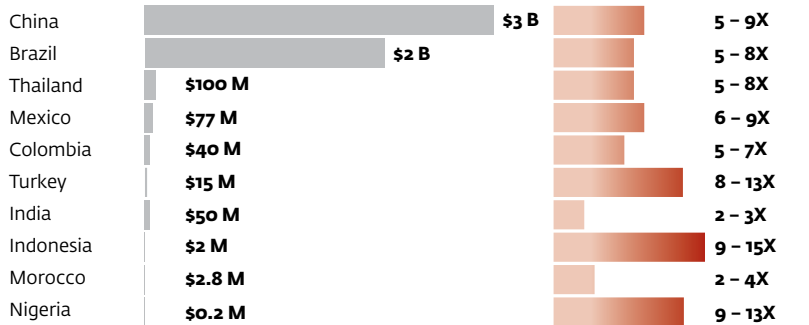
Across the 10 focus markets, the current annual retail women's health insurance market value of \$5 billion is projected to grow by a CAGR of 10.8 percent to 13.8 percent to reach \$29 billion to \$46 billion by 2030. The women's retail health insurance market is projected to be the largest in China and Brazil (see Figure 3, Graphs 8 and 9 below). In

comparison, the predicted CAGR of the total private health insurance market, in emerging markets, which includes both individual insurance spend and employee benefit coverage, is 9.6 percent, with the highest growth projected in Asia.²⁴

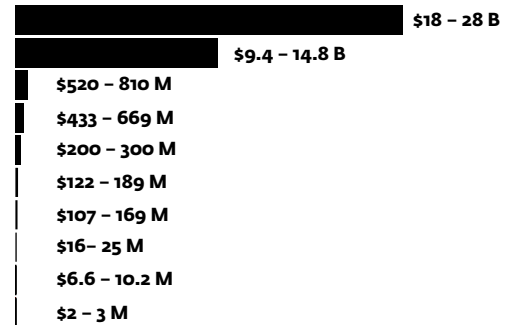
Figure 3: Projected Women's Private Health Insurance Market Size in 2030 in the 10 Focus Markets



Graph 8: 2013 Women's Private Health Insurance Market Size in the 10 Focus Markets (USD)



Graph 9: 2030 Women's Private Health Insurance Market Size in the 10 Focus Markets (USD)



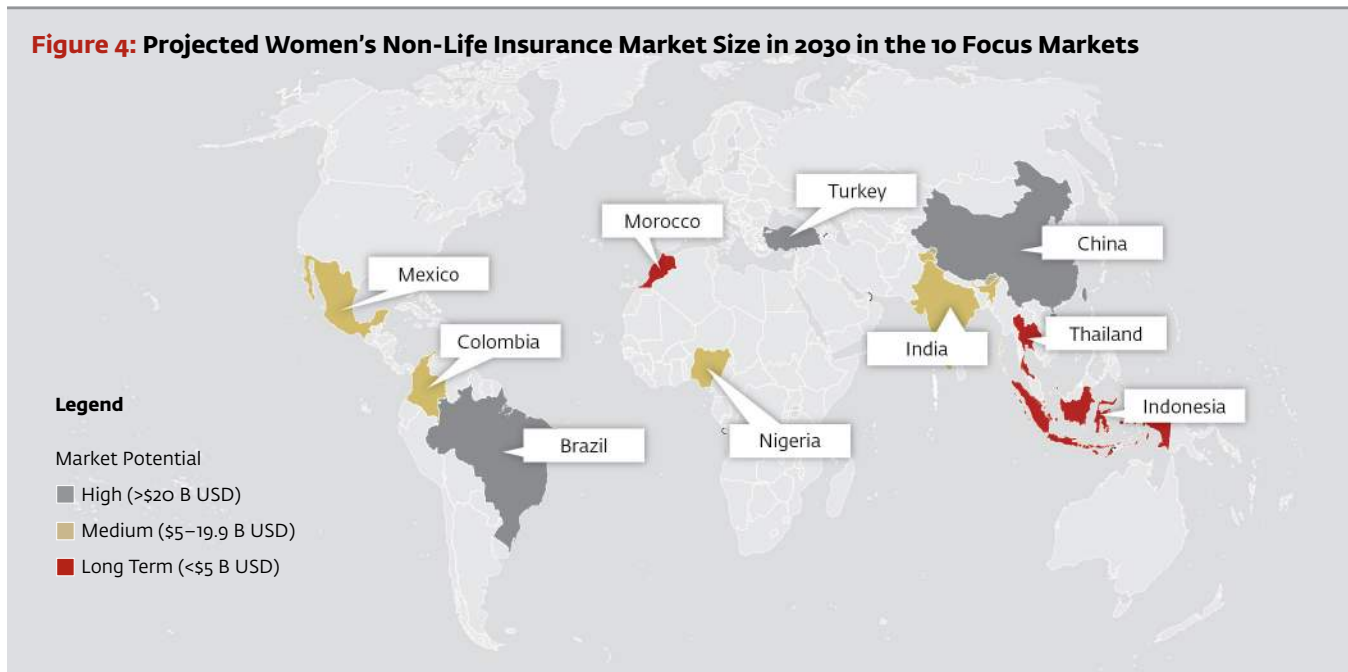
D — Projected Growth in Non-Life Insurance

Globally, the annual women’s retail non-life insurance²⁵ market is estimated to be \$279 billion in 2013, approximately 35 percent of the estimated total retail and commercial non-life insurance market value of \$784 billion.²⁶ By 2030, the annual retail women’s non-life market is expected to grow to between \$465 billion and \$554 billion. The CAGR of the women’s global retail non-life insurance market is predicted to be between

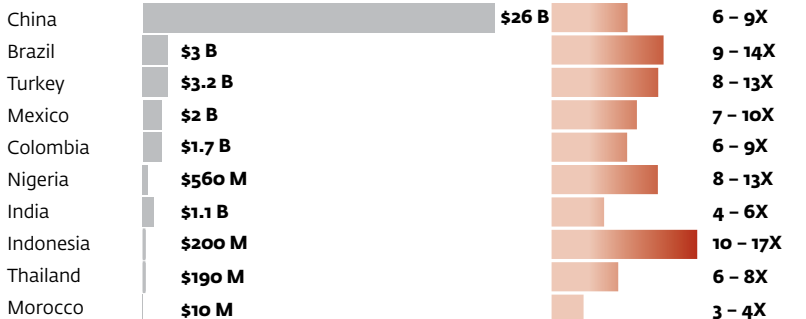
3.1 percent and 4.1 percent, above the 2.7 percent CAGR projected for the overall global retail and commercial non-life market.²⁷

Across the 10 focus markets, the current annual women’s retail non-life insurance market value of \$38 billion is projected to grow by a CAGR of 11.6 percent to 14.4 percent to reach \$242 billion to \$370 billion by 2030. The women’s retail non-life insurance market is projected to be the largest in China, Brazil, and Turkey (See Figure 4, Graphs 10 and 11 below). In comparison, the predicted

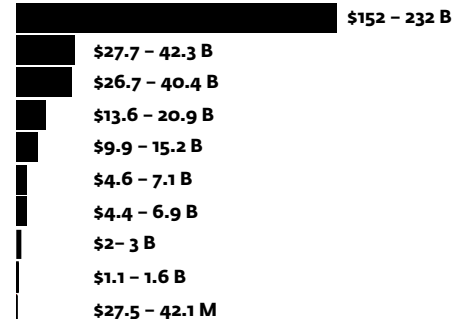
Figure 4: Projected Women’s Non-Life Insurance Market Size in 2030 in the 10 Focus Markets



Graph 10: 2013 Women’s Non-Life Insurance Market Size in the 10 Focus Markets (USD)



Graph 11: 2030 Women’s Non-Life Insurance Market Size in the 10 Focus Markets (USD)



CAGR of the total retail and commercial non-life insurance market across emerging markets ranges from a CAGR of 4.2 percent to 7.7 percent²⁸

While a rise in women’s income and independence may not be observed across all markets and segments,²⁹ for women who are accumulating wealth independent from their spouses or families an increase in their purchase of assets is expected, such as cars and homes, which will need non-life or Property and Casualty (P&C) protection. This is forecasted in particular for single, salaried women. In addition, as women purchase more expensive assets, a proportional increase in insurance coverage is projected.³⁰

E – What’s the Growth Engine?

Market research in the 10 focus markets identified two opportunity drivers for the women’s market growth. The first opportunity driver is the progress in women’s socioeconomic conditions. In markets where more women are gaining tertiary education, entering the labor force, and earning a higher income, they have a higher ability to spend on insurance. The second opportunity driver is an increase in women’s willingness to spend on insurance. With increased income, women are also enjoying greater spending and household bargaining power. These two opportunity drivers are observed in the 10 focus markets, but occur to varying degrees, requiring a local perspective to understand how they apply to each market and income segment.

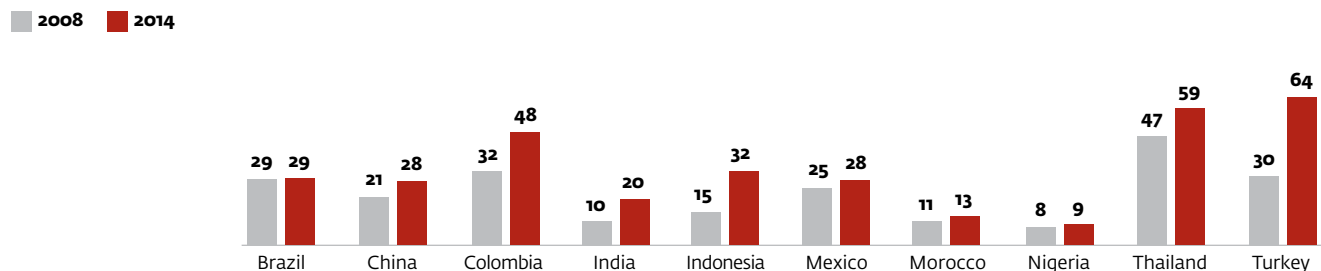
1. SOCIOECONOMIC PROGRESS ENHANCES WOMEN’S

ABILITY TO SPEND. Trends in women’s socioeconomic progress, and hence growth in women’s insurance purchase, vary by market; however, in general, as more women earn an education and enter the labor force, their spending power will increase.

Trend 1: Increase in women’s tertiary education. Nine out of the 10 focus markets have experienced an increase in women’s tertiary education enrollment from 2008 – 2014³¹ (see Graph 12 below). The average increase in tertiary education enrollment was 6 percent per year for women, compared to 4 percent per year for men. A report by Goldman Sachs indicated that tertiary education builds skills “important for the development of new knowledge and adaptation of new technology.”³² While the impact of tertiary education varies by region, the additional skills learned through tertiary education can have a direct link to women’s ability to access formal jobs.³³

Organisation for Economic Co-operation and Development (OECD) studies also connect tertiary education to a better understanding of formal risk mitigation tools.³⁴ As more women gain tertiary education, more will understand the value of formal protection methods, such as insurance, to mitigate their personal and business risks. This was also reflected in the market interviews — 55 percent of insurers and regulators interviewed believed that tertiary education has a positive correlation with insurance purchase.

Graph 12: Female Enrollment in Tertiary Education in the 10 Focus Markets (%)



Source: World Economic Forum, “The Global Gender Gap Report,” *Insight Report*, (2008 and 2014).

Trend 2: Increase in women's labor force participation. Although overall labor force participation rates globally have stalled due to economic slowdown,³⁵ female labor force participation has increased in five of the 10 focus markets — Brazil, Mexico, Morocco, Nigeria, and Turkey³⁶ (see Graph 13 below). The growth rate in female labor force participation across these five markets ranges from 1 percent to 4 percent per year. In comparison, higher growth in men's labor force participation has only been experienced in Brazil and Thailand, with growth rates ranging from 0.2 percent to 0.4 percent per year. Higher growth in women's labor force participation means that within these markets, more women are gaining access to income and the capability to purchase insurance.

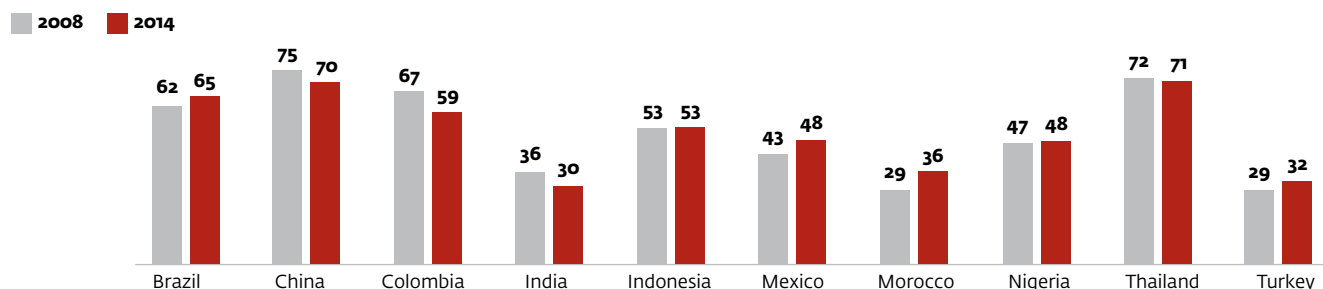
“As women are more educated, they will have greater acknowledgment of products and risks, which will result in an increased willingness to purchase insurance.”

— Executive, Zurich Insurance Group, Bogotá, Colombia

As women enter the workforce, they are more likely than men to ask for insurance from their employers. An International Foundation for Electoral Systems/Institute for Women's Policy Research (IFES/IWPR) study showed that in Morocco, more employed women than employed men receive employment benefits, including insurance;³⁷ 26 percent of working women hold employer-provided health insurance, compared to only 14 percent of working men, and 27 percent of working women hold pension/retirement products compared to 17 percent of working men.³⁸ In addition, evidence from the United Kingdom showed that more women than men value medical insurance from their employers (32 percent women vs. 24 percent men selected health as a top workplace benefit).³⁹

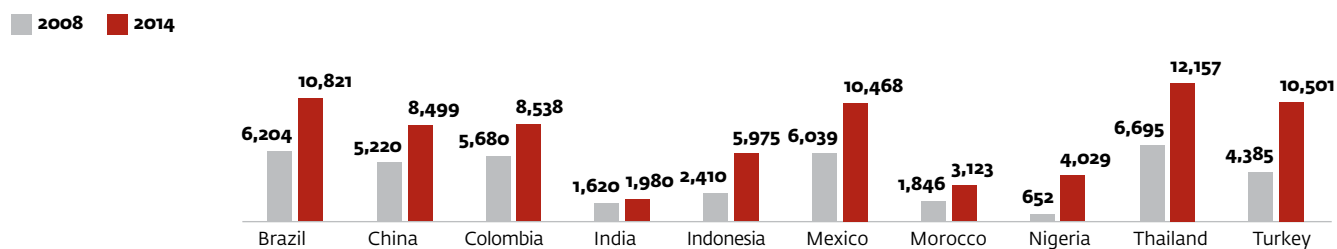
Trend 3: Increase in women's income in emerging markets. While a wage gap still exists, women's income is expected to grow at a faster rate than men's. Within emerging markets, women's income is expected to rise at 8.1 percent per year, compared to the 5.8 percent growth rate projected for men.⁴⁰ Within the 10 focus markets, women's income is expected to grow at rates ranging from 3 percent to 13 percent per year, with the highest growth rate projected in Brazil, Indonesia, and Nigeria, and the lowest in India and Morocco (see Graph 14 right).

Graph 13: Female Labor Force Participation Rates in the 10 Focus Markets (% of women ages 15–64)



Source: World Economic Forum, “The Global Gender Gap Report,” *Insight Reports*, (2008 and 2014)

Graph 14: Women's Estimated Earned Income in the 10 Focus Markets (PPP, US \$)



Source: World Economic Forum, "The Global Gender Gap Report," *Insight Reports*, (2008 and 2014)

65 percent of insurers and regulators interviewed for this study agreed that there is a positive correlation between insurance purchase and women's income. Different markets show different understanding of how income is related to insurance purchases. In Morocco, an executive from Wafa Insurance stated, "There is an S shape relationship between women's income and insurance purchase — purchasing rate is low in the lower income bracket, grows rapidly within the middle income bracket and levels out within the higher income bracket." According to the executive, women in the upper income class are more likely to seek add-ons to their current insurance policy as opposed to purchasing new products. In contrast, in Mexico, an executive from Zurich Seguros stated that the relationship between income and insurance is a "U" shape, where the lower and higher income brackets recognize the need for insurance, while the middle income bracket assumes it has the wealth to pay out of pocket. Given the market differences in purchasing behavior, it will be important for insurers to understand the unique relationship between women's income and the purchase of insurance in each market.

2. INCREASE IN WOMEN'S WILLINGNESS TO SPEND ON INSURANCE. As women's economic contributions to their household increase, they gain bargaining and spending power and have shown to be more willing to spend on insurance. However, the World Development Report 2012 noted that this may not be consistent across all markets and income brackets.⁴¹ In some societies, improvements in women's economic position may challenge existing societal norms on women's roles and lead to conflict within the family.⁴² Therefore, it is important to take existing social and cultural factors into account when considering the following trends in any individual market.

Trend 1: Women may have more household bargaining power and independence with increases in income.

A Goldman Sachs report states that as women earn more income and increase their household financial contributions, they tend to have greater influence on household spending.⁴³ 83 percent of working women clients interviewed for this study either jointly — with their spouses — or independently make financial decisions for their households. Women in Morocco were more likely to make joint decisions with their spouses, while women in China and Thailand were more likely to make decisions independently of their spouses. As contributors to household decisions, women spend differently, focusing their dollars on improving and protecting their household welfare.

Not only are more women making their own financial decisions, they are also increasingly heading up households. A Goldman Sachs report states that 20 percent of households globally were headed by women in 2009, especially in Mexico, Nigeria, and Turkey, where female-headed households are becoming increasingly common due to urbanization.^{44, 45} As more women head up households, a corresponding increase in women making insurance purchasing decisions for their families is expected.

For example, a South African mutual insurer, Assupol, found that as women become more substantial contributors to household income, they are more likely to purchase insurance than men because they are more concerned about protection.⁴⁶ For Assupol, women accounted for two-thirds of its new sales in 2014, higher than what was predicted by the gender makeup of its client base.⁴⁷

Trend 2: Women are more risk-aware and are willing to pay for peace of mind.^{48, 49, 50}

Women are more risk-aware than men,⁵¹ and are willing to spend more than men to protect against risks faced by themselves and their families. For example, women across demographic segments in China, Mexico, and Nigeria indicated that they were willing to spend 10 to 20 percent of their income to protect against risks in the future, compared to the 7 to 10 percent stated by men in China and Mexico. Patricia, a young professional in Mexico City, Mexico, stated, "I'd rather spend some of my income now to make sure I have a [financial] backup in case something happens." Currently, women in these markets spend between 5 and 8 percent of their income on insurance, indicating enormous potential for growth.

Trend 3: Women act as conduits to the family. Women, particularly working mothers, tend to purchase insurance for their parents, spouses, and children. For example, Bai, a female agent in Beijing, China, stated, "In China, buying insurance for the family is often a woman's task because they are more likely to be concerned about the needs of the family. Men are more self-focused, while women spend money to promote their family. The majority of my [life insurance] clients are women; they are the ones asking me for family products."

As conduits to their larger family, targeting women clients can both increase the number of products an insurer can cross-sell, and decrease costs by channeling distribution through one decision-maker or influencer.

"It's not about the probability of something happening. It's about me sleeping better at night knowing that my children and family are protected, because accidents happen all the time."

— Lin, Working Mother, Beijing, China

"Women are vectors for the promotion of insurance. They are protective and could indeed influence greatly the uptake of insurance."

— Executive, Société Centrale de Réassurance, Casablanca, Morocco

6.2 WOMEN: VALUABLE CLIENTS

Not only does the women's market show high growth potential, but women's behaviors, roles, and responsibilities also make them an attractive customer base that can help insurers improve their operational risks, lower operating costs and grow their customer base.

A — Both Honest...

Academic studies on fraud behavior have shown that women are less likely to engage in fraudulent behavior, and file fewer fictitious claims than men.⁵² Similarly, an Accenture study found that globally, 86 percent of women vs. 82 percent of men found it unacceptable to overstate the value of their claims.⁵³ The same Accenture survey revealed that 12 percent of women vs. 17 percent of men overstated their auto insurance claim, while 17 percent of women vs. 24 percent of men overstated their home insurance claim.⁵⁴ Fraud is a major issue for insurers — a study by the U.S. Insurance Research Council indicated that \$.17 to \$.29 of each dollar spent on motor claims covers consequences of fraud.⁵⁵ By growing the percentage of clients who are less likely to commit fraud, insurers can grow their revenues without a proportional increase in fraud risk.

B — ...and Loyal

Another finding of the Accenture study shows that women clients were 8 percent less likely than men to switch their insurance provider,⁵⁶ while a study in the Netherlands indicated that women respondents were less likely than men to switch health insurers (83 percent vs. 81 percent).⁵⁷ A study by Bain & Company in the United States found that a loyal active client's lifetime value is worth close to seven times that of a detractor, and two to three times of a passive client.⁵⁸ Given that loyal clients purchase more products and usually cost less to serve, women clients represent a potentially profitable market segment.

C — Women — Great Brand Ambassadors

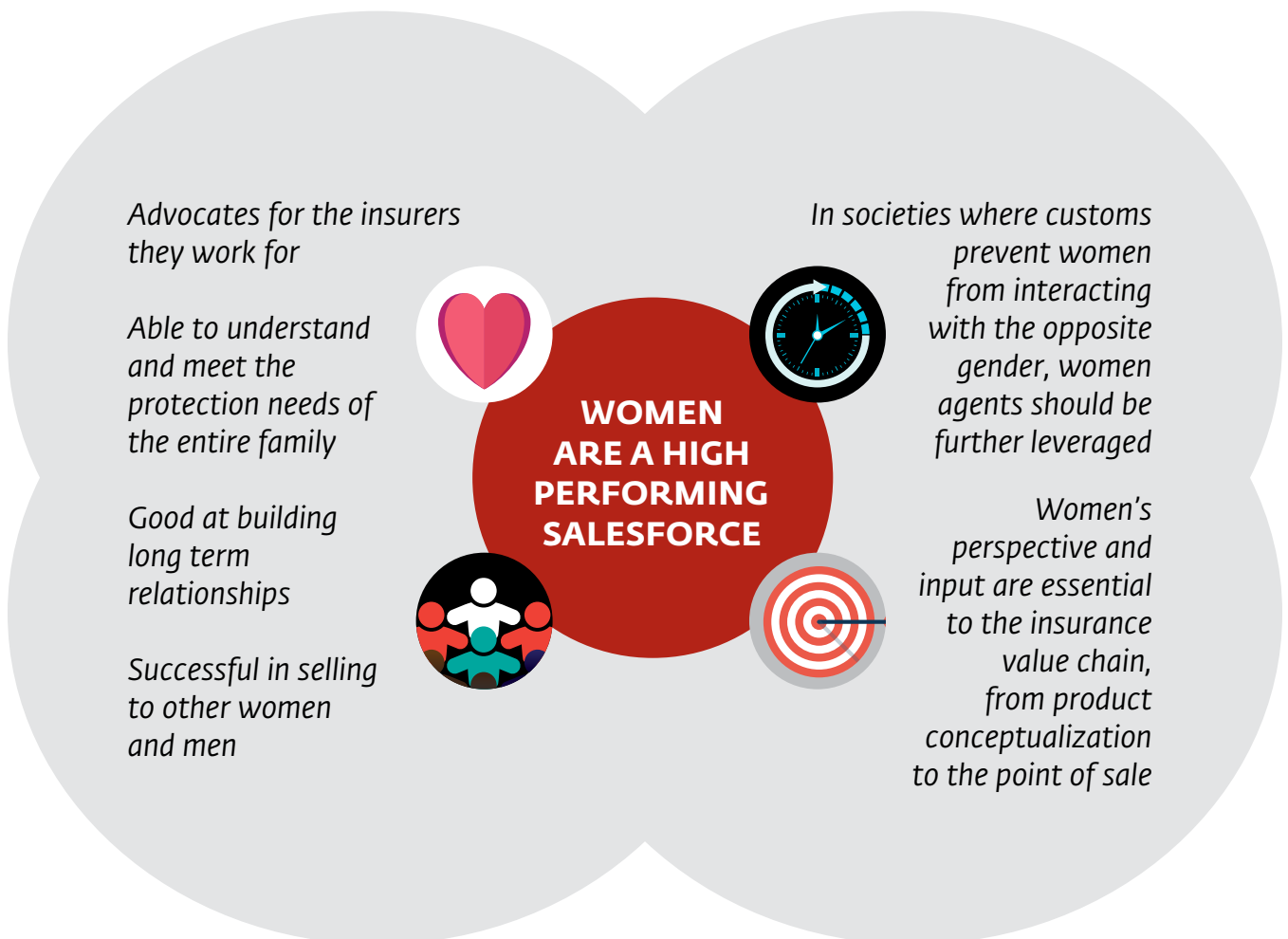
Women can act as strong advocates, or social marketers, for insurers and financial services firms. Discussions with insurers such as AXA Group, Zurich Insurance Group, and Liberty Seguro, as well as brokers such as Willis across the 10 focus markets show that women are more likely than men to recommend a product or service to their friends and family. Women are also greatly influenced by the advice of their female peers. Research from Investment News shows that, on average, women make 26 referrals over their lifetime to their financial advisors — more than twice the average of 11 referrals made by men.⁵⁹ Women's role as informal advocates is extremely valuable as they can be leveraged to cultivate an informal salesforce for insurers to grow their customer base without significant increases in distribution costs.

6.3 BIRTH OF A SALESWOMAN: WOMEN ARE A HIGH PERFORMING SALESFORCE

Embedding women within and across — from back-office to client facing and management positions — in the insurance salesforce is essential to ensure products, sales, and distribution methods meet the diverse needs of men and women clients.

A — Women's Input Throughout the Insurance Value Chain

The perspective and input of women is essential to the insurance value chain, from product conceptualization to the point of sale. In developed markets, research shows that female employees tend to grow insurers' bases of female clients.⁶⁰ Women employees can also act as advocates for the insurers they work for, informally



educating their network on the benefits of insurance. In addition, leveraging women as a salesforce is particularly important in societies where customs prevent women from interacting with the opposite gender. By recruiting women within the insurance salesforce, insurers in these societies may be able to increase their penetration of the women's market.

B — More Who than What

Discussions with agents and insurers have shown that men tend to be more product- and transaction-focused, while women are more relationship-focused. In Brazil, discussions with Willis highlighted that women brokers are better able to understand and meet the protection needs of entire families, not just the needs of other women. In Nigeria, representatives from Ark Insurance Brokers stated that women are "...better at building long term relationships and building trust."

Sales results in selected markets have also reinforced this. In China, interviews with executives at ICBC-AXA show that women agents are not only successful in selling to other women, but also demonstrate successful sales skills overall. While 50 percent of the salesforce at ICBC-AXA are women, they make up over 60 percent of high performing sales agents. In India, data from Bharti AXA Life Insurance show that the average premium per policy sold by female agents can be up to 50 percent higher than

those sold by men agents.⁶¹ Aegon Religare Life Insurance found that while 31 percent of agents are women, they bring in close to 40 percent of Aegon's total business.⁶²

Early evidence provided by AXA in Asia in the general insurance and life product lines indicates that there is some positive relationship between the percentage of women in the salesforce and percentage of women retail clients (see Graph 15 below).

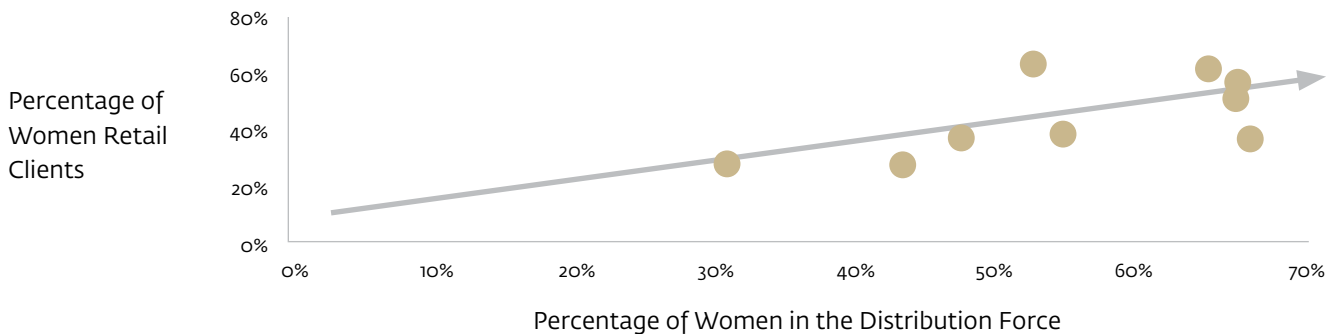
There is a strong case for increasing the number of women in the salesforce, which is beginning to be recognized by the industry. Insurers in some markets have developed or launched initiatives to actively recruit and retain more women agents. For example, at Aegon

Religare Life Insurance in India, the proportion of women advisors rose from 24 percent to 31 percent from 2008 – 2011 due to active recruitment campaigns.⁶³ AXA Indonesia has also developed a targeted recruiting campaign for women agents.

"I have a very young son, and I need to be able to take care of him at all times of the day while making an income. Being an agent means I can arrange my meetings around his needs."

— Sai, Insurance Agent, Bangkok, Thailand

Graph 15: Trend Between AXA's Women Salesforce and Women Clients in Asian Markets



Source: AXA's Asia Life Subsidiaries



Case Study 1:

Women Brokers and Agents Are Trusted Advisors



While the insurance industry in Morocco is still male-dominated, some women see insurance as a good business opportunity and are very successful at it. Tourya Tazi (referred to as Mme Tazi) left her executive position after 40 years of working for insurance companies to open JASSUR, one of three women-owned brokerages in Casablanca, Morocco. By opening her own brokerage Mme Tazi wanted to provide clients with tailored advice and customized recommendations while also developing the skills of women agents and brokers to help them advance in the industry.

In describing her approach to insurance, Mme Tazi stated, "Honesty is the first point in building my client relationships as I want to be a trusted advisor." Mme Tazi goes beyond satisfying clients' insurance needs by taking the time to understand what clients really need and

by providing tailored risk management advice and product recommendations. She also explains the intricacies of exclusions and the claims process, which are key client pain points. Having women like MmeTazi in the insurance salesforce helps build a trusting relationship between the industry and clients.

JASSUR is also a leader in integrating women agents into the salesforce. Mme Tazi stated, "Women can perform in anything once they have training." Her focus on providing mentorship and training to women agents has resulted in women representing over 50 percent of the agents at JASSUR. This unique approach to engaging women agents has resulted in women being able to prosper and grow, and provides a model that insurance companies can replicate to benefit their bottom line.



Case Study 2:

Effective Recruitment of Women Agents in Indonesia



AXA Indonesia's "Wanita Hebat" (Amazing Women) recruiting program is unique in its focus on targeting educated women for agent positions. The media campaigns — conducted through radio, press, magazine and online channels — use women in the advertisements and are focused on print sources and websites that women use most. For example, the campaign targets women lifestyle websites, such as Detik Wolipop, and Facebook profiles of women that fit the target age, gender, location and interest.

Interested candidates are invited to recruiting events, where they not only hear testimonials about the agents' experience and the screening process, but also participate in a half-day education session promoting financial empowerment for women. This type of campaign not only increases transparency into the recruitment process, but also provides financial education to all candidates.

AXA has monitored the results of the program since its October 2014 launch, and early results show an increase in the number of monthly recruits. Events are held in over 50 cities in Indonesia, allowing for broad recruitment in key geographies. From January to March 2015, the number of women who responded to the recruitment program increased by 36 percent, from 896 to 1,220. In addition, the conversion rate of candidates to certified agents has increased from 40.6 percent to 43.9 percent.

The program is in its early days and several months are still needed at the time of printing to be able to confirm its sustainable success.



redefining / standards

Finally, women agents enjoy the flexibility of the agent lifestyle. The women agents interviewed in the focus markets cited flexibility, low education and/or age requirements, and good income opportunities as benefits to being an insurance agent. Diana, an agent in Bogota, Colombia, stated, “Being an agent allows for independence and self-management of my time. I was able to stop when I had a child and come back without too much trouble.” Anita, an agent in Lagos, Nigeria, said, “Being an agent provides me with security and economic power.”

6.4 PROTECTING AND INSURING THE HALF IS INVESTING IN THE WHOLE

Insurance can empower and enable women to improve their own living conditions through mitigating risk. By providing compensation and services for women in the case of life hazards such as the death of a spouse or female-specific health problems, insurance will reduce the need for women to spend their discretionary income on expenses related to these life hazards. This enables women to free up their discretionary income to invest in their families and communities. In addition, insurance will help women recognize and anticipate risks, behaviors they will pass on to their family and community, ultimately influencing the risk-taking behavior of their community.

A — Financial Protection for Women Translates into Increased Investment in Families and Society.

Women are sensitive to the needs of their community, and tend to invest their discretionary income in the education of their children, the healthcare of their family, and improving their housing to a far greater degree than men (90 percent vs. 30 to 40 percent).^{64, 65} In a global study by the Center for Talent Innovation, 90 percent of women indicated that making a positive impact on society is important, and saw an increase in their wealth as an opportunity to improve society in general.⁶⁶ Hence, by protecting women’s financial interest and educating them about risk mitigation methods to improve their own financial situation, insurers will empower and enable more women to invest in their communities.

B — Increasing Women’s Insurance Coverage Can Contribute to Making Them an Economic Driver.

In addition to improving women’s financial stability and discretionary income, increasing women’s insurance coverage has significant effects on economic development as a whole. For example, as women are more likely to spend on healthcare, increasing their ability to do so with well-structured insurance products can multiply private healthcare spend, thus allowing the sector to grow. When insurers help women protect their increased assets and spending power, women will be able to invest more into other industries to help their development.

Finally, given women’s increasing presence in the labor force as employees or business owners, better protecting them and their earnings will contribute to economic progress.

Women's lifecycle events are crucial opportunities for insurers to help women with their changing protection needs



7. To Each Her Own

With significant growth potential in the women's market, how can insurers begin to target women and meet their diverse and evolving needs? Women want recognition that their needs are different from men's. For example, women's multifaceted roles in their homes and at work mean they are often time-constrained. As a result, women may not have as much time as they want to research insurance products. They look for insurance products and services that will help them save time.

In addition, women's financial services needs and preferences vary by age, income level and lifecycle events.⁶⁷ While both men and women experience lifecycle events, women are more likely to make key financial decisions related to such events.⁶⁸ An interview with a young couple in Beijing revealed that the woman only considered purchasing insurance when she had a child and when her parents needed long-term care, while her spouse purchased insurance based on the perceived additional value the insurance provided, regardless of life events. Women's lifecycle events are therefore crucial opportunities for insurers and help women with their changing protection needs.

Research in the 10 focus markets shows that gender-disaggregated data is collected to calculate product pricing, but not to design targeted products for women. This lack of a customer-centric view means insurers do not understand how women's insurance needs differ from men's, or how women's needs differ from one segment to another. As a result, insurers approach the market with gender-agnostic products and services that are still designed to meet the needs of the male client.⁶⁹

7.1 IT'S NOT ALL ABOUT MONEY

The interviews with women in the focus markets and secondary research revealed six common insurance needs and preferences that women display across markets, income segments, and lifestyle characteristics.

A — Wanted: Wrap-Around Services

Women play multifaceted roles inside and outside their homes, and are looking for solutions to help them save time. For example, it is not sufficient for insurers to provide financial compensation for a loss, as women increasingly want services to help them save time in recovering from a loss. Over 50 percent of women interviewed for this study identified wrap-around services as a key factor in decision making — with higher preference for such services in Brazil, Colombia, Morocco, Mexico, and Nigeria. An Accenture study on client service showed that globally, 76 percent of women cited personalized services as an important criterion in deciding on an insurance provider, as compared to 73 percent of men.⁷⁰ Whether single, married, young or aging, women are constantly balancing the demands of their home and professional lives, and want services to help ease the balance.

B — The Sandwich Dilemma: Women Need Help with Care

One particular service women need help with is to relieve them from the burden of their role as caregivers. The World Development Report 2012 estimated that, compared to men, women devoted one to three hours more per day to housework and two to 10 times the amount of time per day to caring for family members.⁷¹ Across the globe, women are the primary caregiver for their dependents — whether they are sick, elderly or young.⁷² For example, a study in Brazil indicated that eight out of 10 women worry about caring for their elderly parents/in-laws, compared to six out of 10 men.⁷³ Caregiving can be a significant financial and emotional drain on women. A study in Singapore found that 60 percent of female caregivers experienced exhaustion compared to 32 percent of male caregivers, with stress levels higher for caregivers who need to provide assistance with daily living activities.⁷⁴ Women see insurance as a way to improve the level of care they provide to themselves and their family.

C — Tangible Benefits

77 percent of women interviewed expressed a desire for immediate benefits from their insurance products, such as a loyalty program. Research by the ILO finds that women, even more so than men, want to see where their money goes and how the product improves their current financial situation.⁷⁵ In addition, insurance often competes for the same share of the wallet as other consumer goods, so women need to see the benefits to justify the spend. In Brazil, Colombia, Mexico, and Thailand, women wanted discounts on other services, such as health clubs, and loyalty rewards to integrate insurance within their everyday lives. June, a working professional in Thailand, stated, “My bank provides me with all these discounts to food vendors, so every time I go purchase something from there, I am reminded of why I stay with the bank. I wish

“Women are rational, and interested in details. They ask more about the product’s characteristics and the details of the coverage. Compared to male clients, female clients need to be more assured of the benefits, especially as a new client.”

— Executive, AXA, Istanbul, Turkey

insurance companies would do the same — to remind me why I should stay with them.”

D — Individual Asset Protection

As women accumulate income and assets, they are increasingly turning to life insurance products to protect their wealth outside of their household and independent from their spouses and family members. Regardless of income or the number of dependents, many women interviewed articulate concerns about protecting their income and assets during changes in their legal status, from marriage to divorce or widowhood. This was particularly apparent in interviews with women in China, Mexico, and Nigeria, where women tend to share property rights with their husbands, but societal custom favors men as the sole property holder. In the case of death or divorce, the woman may not be entitled to the land or assets she once shared with her spouse. The type of security provided by insurance products could provide women in these markets with some peace of mind. In Nigeria, research shows that women do not often inherit their spouses’ assets in the case of widowhood,⁷⁶ so women may need to seek out alternative ways to protect their share of the assets.

“Having insurance is more secure than marrying a rich husband. In the case of a divorce, the woman will at least maintain her insurance policy investments under her name, as opposed to losing them to her husband like she would lose a home.”

— HuaChing, Head of Household, Beijing, China

E — Informed Decisions

A study from Women’s World Banking found that women will invest more time upfront to understand the details of their financial services products.⁷⁷ An interview with AIG in Thailand found that even though women may purchase online, they will still call to discuss the product in more detail before buying. It is important that women receive the full set of information they need to be assured in their insurance purchasing decisions.

F — Dialogue and Efficiency

Women's needs are not just focused on products. Across all markets and segments, women wanted efficiency in the distribution channels. They want to access the information when they want it, where they want it. Efficiency should not come at a cost to *personalization*. An Accenture study found that 70 percent of women vs. 61 percent of men wanted more advice on overall risk management outside of their specific product.⁷⁸ The majority of women focus

group members purchased through banks, agents, and brokers, as they wanted advice on their personal situation. However, studies have shown that women may not always be getting the personalized advice they want; a report by Michael Silverstein and Kate Sayer found that women see financial institutions as degrading, contradictory, and lacking specialized advice.⁷⁹ Agents, brokers, and bancassurance representatives need to take a customer-centric view to understand what women want before providing personalized risk management advice.








82 percent of women cited trust as important in choosing and switching insurers

7.2 ONE SIZE DOES NOT FIT EVERY WOMAN

In order to realize the growth opportunity presented in this report, insurers must abandon the one-size-fits-all approach, and instead identify and target segments of women who share common needs and constraints.

The following section identifies five segments of women based on their socioeconomic bracket, dependents, and income status. This section will discuss the demographics, needs/preferences, and constraints faced by each segment. A more detailed analysis is required to address these segments in each market, because segment characteristics and sizes vary across markets.



		Dependent Status and Income			
		No Dependents, Generating Wealth	Dependents, Sharing Wealth	Aged/No Dependents, Living Off Wealth	Business Demands, Generating Economic Value
Socio-Economic Bracket:	Upper Middle	 Segment 1: Salaried Women Without Children	 Segment 2: Working Mothers	 Segment 3: Retirees	 Segment 5*: Women Entrepreneurs
	Lower	 Segment 4: Low-Income Customers			

*Segment 5, women entrepreneurs, will be discussed in Chapter 8.

A — SEGMENT 1: SALARIED WOMEN WITHOUT CHILDREN

Women are looking for insurers that see more in them than just mothers or wives



CHARACTERISTICS

- Single
- Career-oriented
- May have a tertiary degree
- May have accumulated assets and/or wants to grow her existing assets
- Researches extensively before making significant purchases
- She surfs the web for financial products and advice



CONSTRAINTS

- Gaps in coverage as a result of underestimation of her risk profile
- Feels ignored by insurers who only see women in their capacity as wives and mothers only
- Unfamiliar with financial products
- Lacks trust in insurers



SOLUTIONS

- Provide personalized insurance and investment strategy based on insurance needs and risk profile
- Develop a dedicated sales approach to improve salesforce communication of insurance solutions
- Provide targeted solutions based on income bracket

1. Insurance Needs and Preferences

Early in her career, she is focused on growth, and wants products that will help grow her existing assets and protect her income and quality of life. This segment is looking for products that emphasize investments, and allow her to make the most of her education and independence.

AFTER A PROMOTION OR GROWTH IN ASSETS, SHE WANTS A PERSONALIZED STRATEGY. As women in this segment mature, they tend to shift investments to less risky products. They need better investment advice to help them manage these decisions.⁸⁰ They may want to develop an investment strategy and want more tailored advice.

SHE SURFS THE WEB. 54 percent of women surveyed for this study said that they are willing to purchase insurance if it is available online. While a similar number expressed interest in researching via mobile, only 45 percent were willing to actually purchase via mobile due to concerns about payment security.



2. Constraints Faced in Accessing Insurance

GAP IN COVERAGE. As women start to earn an income, the challenges and risks they face in their lives progress and change, and they may need to protect higher-value assets. Due to these changes, middle-income working women without children may underestimate their new risk profile, resulting in insufficient insurance coverage.

Upper-income working women without children may believe that they can cover any potential losses from their income. This presents an opportunity for financial advisors and agents to work closely with these women to provide them with advice and address their full risk profile.

FEELING IGNORED. Salaried women without children may feel ignored by insurers who tend to see women only in their capacity as wives and mothers. With regards to upper-income women, a BCG report found that despite having ample wealth which they are willing to invest,

Case Study 3:

HDFC in India Covers Women's Needs In Case Any of These Three Events Occur



The "Smart Women" Plan offered by HDFC Standard Life in India is a unit-linked investment life insurance product that not only enables women to grow their assets, but also provides coverage for women's specific needs including pregnancy, female-specific cancer and death of a spouse in its 10 to 15 year coverage term. In the case that any of the three events occurs, depending on the level of coverage, the premium will be waived for three years, HDFC will continue to fund the premiums during that time, and policy holders will receive cash payouts. The product continues the savings component of the plan, while helping women to adjust to major life events.

The Smart Women Plan is unique in the sense that it is a savings product with a critical illness component tied to different life events, as opposed to being tied to a specific disease like other critical illness products. The product is targeted toward independent women in urban areas, to help them meet their financial goals while catering to their needs.

Launched in 2012, the product sold 4000 policies in its first month, and was awarded "Product of the Year" in 2013, based on Nielsen's Consumer Survey. It continues to experience strong sales in the market.



women feel that insurers are more interested in targeting the family pocketbook rather than spending time with high-income women without dependents.⁸¹

FEELING UNSURE. OECD studies have shown that women are less confident in making financial decisions compared to men, regardless of their actual understanding of financial concepts.⁸² This may be especially true for women early in their career, or for those who are progressing from a lower income segment, as they have less exposure to financial products. Women who are not involved in the long-term financial planning of their households perceive financial topics to be complex and technical and often defer financial decisions to others. This lack of confidence may result in a lower willingness to purchase financial products.⁸³

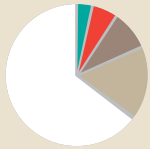
DISTRUST OF INSURERS. Issues of corruption, limited client protection laws, and lack of transparency in the claims process can make trust an issue for men and women in all markets.⁸⁴ However, women, especially those early in their careers with limited exposure to the insurance industry, value trust more than men. Moreover, the consequences of women's lack of trust have a greater impact on their likelihood to renew and refer products to their peers. An Accenture study on client behavior showed that more women than men value trust in their insurers (82 percent of women cited trust as important in switching insurers, compared to 76 percent of men), and women ranked lack of trust higher than men as a reason to switch.⁸⁵



54 percent of women surveyed said that they are willing to purchase insurance if it is available online

B — SEGMENT 2: WORKING MOTHERS

Women need insurance solutions that ease their time poorness



CHARACTERISTICS

- May have a tertiary degree
- May be married or getting married, or single or widowed
- Time-crunched, managing both family (children, elderly dependents) and professional duties
- Increasingly planning ahead for children's future
- May be self-employed or responsible for managing the household



CONSTRAINTS

- Cultural constraint in household decision-making in some countries
- Lack of adequate female salesforce might prevent her from buying insurance in some countries
- Lack of clarity in coverage and easy-to-understand policy information
- Lack of products that will reduce the burden on managing household and workforce



SOLUTIONS

- Develop awareness campaigns on the benefits of insurance for the children, and the family
- Develop family solutions for health insurance
- Engage more women as sales agents so that they can provide financial advice
- Develop more one-stop-shop distribution channels
- Develop add-ons and products that will help save time

1. Insurance Needs and Preferences

AS SHE GROWS HER FAMILY, SHE VALUES FULL FAMILY PROTECTION. Discussions with insurers show that women in this segment often take the lead in purchasing insurance for their families, and want comprehensive bundles for their entire family. Women in this segment not only value insurance products such as health, property, and casualty that will support their family today, but also savings products, such as pensions and education insurance, to prepare for the future.

SHE WANTS PRODUCTS THAT REDUCE THE BURDEN ON MANAGING HOUSEHOLD OPERATIONS.

As women manage multiple roles, they may be willing to pay for services to help them in accomplishing their tasks. Gabriela, a working mother in Mexico City, Mexico, stated, "I wish there were more products to help me manage the needs of my son, as well as something to help me manage my stress levels. I want more flexibility outside of just financial protection." This segment sees insurance as a product that can offer them both protection for themselves and their dependents, but also add-on services such as childcare or service assistance that help better manage time at work and at home.

AS INCOME GROWS, SHE REACHES FOR HIGH-QUALITY PRODUCTS THAT WILL IMPROVE HER FAMILY'S HEALTH, WELL-BEING, AND QUALITY OF LIFE. In many markets, health insurance is seen as an extremely valuable asset, and the ability to pay for private, premium healthcare is highly desirable. Women, who are more focused on investing in their family's health, will want more extensive health coverage.

IN PERIODS OF UNCERTAINTY, SHE IS INCREASINGLY SELF-RELIANT AND REQUIRES A MORE FORMAL PROTECTION SYSTEM. Populations such as single mothers or divorcees may have a smaller social network, which results in a smaller informal safety net. These populations may find greater value in formal insurance protection.

SHE WANTS A ONE-STOP-SHOP IN DISTRIBUTION. Working mothers are busy and want to have all their financial services needs met by one channel, and are likely to seek out bancassurance for convenience. This is especially prevalent in Brazil, China, Colombia, Mexico, and Turkey, as the integration of banking and insurance information means bank agents can proactively offer insurance to women based on their banking profile.

“Women want insurance packages and the flexibility to customize them based on their family's needs. They are more likely to think of the future for themselves and their children.”

— Executive, AXA,
Sao Paulo, Brazil

For some women, online channels may provide this convenience and improve their time management. A study by BCG indicates that many affluent women under the age of 50 prefer to do their banking online wherever possible, as online channels make it easy and convenient to find the information they need.⁸⁶

2. Constraints Faced in Accessing Insurance

CULTURAL CONSTRAINTS IN HOUSEHOLD DECISION MAKING. In markets such as Morocco, Nigeria, and Turkey, there continues to be a division in household decision making based on gender. In these markets, women generally make decisions on day-to-day household needs, while long-term financial planning decisions are often carried out by their spouses.⁸⁷ In addition, while women may influence financial decisions, social and cultural norms that restrict women's mobility and interactions with the opposite gender also reduce their access to insurance and financial services in general.⁸⁸ For insurers without an adequate female salesforce, this may greatly inhibit their ability to reach the women's segment.

SHE WANTS CLEAR, EASY-TO-UNDERSTAND INFORMATION. Women are more likely to read the full policy than men; however, due to time constraints, working mothers may not have time to read through the fine print. Therefore, they are more likely to be frustrated with the technical language. In addition, the frustration

is likely to result in more lead time in purchasing the product due to their need for clarification. 57 percent of women interviewed in focus groups found coverage information in need of clarification. Women clients interviewed in Mexico, Morocco, and Nigeria voiced their dissatisfaction with the lack of clarity on payment times and exemptions.

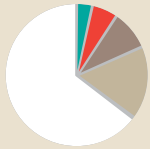
“All the details on coverage and claims are in the fine print so I'm always afraid I'm going to miss something and not get paid.”

— Maria, Young
Professional,
Mexico City, Mexico



C — SEGMENT 3: RETIREES

Women need solutions that help them maintain their quality of life and provide for their grandchildren



CHARACTERISTICS

- Educated
- Focus is on maintaining quality of life after retirement
- Health conscious
- Pragmatic about spending
- Has assets
- Strong desire to provide financially for her grandchildren (education abroad, etc.)



CONSTRAINTS

- Lack of targeted advice on how to manage her retirement and savings
- Lack of affordable insurance products
- Lack of products that would help her manage household tasks and care for her ageing spouse



SOLUTIONS

- Provide assistance with managing healthcare needs
- Provide add-on services that support daily life needs
- Develop credit protection products that will help in incase of widowhood
- Develop investment products to fund grandchildren's education
- Engage more women as sales agents so that they provide in-person financial advice

1. Insurance Needs and Preferences

SHE MAY NEED ASSISTANCE WITH MANAGING HEALTHCARE. As women age, not only do they need to manage their own health, but they often also manage the health of their spouses. In addition, with increased urbanization, elderly women cannot rely on traditional informal methods, such as their children, for assistance. As children grow older, they leave their parents' home for the city, and are no longer close by to support day-to-day care of the elderly. This is especially prevalent in Indonesia and Thailand, where there is demand for insurance products with wrap-around services to help the elderly manage their health.

SHE WANTS TO PROVIDE FINANCIALLY FOR HER GRANDCHILDREN. Interviews with Banco Itaú in Brazil showed that education investment products were particularly popular among elderly women as they seek to purchase these investments for their grandchildren. Elderly women want to reduce the burden that the cost of education places on their children and ensure their grandchildren can afford an education.

IN THE CASE OF WIDOWHOOD, SHE NEEDS TO BE ABLE TO MANAGE ON HER OWN. Interviews with Liberty Seguro in Colombia for this study indicated that credit protection products for widows are in demand due to the longer life expectancy of women compared to their

spouses. In the event of the death of a spouse, women want to ensure that they can continue to support themselves and maintain a certain quality of life.

HER PREFERENCE IS FOR IN-PERSON PROFESSIONAL ADVICE. Women in this segment want advice from agents and brokers, as they are less self-directed in conducting research and less technology-savvy. This segment prefers face-to-face discussions and wants to spend time with agents or brokers to fully address their needs. They value simple, quality advice on how insurance can be used to manage their current lifestyle.

2. Constraints Faced in Accessing Insurance

TARGETED ADVICE: Women who are retirees, more than their male counterparts, need targeted advice on how to manage their retirement as they have to account for more years of retirement due to their longer

life expectancy. Insurers need to recognize that these women worry more about their retirement as they have to make their savings and investments stretch out not just to meet their day-to-day needs, but also to help meet the financial needs of their children and possibly grandchildren.⁸⁹

AFFORDABILITY: In addition to stretching out their savings, women in this segment may have limited ability to afford products with high premiums, despite requiring complex health and accident insurance coverage.

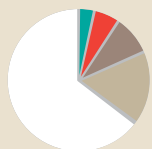
MOBILITY: In many of the focus countries, urbanization increases the physical distance between women and their children. This means that as women in this segment age, they cannot rely on their dependents to transport them to insurance agents.



As women age, not only do they need to manage their own health, but they often also manage the health of their spouses

D — SEGMENT 4: LOW-INCOME CUSTOMERS

Women remain the most vulnerable segment in need of affordable insurance that adapts to their reality



CHARACTERISTICS

- May have children or other dependents
- Worries about leaving debt to her children
- Focused on providing for her family's basic needs
- Irregular income
- Limited access to banking services
- Not technology savvy



CONSTRAINTS

- Limited awareness of insurance as a protection mechanism
- Lack of trust in insurers and whether they will pay the claim
- Cannot afford traditional insurance products
- Traditional insurance processes are not adapted to her living conditions



SOLUTIONS

- Develop affordable, impactful products that address their most important concerns (life, health and crop)
- Partner with communities and organizations already positioned in the market
- Explore alternative operating models that allow reaching a massive number of customers (e.g., mobile)

1. Insurance Preferences and Needs

SHE WANTS BASIC, AFFORDABLE DURABLE AND VALUABLE PRODUCTS. With limited discretionary income, self-employed (e.g. farming, trading, handcrafts), or commonly part of the informal economy, the low income population is regularly marginalized from social security protection. Their vulnerability to financial shocks is probably the highest across society, yet traditional insurance solutions remain unaffordable and distant to their reality.

SHE IS MANAGING THE HOUSEHOLD ON HER OWN. Within the lower income bracket, particularly in rural areas, more women may become heads of household due to labor-related migration of their spouses. This is

particularly the case in Mexico, Nigeria, and Turkey, where urbanization has driven the migration.^{90, 91} — This will result in more women managing household finances, and seeking protection for their families. In a 2009 study by ILO and Women's World Banking, a woman from the Dominican Republic was quoted, "It's worrying when you know for sure you're going to die and you're not prepared. [...]. And so I say, my God, if I died today it would be good if I had good insurance so that my children could continue in school and at least eat. This is my biggest worry."⁹²

INSURANCE PRODUCTS TO ADDRESS HER IMMEDIATE NEEDS. Products need to be simple, with few exclusions, normally corresponding to pure protection products. Finance Trust Bank in Uganda, together with Women's World Banking offers coverage that includes inpatient

hospital admission along with loan insurance. Women are able to file claims at the time of admission which immediately provides them with the cash they need for the hospital stay and partially compensates for their lost income of the day.⁹³ By enabling women to file claims right away, providing fast and efficient claims services, and a cash payout, insurers are providing direct, tangible value.

SHE MAY NOT HAVE HIGH-TECH DEVICES, BUT SHE IS WILLING TO LEARN ABOUT INSURANCE THROUGH BASIC MOBILE CHANNELS, especially as more commercial products and services are reaching rural areas through mobile technology. While a gender gap exists in access to digital services (disparity in Internet access between men and women is 25 percent,⁹⁴ and in mobile access is 14 percent⁹⁵), many mobile companies and development agencies are focused on growing this under-addressed market.⁹⁶ It is especially important to reach rural women, who face greater restrictions on movement compared to men.⁹⁷ As insurers develop education and sales solutions, they should further leverage mobile channels to reach this segment.

SHE RESPONDS WELL TO INFORMATION FROM THE COMMUNITY, FRIENDS OR FAMILY. Women in this segment are more likely to receive financial advice from community members and family, rather than through formal insurance channels.⁹⁸ Insurers can leverage these social networks to realize lower acquisition costs, and further increase awareness of insurance and its benefits.

2. Constraints Faced in Accessing Insurance

COST CONTINUES TO BE A CONSTRAINT AGAINST BUYING INSURANCE, especially for women who tend to have fewer financial resources and less financial autonomy than men. According to the ILO, women make up a majority of the world's poor, earn less income, and are more often affected by long-term unemployment.⁹⁹ Traditional insurance products are often perceived as too complex by the target client, with covers that are not always relevant to the client's needs, with too many exclusions, and long lists of terms and conditions.

COMPLEX PROCESSES TO APPLY FOR COVERAGE AND OBTAIN CLAIMS. Part of the distrust that low-income women have toward insurance companies also comes from processes that are not adapted to their reality. Often, there are too many documents they need to provide that are not always relevant, excessive waiting time to receive the payment in case of claims, and frequently unsuitable payment methods. Low-income women are often less literate than low-income men, and have less access to formal financial accounts to receive payments. There is a persistent gender gap of 7 percent globally between men and women who have bank accounts.¹⁰⁰

LIMITED CUSTOMER DATA EXISTS. There is a substantial lack of data available on customers at the base of the pyramid; this is especially true for women, who are often marginalized. The lack of data on these women's needs and on their risk profile make it difficult for insurers to develop products for this segment.



SPOTLIGHT ON MICROINSURANCE

Microinsurance is targeted at low-income customers with income of \$2 to \$8 per day, and provides annual coverage that ranges in cost from \$5 to 6 per person.¹⁰¹ The product provides protection to customers who cannot afford conventional insurance. The microinsurance opportunity alone is estimated to be three to four billion policies generating between \$30 and 50 billion in annual revenue globally.¹⁰²

Microinsurance has been particularly beneficial for low-income women. Gender-specific risks such as maternal health and disruption to income earning activities due to caretaking mean women need more protection. Low-income women are also more likely to bear the burden of providing for their families; therefore, by providing protection to the main household contributor, microinsurance prevents financial shocks to the family. Microinsurance is most commonly tied to a microfinance product (e.g., “credit life”)¹⁰³ — and microfinance studies

show that women clients tend to be a better credit risk.¹⁰⁴ Women tend to use the microinsurance payout to replace whatever was lost, whereas men are more likely to spend it on a treat or one-off purchase.¹⁰⁵

There remain a number of challenges to microinsurance. First, a lack of personal data on the poor inhibits risk-adjusted pricing and increases the cost of underwriting. Second, low financial literacy among the poor requires additional lead time and investment. Third, insurers still struggle to adapt their operating models to the reality and needs of the low-income segment. These challenges are especially difficult for women who often have specific insurance needs (such as women’s health) and are generally less financially literate. Finally, due to the low premiums, microinsurance offers limited coverage that does not address women’s changing needs as they move up income brackets. A lack of transition products limits women’s ability to graduate to conventional insurance.

Case Study 4:

Education is a Requisite to Usage of Microinsurance



Microinsurance providers must educate policy holders about the benefits of their insurance products. This was the experience of AlAmana Microfinance in Morocco. AlAmana’s Taysir al Amana product (L’Assistance) is a micro-insurance scheme automatically attached to the client’s loans that pay out during events of stress (for example, for childbirth, hospitalization, or diagnosis of critical illness). Despite having 240,000 clients enrolled within a year of introducing the policy, 41 percent of whom were women, only a small number of claims were filed (20 percent claims ratio, versus the targeted 50 percent that indicate good value from the product).¹⁰⁶

Due to the complex language used to explain the product and the client’s low financial literacy, they did not understand how to

use the Taysir al Amana products to pay for financial losses. When Taysir al Amana was explained in simplified terms and with strong visuals, clients, particularly women, were more eager to purchase the product as they saw its value in addressing their immediate needs.¹⁰⁷ AlAmana is working with Women’s World Banking to develop a more targeted marketing strategy that simplifies the language, clearly presents the claims process and trains the sales staff in explaining the benefits.

Given the lower levels of literacy among low-income women, it will be even more important for insurers to develop clear, pictorial language to address and attract women clients.







Women entrepreneurs are of particular interest, as they own about one-third of the businesses globally. By 2017, it is predicted that they will grow their business by at least six employees, making this segment a strong growth opportunity for insurers

8. Enabling Women Entrepreneurs

A mutually beneficial relationship exists between insurers and entrepreneurs. Insurance reduces entrepreneurs' exposure to shocks, gives them more financial independence, and enables them to embark on higher-risk and higher-return activities.¹⁰⁸ For insurers, entrepreneurs represent a growing sub-segment of commercial lines with needs for asset, loan, and business protection. Enterprises also require insurance for their employees, and can serve as a conduit to a larger and potentially high-growth customer base for insurers. By enabling risk-sharing, insurers become a key path to business innovation and progress and an important driver for economic growth.

Women entrepreneurs are of particular interest, as they own about one-third of businesses globally.¹⁰⁹ By 2017, it is predicted that they will grow their business by at least six employees,¹¹⁰ making this segment a strong growth opportunity for insurers.

8.1 TAKING THE ENTREPRENEURIAL LEAP

A — A Growing Segment

Growth in the number of women entrepreneurs can be observed around the world — for example, women-owned firms in the United States are consistently growing at over twice the rate of other firms (23 percent vs. 9 percent), while growth in the number of women entrepreneurs in East Asia is 3.6 percent faster than growth in the number of male entrepreneurs.¹¹¹ It is estimated that there are about eight to 10 million small and medium enterprises (SMEs) in emerging markets with at least one women owner, making substantial economic impact through revenue generation and job creation.¹¹² Not only are they employing more people, but they are also employing more women. A study from the World Bank found that female-led firms tend to have a larger share of female workers compared to firms led by men.¹¹³

Women-owned enterprises tend to develop more innovative products. A 2012 study by the Global Entrepreneur Monitor found that more women-owned enterprises had innovative products and services than men-owned enterprises in the Middle East and North Africa (MENA), Asia, Europe, and the United States.¹¹⁴ Innovation is important to business growth, especially in increasingly competitive markets.

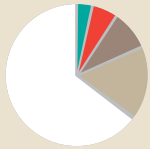
Insurance allows women entrepreneurs to free up capital and reinvest in growth. According to the ILO, "traditional crisis management strategies such as using profits to pay for emergencies is one of the largest barriers to growth for women entrepreneurs."¹¹⁵ Women entrepreneurs are also more likely to use savings to protect against business interruption; however, allocating income to savings means diverting it away from more productive uses such as technology investments or hiring new employees.¹¹⁶

"When men and women have the same revenue earnings, women are more proactive in paying their premiums with less delay."

— Representative,
Asociación Mexicana
de Instituciones de
Seguros (AMIS),
Mexico City, Mexico

E — SEGMENT 5: WOMEN ENTREPRENEURS

Women are looking for dedicated insurance solutions that cover personal and business demands



CHARACTERISTICS

- Owns her own business: may be home-based and/or may have employees
- May be looking to grow and expand her business
- May have children, spouse or other dependents
- Balances personal, family and business demand



CONSTRAINTS

- Credit protection gap
- Lack of products that will help manage business and personal life, and protect against business interruption
- Lack of frequent touch points, and advice on risk management
- Lack of awareness about life insurance products to protect income stream



SOLUTIONS

- Partner with banks to explore continuous underwriting
- Develop products for credit protection to help bridge the finance gap
- Develop bundled products: Bundle professional and personal insurance, Life and P&C insurance
- Leverage Women's Entrepreneurship Associations
- Provide more personalized touch points and ease of access to agents

In addition, some women entrepreneurs may make low-risk business decisions to reduce the potential downside, but these decisions also reduce the growth potential of their businesses.¹⁷ Insurance provides women with a safety net that allows them to anticipate risk and redirect their profits toward the growth and sustainability of their enterprises. In turn, as their businesses grow, their needs for insurance protection will grow as well.

B — More Valuable Clients

Experiences from microfinance organizations and commercial banks have shown that when women are direct beneficiaries of credit, the organizations experience higher repayment rates.¹⁸ Similarly, interviews with insurance associations indicate that women entrepreneurs are more likely than men to pay off their long-term obligations. Women entrepreneurs hence represent a great customer base for insurers due to more regular premium payment habits.

C — Economic Investment into Society

Growth of women entrepreneurship ventures is also an investment in society. By helping women entrepreneurs mitigate risk in their business and personal lives, insurers are enabling and empowering women entrepreneurs to take greater risk and be more innovative with their ventures. Boosting women's economic opportunity and entrepreneurship can improve per capita income growth and reduce poverty.¹¹⁹ Studies have shown that if women's employment rates were equal to those of men in 15 major emerging economies¹²⁰ income per capita would rise by more than 20 percent by 2030.¹²¹

8.2 WHAT WOMEN ENTREPRENEURS NEED

While both men and women entrepreneurs need to protect similar underlying business assets (such as property and motor vehicles), women entrepreneurs also have specific needs.

A — Credit Protection: Bridging the Finance Gap

Women entrepreneurs want help with accessing credit. One of the greatest constraints faced by women entrepreneurs is a lack of access to finance due to a lack of collateral for loans.¹²² An IFC study estimated the credit gap for women-owned SMEs in the formal sector to be approximately \$287 billion, and up to \$1 trillion when informal SMEs are added.¹²³ More formal women-owned SMEs than male-owned SMEs cited access to finance as a constraint against starting their business.¹²⁴ Women entrepreneurs, particularly in Brazil, have expressed the need for an insurance product to help them with obtaining credit. Ana Fontes, the head of the women's entrepreneurship association in Sao Paulo, Brazil, stated, "I see a lot of women entrepreneurs struggling with obtaining credit without putting up their personal assets as collateral. Some type of insurance that can guarantee women's initial access to credit and help them build a credit history would be very beneficial in helping women start and grow their businesses." Currently, the market for this type of insurance for unsecured loans without collateral is limited.



B — Protection Against Business Interruption

Women entrepreneurs' business and personal lives are tightly linked — events in their personal lives such as pregnancy, childbirth, and maternity leave can have a big impact on their income-generating activities. Focus group discussions with entrepreneurs in Latin America found that women are more likely than men to operate their businesses from home.¹²⁵ In addition, findings from the Global Entrepreneurship Monitor show that women are more likely than men to have service-oriented businesses

“I want to know someone is there when I need them to answer my questions [on the policies] and to help me manage my business risk.”

— Theresa, Entrepreneur, Lagos, Nigeria

which need their constant involvement.¹²⁶ All of these factors mean that any shock to a woman entrepreneur's personal life — due to caretaking obligations or health issues — will disrupt her business and reduce its income-generating potential. Given that women entrepreneurs also face high demands on their time for household work and childcare, they face a higher risk of business interruption, and have a greater need for income protection insurance against personal shocks.¹²⁷ Interviews with entrepreneurs in Nigeria found that women rely on informal methods like family and friends, and savings to cover costs when they are unable to work. This may be useful in the short-term, but is not a sustainable source of income protection, especially as their businesses grow.



As women entrepreneurs face high demands on their time due to household and childcare responsibilities, they face a higher risk of business interruption and have a greater need for income protection against personal shocks

C — More Frequent Touch Points

Survey results show that women entrepreneurs want more frequent touch points with insurance distribution channels (such as direct sales, agents, brokers, and banks) compared to other segments of women. 58 percent of women entrepreneurs surveyed stated that they wanted “regular” or “frequent” interactions with their distribution channels, compared to 17 percent of women in other segments. Women entrepreneurs want more than just products in their interactions with distribution channels — they want advice on risk management and a comprehensive understanding of the policy coverage and claim terms.

D — Mind the Life Insurance Gap

While 57 percent of insurers interviewed believe that life insurance is an important product for women entrepreneurs, only 31 percent of women entrepreneurs surveyed held protection- or savings-oriented life insurance. Women entrepreneurs view property and casualty insurance as a higher priority to protect their physical assets, but may not be educated as to the use of life insurance to protect their income. Protection-oriented life insurance is especially important for women entrepreneurs as their income is primarily used to care for their households.¹²⁸ If they are no longer able to earn an income stream, their household finances can suffer significantly. Women entrepreneurs may also rely on their spouses to contribute financially to their enterprise. Interviews in Brazil indicated that 40 percent of women entrepreneurs have their spouse as a business partner. Life insurance offers a reliable and often tax-advantaged way for women entrepreneurs to independently accumulate savings apart from their spouses, or to protect the income-earning potential of their spouses.

“I was lucky when I took out partnership life insurance — this enabled me to keep my part of the business when my partnership dissolved. For women who do not have this insurance, they face a lot of risk in getting their assets after their business dissolves.”

— Ana Fontes,
Head of Women's
Entrepreneurship
Association, Sao Paulo,
Brazil

8.3 SOLUTIONS FOR WOMEN ENTREPRENEURS

A — Hand in Hand with Banks

One option to help women who do not have collateral or credit history to obtain a start-up loan is to explore continuous underwriting with banks. In markets where there are no legal restrictions on such partnerships, insurers can partner with banks to protect a certain level of credit for women entrepreneurs to start their business by leveraging the future earning potential of the enterprise as collateral. As the business grows and the revenue potential is realized, the amount of credit protected by the insurance policy can increase. This helps new business owners access the initial capital they need to start their business, and uses their future earnings as collateral to build their asset base and increase their credit limit.

An example of this type of product is offered by the Kashf Foundation in Pakistan. Its *Ibtida-e-Karobar Karza-Productive Loan* offers credit life insurance protection for microcredit loans to new women entrepreneurs. Kashf works with the client to conduct pre-feasibility studies to assess the client's investment needs and earning

potential, before offering an appropriate level of insurance to protect the loan. This product invests in women by giving them access to credit to start a business, while also building Kashf's women customer base for both credit and insurance products.

B — Women's Lifecycle: Sometimes a Bumpier Ride to Protect

Given the potential impact of women's personal lives on their income generating activities, insurers can offer business interruption protection against shocks from life events, such as illness and childbirth.



Case Study 5:

Comprehensive Insurance and Credit Solutions Provide Flexibility and Convenience



One constraint faced by many women entrepreneurs is the impact that their personal lives may have on their businesses. Intesa SanPaolo, an Italian bancassurer, has recognized the need to provide business interruption and personal protection tailored for women entrepreneurs, and created the “Business Gemma” insurance policy and loan.

In addition to providing standard business interruption protection, the insurance policy also provides protection for a diverse set of women-specific personal and health needs including maternity, female-specific check-ups, legal protection (such as refunding legal expenses related to divorce) and assistance at difficult times such as disability in the case of widowhood.¹²⁹ All of these personal issues have the potential to impact the income-earning ability of the female policy holder, and hence the revenue of her enterprise. Intesa SanPaolo also offers credit loans for

women entrepreneurs that allow deferral of loan payments by up to 12 months in the case of maternity leave or serious illness within the family. By providing both targeted credit and insurance for women entrepreneurs, Intesa SanPaolo enables convenient access to multiple financial services and helps women entrepreneurs build their businesses along with their personal lives.¹³⁰

The Business Gemma products and services were successful in opening a new market for Intesa SanPaolo. With approximately 1.7 million women in Italy engaged in entrepreneurial activities,¹³¹ this is an important market that cannot be ignored. At the end of 2014, 1,400 policies were in place.¹³² The Business Gemma product has received the AIFIN-Cerchio d’Oro award for financial innovation in 2011 and the MF Innovation Award in 2012.¹³³

INTESA  SANPAOLO

C — Personalized Touch Points

Given women entrepreneurs' request for more advice and touch points with their distribution channels, insurers, brokers, agents, and bancassurers need to work together to understand what women entrepreneurs want as their touch points and personalize their end-to-end experience. Examples include assigning one dedicated individual to build relationships with the client, offering business and personal risk management guidance, and proactively setting up regular meetings. It is also important for the distribution channel to follow the woman entrepreneur as her business and insurance needs grow, to ensure her insurance protection is growing as well. Bancassurance is a particularly important channel, given the number of business transactions done through banks. Insurers can further leverage the touch points banks have with women entrepreneurs — such as providing credit or making savings deposits — to offer insurance products tied to the transaction, including credit insurance or pensions for savings.

D — Address Life Insurance Gap

a) BUNDLE LIFE AND PROPERTY/CASUALTY: One way to address the protection gap in women's purchase of life insurance is through product bundles. By combining life insurance with property and casualty, insurers can comprehensively address women entrepreneurs' needs.

b) EXPLORE PARTNERSHIP LIFE INSURANCE: Women entrepreneurs, who rely on their spouse to financially participate in their business, need protection in case their spouse is no longer able to contribute to the enterprise. One option to protect business continuity is partnership life insurance — this covers the lives of each partner independently; in case of death, the payout goes to the surviving partner to invest back in the business. This is similar to a basic life policy, but has limitations on the payout so it can only be directed back into the business to maintain its financial health.

E — Leverage Women Networks

Providing insurance through women's entrepreneurship associations in the local markets enables insurers to access an entire network of women clients, similar to affinity insurance schemes. Insurers will be able to provide the entrepreneurs with group rates on life and health products, which are generally lower than individual rates due to spreading of the risk pool. In addition, a partnership with an association allows insurers to leverage the association's network and resources to educate its members about risk management.

F — Protect as Insurers, Finance as Investors

To support natural growth in women-owned enterprises, and this growing female customer base, insurers should seek to leverage their substantial institutional investments. As one of the most important groups of institutional investors in the world (insurers are the largest institutional investors in Europe¹³⁴) insurers could lead the way in directing a portion of their investments into funds focused on women entrepreneurs. For example, Goldman Sachs together with IFC launched a global finance facility dedicated to women-owned SMEs.¹³⁵ Based on conversations with investment advisors, insurance companies are a prime source of capital for impact investing opportunities that provide both financial and social return to the investor; and investing in women-owned SMEs represents a particularly compelling investment opportunity.

Insurance services today are generally tailored to a male or a gender-neutral audience without a clear understanding of the unique needs of women



9. So What Now?

A comprehensive strategy involving market research, product and service development, and distribution is needed for insurers to unlock the potential of the women's market. There is no "silver bullet" solution to meet the varying product, services, and distribution needs of women across segments and geographies; rather, insurers need to tailor these recommendations to the characteristics of their individual markets. The recommendations are grouped into three categories.

Step 1:

Build intelligence on women's insurance needs

- **Gather** gender-disaggregated data across the insurance value chain to further analyze and build the strategy for the women's market opportunity;
- **Monitor** gender-disaggregated data across the insurance value chain to track the performance of, and refine the strategy for the women's market;
- **Analyze** existing data and collect new information on women's demographics, socioeconomic trends, as well as needs and behaviors to 1) segment the women's market 2) design targeted products and services and 3) implement dedicated marketing and distribution strategies.

Step 2:

Develop targeted value propositions for women segments

- **Conduct** more in-depth focus groups for each segment to further understand needs and cultural nuances;
- **Develop** targeted products for women client segments based on segment-specific needs (e.g. conditional payouts or product bundles);
- **Provide** wrap-around services to enhance product value by helping women address everyday needs.

Step 3:

Improve distribution and proximity to women clients

- **Use** a digital approach as an opportunity to increase proximity with women clients and sell insurance through mobile and online channels;
- **Build** on women's specific networking and advocacy habits to increase proximity to women clients and increase their trust in insurance companies;
- **Provide** clear, relevant coverage information and targeted risk management advice to reduce the time and cost for women to research products;
- **Engage** and empower more women in the insurance salesforce and within other departments of insurance companies i.e. actuaries, product designers, marketers, and mid-management, to represent the needs of and create affinities with women clients;
- **Provide** gender sensitive training to the salesforce to better engage women clients;
- **Engage** in partnerships to expand women's access to and use of insurance and enhance product and service value.

9.1 BUILD INTELLIGENCE ON WOMEN'S INSURANCE NEEDS

A — Gather Gender Disaggregated Data and Monitor Women's Portfolio

While gender-disaggregated data is not always available,¹³⁶ insurers need, where possible, to monitor the needs and behaviors of women clients in their portfolio. Tracking gender-disaggregated data on renewal rates, premium spend, turnover ratio, claims ratio, client satisfaction, and acquisition cost will enable insurers to better understand the value of women as clients. This data can then be used to further refine the analysis of the women's insurance market opportunity and build the strategy to reach the market.

B — Analyze Existing Data and Collect New Data on Women's Demographics, Needs and Behaviors

To develop a truly customer-centric view, insurers need to analyze data to segment their women's customer base and design targeted products, marketing, and distribution strategies without relying on assumptions. Women's needs differ from each other across different income brackets, family structure (for example, whether or not they have a dependent), lifecycle events (such as marriage), and geography (whether urban or rural), and it is important that these differences are captured. Data points that can be analyzed include income level, number of dependents, preferred channel and frequency of interaction, the types of products women want from insurers, and the barriers women face in purchasing insurance. Where there are data gaps, clearly defined processes such as interviews, focus group discussions, and market studies are needed to gather new data.

“Women are keen to insure themselves as they are increasingly looking for stronger protection; but they also want the service that comes with it. Basically [they want] the full package and insurance companies should capitalize on that.”

— CEO, AXA,
Sao Paulo, Brazil

9.2 NOT JUST ANY PRODUCT: THE RIGHT ONE

There is a need to develop targeted value propositions for the women segments. Insurance products and services today are generally tailored to a male or gender-neutral audience without a clear understanding of the unique needs of the women's segment, and the sub-segments it is composed of. Insurers need to use the client insights they have gathered to develop unique products and services for targeted women client segments.

A — Develop Targeted Products for Women Client Segments

Products must be tailored to the needs of each client segment, taking into account women's time constraints and multifaceted roles within the home and society.

Below are few examples of segment-specific targeted products

Example 1: Across all Segments

Need: *Peace of mind*

Solution: *Conditional payment to beneficiaries*

While both men and women seek peace of mind from insurance products, certain markets have societal customs that favor men in inheritance rights. Women in these markets want to use insurance to guarantee their benefit payouts are used productively — for example, to fund their children's education — rather than being squandered by a relative. One option insurers can offer is to provide regular payouts of the policy, as opposed to a lump sum, conditional upon the beneficiary's lifecycle events (for instance, a payout might be linked to continued school attendance). In addition, insurers can offer the woman policyholder the option to appoint an estate trustee to carry out and manage the payout if the beneficiary is not capable of doing so.

This type of conditional payment is common in Brazil, China, and India as part of education life insurance policies.

Example 2: Segment 2 — Working Mothers (MIDDLE AND HIGH INCOME)

Need: *Family protection for diverse set of dependents*

Solution: *Family bundles*

Women value insurance products that protect their entire family. This requires insurers to consider clients as a family unit, and the woman client as a conduit for family coverage. A bundled “family care” package that covers multiple family members and provides an option to add on more family members will be convenient and useful. These product bundles will need to provide different care for both the elderly and children; policies for the elderly will include health monitoring support, while children’s policies will include regular health screening. While bundling is often offered as part of employee benefit plans, it is not commonly seen in retail products within the 10 focus markets.

Example 3: Segment 3 — Retirees

Need: *Assistance with managing healthcare*

Solution: *Targeted accident coverage for common women’s health issues*

As stated above, retired women are more concerned about managing their health. One option is to offer short-term accident coverage for common health issues faced by senior women. For example, a World Health Organization (WHO) report identified that older women are more prone to falls and increased injury severity.¹³⁷ In the case of a broken bone, women can use this product to cover hospital and other expenses related to treatment and reduce their out-of-pocket spending. Offering the option for annual renewal allows flexibility for women clients to enroll when their budget allows it. While very relevant to women clients, similar types of short-term health coverage products can be designed for men clients to cover the type of health issues they are more likely to face.

This type of product is already found in Brazil, and will be beneficial across all focus markets.

Example 4: Segment 4 — Low-Income Customers

Need: *To address gap between micro and conventional insurance*

Solution: *Bridge products*

As women continue to improve their economic standing, insurers could invest in developing bridge products that follow women through increases in their income and changes in lifecycle events. Beginning as a microinsurance product, it can be distributed through the mobile carrier and will follow the policyholder as their income rises to bring them to the coverage level of conventional insurance products. This product can be used by both men and women, but will be particularly valuable for women as they are offered riders based on their lifecycle events and advice on managing their risks.

By offering insurance through a mobile channel, telecommunications companies can build loyalty by increasing the switch cost, while insurers are able to reach a larger population base. Traditional microinsurance terminates the relationship once the coverage period is over, but by distributing and offering products through the mobile channel, insurers will be able to follow an individual client through her rise in income. When the policyholder’s income rises, she will likely upgrade her phone, signaling readiness for a more sophisticated insurance product. Insurers can pre-install an app on the upgraded phone to offer incremental riders to extend the coverage until it reaches the conventional insurance price point. Insurers can also offer add-ons or tailored products that follow a woman’s cycle of life events. Finally, insurers can also use the mobile application to send the policyholder information related to managing the specific risks faced by women such as maternal care.

This type of product will be beneficial in markets where microinsurance is common — for example, in India, Indonesia, Mexico, and Nigeria. However, given market-specific restrictions on partnerships between mobile and insurance, this approach may not yet be possible in all markets.

B — More Than a Top-Up, a Wrap-Around Service that Enhances Product Value

Women, particularly mothers and retiree segments, are looking for trusted services to help them balance commitments and enhance their mobility. This recommendation is especially relevant in Brazil, Colombia, Mexico, and Thailand, where the demand for wrap-around services is high.

Wrap-around services are common in some Latin American markets. For example, in Colombia, some motor insurers offer services to drive the policyholder home after dark or after a social event. This type of service is particularly valuable for women who are not comfortable driving at night. The insurance provides the policyholder with a clear value beyond accident protection, while also preventing drunk driving and reducing the risk of claims.



Case Study 6:

Brazilian Insurer Porto Seguro's Wrap-Around Services Address Women's Daily Needs



Porto Seguro has differentiated its motor product for women by providing outstanding wrap-around services. The *Auto Mulher* provides female drivers with exclusive services and benefits. Some services, such as providing a help desk for computer issues or discounts at personal wellness establishments, are not related to the underlying car being insured but are valued by women as solutions for their needs around the home.¹³⁸

Women can trust Porto Seguro to validate the service providers associated with the insurance product. As one woman client stated, "I only trust services provided by Porto Seguro, as I know they have checked everyone who they send out. I get a password to make sure that the person who is coming is actually coming

from the company and I will not let anyone into the house without the password." Premiums on the *Auto Mulher* product are 20 to 30 percent higher than the market average; however women are willing to pay for the additional services and view them as "well worth the price."

Porto Seguro is one example of an insurer that has differentiated the company by identifying and meeting women's needs outside of direct insurance coverage to grow sales and customer loyalty. While many other insurers offer "female-specific" motor products (e.g. 1st for Women, Diamond Insurance), few offer the extensive set of services that Porto Seguro does.



9.3 PROXIMITY, UBIQUITY, SIMPLICITY: IMPROVING DISTRIBUTION FOR WOMEN CLIENTS

Insurers must develop different distribution strategies adapted to the various sub-segments of the women's market. Leveraging technology, the women's salesforce, and innovative partnerships are all options for insurers to reach their target women segment. It is important that the distribution recommendations are tailored to the needs of each market and segment.

A — Digital Savviness: More Than Just Nice to Have

Leverage digital growth as an opportunity to increase proximity with women clients and sell insurance through mobile and online channels. Online research for insurance products is growing in popularity, particularly in Latin America and Asia. An Accenture survey found that in Brazil and Colombia, 65 percent of research activities are conducted online,¹³⁹ while a BCG survey in India found that the Internet was listed as the second highest contributor to selecting an insurance brand.¹⁴⁰ A study by ComScore found that globally more women than men go online to research financial services products.¹⁴¹ For the salaried women and working mother segments, online and mobile provide convenient channels to research insurance products as these women value the convenience offered by digital channels.

The digital channel can be used to sell insurance, subject to market-specific legal restrictions on digital distribution. For example, lower-income women customers in rural geographies face greater mobility restrictions than men,¹⁴² and therefore mobile channels may be the best distribution channel to reach them. An example of an innovative mobile and insurance partnership is Tigo and Vanguard Life Assurance, which provides microinsurance for free to Tigo subscribers, and has reached over one million people in Ghana and Tanzania. While not specific to women, this type of partnership underscores the future of mobile and insurance distribution for the lower income bracket.¹⁴³

The digital channel can also be used to deliver after-sales and wrap-around services, particularly for the working mother segment. For example, online claims tracking will enable busy women to anticipate the timeline and amount of their payout. These women also value mobile applications that help them manage their finances. A study in Brazil found that applications that help with financial planning and productivity are popular among smartphone owners.¹⁴⁴

To successfully use digital channels for sales, insurers need to address women's concerns about transaction security. A study by Kaspersky Lab found that women feel more vulnerable than men when making an online payment (51 percent versus 46 percent), and are more worried about the risk of online security issues affecting their bank accounts (64 percent versus 59 percent).¹⁴⁵ Investments in encryption technology and pursuing online threats need to be made and communicated. Insurers also need to demonstrate commitment to security through awareness campaigns.

B — Leverage Women-Specific Networking and Advocacy Habits: It's Always Been About Word of Mouth

For the salaried women and working mother segments, social media platforms, and discussion forums are a growing opportunity for insurers to educate women about insurance products and market such products, especially as these platforms allow for the multiplier effect. Women spend a higher percentage of their time on social networking (16.3 percent vs. 11.7 percent) than men.¹⁴⁶ In the insurance industry, an Accenture study shows that in Brazil, women are more likely than men to use social media to research claims processes.¹⁴⁷ Market interviews show that women will use social media platforms to share products and services they like with others in their social media network, enhancing their role as advocates. In addition, women are also more likely to trust the reviews posted by their network, enabling insurers to build trust within a larger base of women clients.



Women spend a higher percentage of time on social networks. They will increasingly use them as a platform to share products and services with others, making them great advocates. Insurance companies should build on this for greater trust and reach

C — Be Clear and to The Point

Insurers need to focus on providing accurate and relevant information and advice at the point of sale. As women are more likely than men to read insurance policies, they are more likely to be frustrated with complex technical information. Insurance companies need to highlight the most relevant information — such as coverage, exemptions, and the claims timeline — so the reader can understand it immediately. Where possible, language needs to be simplified without downplaying technical complexities. There is also an opportunity for insurers to use technology to provide clear information — for example, by providing a video guide to the claims process.

In addition, women value risk management advice more than men. Providing advice as well as preventive mechanisms to women on how to better manage their household risk is another tangible service that insurers can provide to build trust with the client. Advice on how to reduce the risk of defaulting on a loan, for example, will be valuable, as it will reduce the chance that the client will have to make a claim.

D — Engage and Empower More Women in the Insurance Salesforce

Women represent a high performing salesforce that can be leveraged to build trust and increase insurance uptake among both women and men clients across all segments. To fully recognize the potential of women in the salesforce, insurers need to address the social, professional, and safety concerns they may face.

RECOGNIZE SOCIOCULTURAL CONSTRAINTS: Insurers need to recognize that local cultural norms determine with whom women can interact with and the types of economic activities they can participate in. The face-to-face nature of sales work can pose problems in many cultures, since women agents have to interact with potential and existing clients of the opposite gender.¹⁴⁸

In markets where women face barriers in interacting with men clients, one suggestion is for insurers to leverage the women's salesforce to sell solely to women clients. Initiatives such as the all-women branch set up by Bajaj Allianz in Pune, India, provides a "conducive environment that will not only provide them financial independence but will also use the talent pool of women professionals."¹⁴⁹ This enables women to interact with colleagues and clients without breaking social or cultural norms.

In addition, women find that although the insurance industry provides some flexibility, the late hours required for serving clients can conflict with their personal and family duties, which require them to be home in the evening.

ADDRESS SAFETY CONCERNS: Physical safety is a concern for women, particularly in public places. Because the agent role requires face-to-face client meetings, women who lack transportation of their own must travel via public transport and can face sexual harassment. This is particularly common in markets such as India and can be a significant barrier to women being insurance agents. In addition, night-time events, such as dinners with clients, can also be a safety concern, especially if a woman is traveling alone.

One way of addressing these safety concerns is for insurers and brokers to provide a ride share program for women. For women agents who live in remote areas or need to travel at night, a ride share program will be invaluable to ensure their safety. Such programs exist in India; for example, Bajaj Allianz offers pick-up and drop-off assistance to women agents.¹⁵⁰

ADDRESS THE LOW PROFESSIONAL REPUTATION OF AGENT/BROKER POSITIONS: In certain markets such as China, and Mexico, being an insurance agent is traditionally not considered to be a desirable position. Because the entry barriers to being an insurance agent are quite low, the quality of agents is not perceived to be high. In addition, the commission structure, while beneficial to high performers, is not a steady income stream and is susceptible to volatility in a woman's personal life. Corruption and fraud within the insurance industry also negatively impact employer branding. Hua, a health professional in Beijing, China, stated, "You only become an agent if you are not able to find any other job," while Teresa, a broker in Mexico City, Mexico, stated, "Women start selling insurance to participate in the workforce; however, they do not have proper training."

Multinational insurers and brokerages are working to improve the professional reputation of insurance agents by creating targeted campaigns dedicated to recruiting educated women, developing robust education programs for agents, and providing assistance with balancing work-life priorities.

HELP WOMEN BUILD AN INITIAL CLIENT BASE: Most agents build their customer base from scratch, but interview results with women agents identified that it is particularly difficult for new women agents as the insurance industry is still considered to be male-dominated. Women agents may not "fit in" to the male-oriented relationship building activities that can initiate a sales agent's career. For example, male colleagues often gather after hours for social activities, which may be difficult for a woman due to her household commitments.

Insurers and agencies can help lower startup costs by facilitating handover of clients between women agents. As one agent retires, insurers or brokers can act as an intermediary to help sell his or her book of business to another agent. Insurers can also provide start-up loans to purchase a new book of business. Such initiatives are common in developed markets and will help insurers keep the existing clients within their own portfolio, while helping new women agents build an initial customer base. This will be especially valuable for new women agents who may face more barriers than their male colleagues in establishing an initial network

DEVELOP DEDICATED SALES LEADERSHIP PROGRAMS FOR WOMEN: While women are a high-performing salesforce, they may not always be represented in sales management positions. For example, while 60 percent of ICBC-AXA's top agents are women, women make up only 40 percent of sales management positions. Interviews with brokers in Mexico and Nigeria found that women represent under 30 percent of sales management positions. A lack of women in leadership could translate into a lack of awareness of the needs of women clients, both in the company culture and in communications to the salesforce.

Women at lower levels also lack role models. Insurers need to dedicate formal mentorship and sponsorship programs to increase representation of women in sales leadership. For example, Nippon Life, an insurance company in Japan, has multiple programs to further train its female talent. These include seminars for women on returning to the workforce after prolonged leave (usually due to family commitments) as well as collecting and implementing the ideas of female employees and/or salesforce for women-specific products.¹⁵¹ Such programs not only grow leadership skills, but also enable the salesforce to have a visible impact on clients. While leadership programs are commonly found in developed markets, they have not yet been implemented consistently across emerging markets.

"Uniform training programs and updated technology give women agents confidence that [the brokers and insurance companies] want us to do well and are invested in our careers."

— Bai, Agent, Beijing, China

E — Adapt to Your Audience: Provide Gender-Sensitive Training

Currently, no insurer, agency or broker interviewed across the focus markets provided gender-sensitive training to their salesforce, which may explain the disconnect between women clients and their insurers.

In some developed markets, the financial services salesforce is trained to recognize and respond to women clients at the point of sale. This is particularly important for women entrepreneurs and retiree segments, as they are more likely to seek out in-person advice. For example, Fidelity Investments in the United States has trained its salesforce to respond differently to women and men clients. It found that women wanted to understand what the products mean for them, as opposed to having the condensed version that men commonly want.¹⁵² Providing

this type of training will help improve the salesforce's effectiveness in understanding and meeting the needs of women, and help build women's confidence and trust in making financial decisions.

F — Stronger, Together

By partnering with governments, NGOs, other service providers, and complementary industries, insurers can educate and reach women who may be left out of the traditional distribution channels. Distribution partnerships are particularly important for women in the lower income bracket — who face physical and socio-cultural barriers to insurance access — or women new to the formal workforce who may not be as confident in making financial decisions.



The lack of gender-sensitive training within the insurance salesforce explains the disconnect between women and their insurers

DEVELOP PARTNERSHIPS TO INCREASE AWARENESS AND TRUST AMONG WOMEN CLIENTS: Insurers and governments can work together to improve insurance education for and distribution to women. Depending on the relationship between the government and the insurance industry in each market, partnership opportunities vary. The first step is for insurers and the government to join forces in recognizing and identifying constraints faced by women clients and the shared interest to providing joint solutions to critical issues such as aging population and urbanization, before discussing potential solutions. Potential collaboration opportunities include developing targeted education curricula on risk mitigation for women.

Partnerships with schools and reputable NGOs can help insurers increase awareness of insurance among women, particularly those in the lower-income segment.

Currently, few programs in emerging markets focus on insurance education, and those that exist usually do not focus on the women's market. By providing awareness programs through a trusted community-focused group — where women often play a central role — insurers can also establish themselves as supportive community advocates. Such programs are found in the banking sector; for example, Citibank partnered with the Indian School of Microfinance for Women to provide financial literacy education for women in low income brackets.¹⁵³

Partnerships with other service providers will bring credibility to insurers' messaging and help further increase trust among women clients. Insurers can also leverage professions of influence, such as medical professionals or teachers, as distribution channels.

Case Study 7:

Leverage Medical Professionals and Savings Clubs to Increase Awareness Among Women in Indonesia



Multiple insurers in Indonesia have developed a novel approach to educating women clients about insurance by combining medical professionals and the “arisan” club — a women's savings and social club — as distribution channels. Working with doctors, midwives and nurses, insurers organize events with arisan clubs where medical professionals help women understand the health risks they face. Following the presentation of health risks, the insurers show participants what products are available to help them manage these risks.

Although this approach is relatively new, interviews with insurers in the local market have revealed that this channel generates

higher sales than traditional agent channels. Women trust medical authority figures such as doctors, nurses and midwives and are more likely to listen to their advice regarding health risks. Presenting insurance in person and in the context of healthcare cost is more concrete for women than a list of premiums and benefits.

Insurers also benefit from the network effect of women. An arisan club can have up to 20 members, with women often belonging to multiple clubs. Insurers benefit from accessing a large base of clients at one point and leveraging women's wide sphere of influence as women share their experience with other club members.

DEVELOP PARTNERSHIPS TO INCREASE ACCESS TO

WOMEN CLIENTS: Partnerships with companies in complementary industries that service or employ a large women population can open up a new commercial women customer base for insurers. For example, partnerships with companies with a large women's salesforce, such as cosmetic companies, can provide insurers with access to a large base of commercial clients.

Case Study 8:

Innovative Partnership to Reach Women Sales Representatives in Mexico



Zurich Seguros in Mexico has partnered with Avon, a beauty and cosmetics company, through an innovative incentive plan to provide health, medical and accident benefits to Avon's salesforce of primarily women representatives. Representatives who reach a certain tier of sales are entitled to opt-in to a corresponding tier of insurance coverage at no cost to them.

Four tiers of coverage with increasing protection value are available:

Tier 1: Individual Accident Death Coverage

Tier 2: Individual and Family Accident Death Coverage

Tier 3: Extended Individual and Family Accident Death Coverage

Tier 4: Individual Breast Cancer plus Individual and Family Accident Death Coverage

Outcome: Win-Win-Win Solution

This type of innovative partnership has provided benefits to tens of thousands of Avon agents:

1. **REPRESENTATIVES:** Women who did not have access to insurance through Avon before are now receiving benefits free of charge. The protection they are receiving through Avon is valuable, especially the extended accidents for families and breast

cancer coverage (breast cancer affects one in eight women). By accessing insurance, the representatives may be able to access better quality care and ensure the safety of their family.

2. **AVON:** Provides a differentiated benefit to attract and retain its agents in an increasingly competitive talent market. Avon has also provided a very valuable incentive for its representatives to grow their sales.
3. **ZURICH SEGUROS:** Increase female insurance coverage by further penetrating the Avon representative sales channels. In addition, by extending benefits to the representatives' immediate families, Zurich has also grown its customer base. Avon's representatives also act as advocates for other Zurich products once they understand it and experience its value.

After two years of partnership, Zurich Seguros and Avon are excited to look for opportunities to expand their partnership to reach more women in the market. As one Zurich Executive said, "In insurance, thinking outside of the box is important to reach a new customer base and grow penetration within the market."



Encouraging the younger generation of women to invest early in insurance products will also benefit insurance companies as they build rapport with women and build a base of lifetime clients



10. Country Profiles

Brazil

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China

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Colombia

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India

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Indonesia

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Mexico

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Morocco

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Nigeria

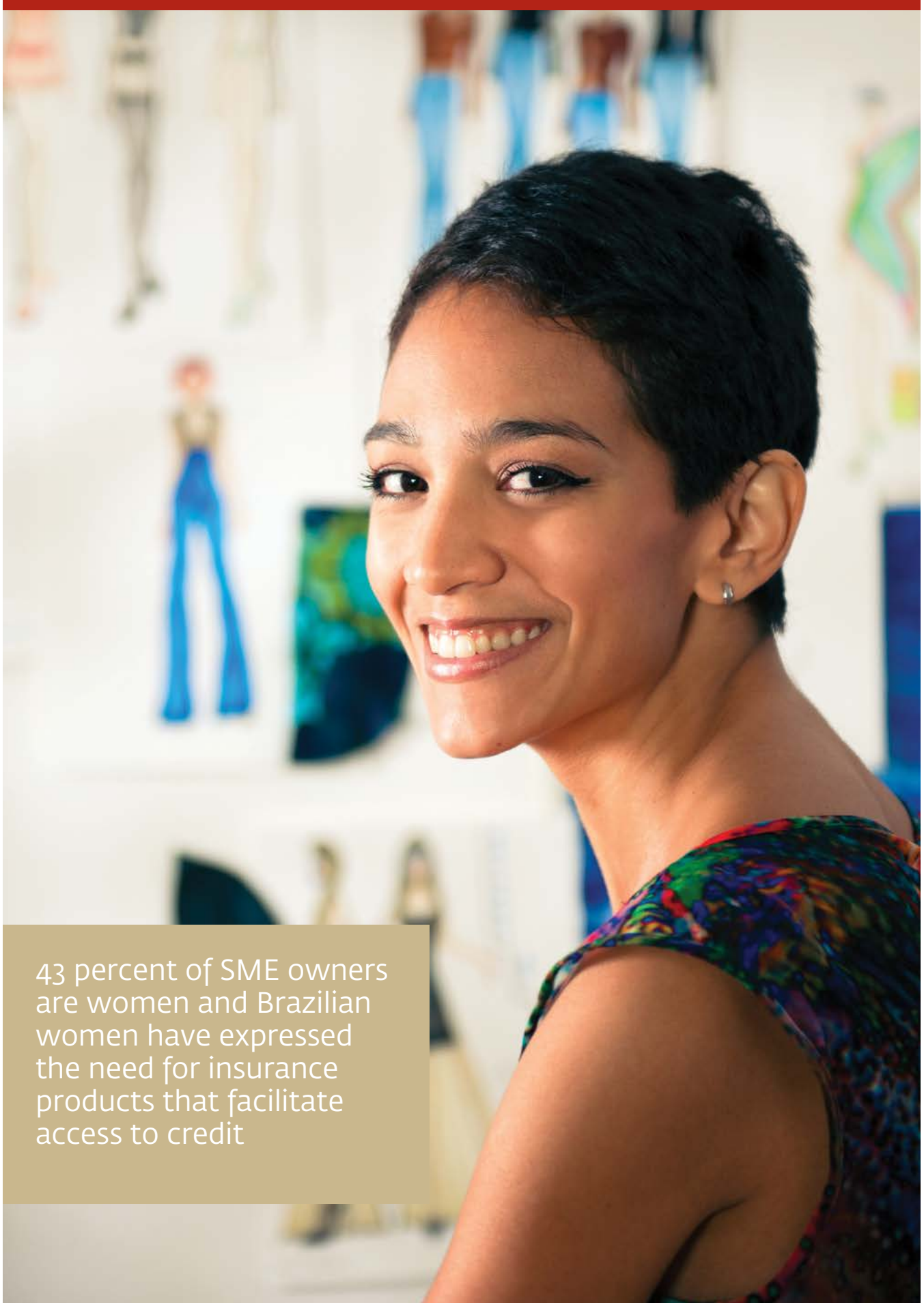
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Thailand

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Turkey

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43 percent of SME owners are women and Brazilian women have expressed the need for insurance products that facilitate access to credit

BRAZIL

“Having private healthcare coverage is the second most desirable item in Brazil, after having your own house.”

— Representative from BTG Pactual, Brazil

“Private healthcare is very valuable to women as the public system is too busy and too crowded.”

— Amelia, Sao Paulo, Brazil

FIVE INSIGHTS

1. By 2030, the insurance premium spend of women clients in Brazil is estimated to be **\$79 billion – \$122 billion**, approximately **eight to 12** times the estimated premium of **\$10 billion** spent by women in 2013.

2. Women in Brazil are willing to spend more on insurance, particularly for their household, than in any other focus market, despite limited compulsory insurance requirements.

3. Private healthcare is valued by Brazilian women over the public system for its quality and convenience. They are willing to pay for it as soon as it becomes affordable.

4. **43 percent of small and medium enterprise (SME) owners are women.** With over **70 percent of SMEs not having insurance coverage**, they represent a clear target market for insurers.

5. Women in Brazil emphasize convenience as a key criterion in purchasing insurance, and mention **bancassurance and mobile as desirable distribution channels.**

SETTING THE SCENE: THE BUSINESS CASE

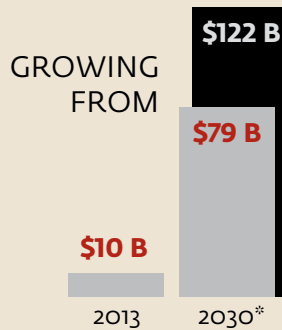
By 2030, the projected retail insurance premium opportunity for women in Brazil is expected to grow to **\$79 billion – \$122 billion**,¹ approximately **eight to 12 times** the estimated retail premium of **\$10 billion**² spent by women in 2013.²

In 2030, the women’s life insurance market is expected to be between **\$41.8 billion – \$64.5 billion**, while non-life is expected to be between **\$27.7 billion – \$42.3 billion**, and health is expected to be **\$9.4 billion – \$14.8 billion**. The women’s market in Brazil is the second largest market opportunity among the 10 emerging markets of focus.³

BRAZIL AT-A-GLANCE

OVERALL WOMEN'S INSURANCE MARKET

8-12X
GROWTH



LIFE INSURANCE

8-12X
GROWTH



HEALTH INSURANCE

5-8X
GROWTH



NON-LIFE INSURANCE

9-14X
GROWTH



WHAT'S CAUSING THIS GROWTH?

- Increase in income
- Increase in labor force participation
- Women's willingness to protect their wealth for their beneficiaries
- Increase in assets
- Longer life expectancy
- Longer retirement years
- Growing segment of single women
- Increase in women's household bargaining power
- Large protection gap for women-owned SMEs

KEY SEGMENTS:



Women Entrepreneurs



Salaried Women without Children

*The 2030 market size estimate is bounded by:
a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman

Insurers should strengthen the retail channel by placing an insurance agent within shops to exclusively handle requests and questions on insurance products



OPPORTUNITY DRIVERS

Opportunity Driver 1: Increase in women's socio-economic conditions

Increase in income and labor force participation: Women's income in Brazil has risen by 10 percent per year, while the labor force participation rate has increased by 1 percent per year from 2008 – 2014.⁴ Discussions with insurers in Brazil have indicated a strong positive correlation between the ability of women to earn disposable income and the purchase of insurance. The rise in the number of women earning an income means an increase in opportunities in the life, non-life, and health insurance segments. For life insurance, more women are looking to protect their wealth for their beneficiaries, while for non-life insurance, more women are expected to purchase assets such as cars and homes, which will result in an increase in property and casualty protection for these assets. Market discussions have also shown that women are more likely to spend on health insurance due to

increases in income, given the value and convenience of private healthcare.

Longer life expectancy and evolving roles in society: On average, women in Brazil live seven years longer than men, but retire five years earlier.⁵ This means women need to account for 12 more years of retirement compared to men, which leaves a protection gap that can be addressed through pension products. In addition, over the last five years, the mean age of marriage in Brazil has risen by seven years, which means a growing segment of single women remain self-supporting longer and are more likely to accumulate assets that need to be protected. These trends indicate that women have an increasing need for insurance, even though they may not have realized it yet due to some of the constraints listed in the next section.

Opportunity Driver 2: Increase in women's household bargaining power

While regional and cultural variations need to be taken into account, in general, as women's income increases, so does their household bargaining power. With gains in employment and income, women who were once decision influencers are now becoming decision-makers. Market interviews show that women are becoming more risk aware, and have a higher appetite for protection products, especially for their children.

For example, an interview with Banco Itaú in Sao Paulo found that the majority of decision-makers for their dental insurance product are women.

Opportunity Driver 3: Women entrepreneurs are underinsured

Brazil has one of the largest proportions of women entrepreneurs in the G20; 43 percent of SMEs

owners are women.⁶ However, there is currently a very large protection gap, as 70 percent of SMEs do not have any insurance. Insurers have not yet recognized the commercial opportunities in helping entrepreneurs grow their businesses. Market interviews indicated that insurers have not developed dedicated solutions for entrepreneurs in general, due to the risks associated with starting new businesses. However, discussions with an AXA executive who specializes in the SME market highlighted that women-owned SMEs are more likely to pay their financial commitments on time, making them a potentially more attractive customer base worth tapping into.

WHY AREN'T MORE WOMEN IN BRAZIL BUYING INSURANCE TODAY?

There are strong growth opportunities for insurers who are willing to invest in understanding and addressing the needs of women; however, women currently face several constraints in accessing insurance.

Many women are not aware of the benefits insurance can bring to their lives and even if they are, they tend to be put off by the use of technical language in policies. Interview results from Brazil show that many women do not understand how pension products and life insurance work due to the lack of exposure and education.

Lack of proactive offering of insurance solutions prevents women from better acknowledging the benefits. Bancassurance is an important insurance distribution in Brazil, particularly for the middle and upper income brackets as it acts as a "one-stop-shop" to meet customers' financial needs. However, women today do not feel that their insurance needs are being properly met by bancassurance agents. Discussions with focus group members highlighted that bancassurance representatives are not proactive in reaching out to offer insurance. "I have to go to my bank to ask them about the products; they do

not come to me," stated Cara in Sao Paulo, Brazil. This requires clients to have extensive knowledge of insurance products. Women, who may not have as much experience or confidence in making financial decisions, may not know when or what products to ask for, and may result in a lost opportunity to acquire protection.

Many women do not feel confident in making financial decisions.

In Brazil, many women are strong influencers of financial decisions, but may not yet be comfortable with making financial product purchasing decisions themselves. Interview results suggest that women may perceive financial decisions to be too complex and rely on their spouses to validate their choices and make the final purchase. This includes both household spending decisions as well as professional financial decisions related to entrepreneurial activities. "Women may choose the products, but many still rely on their husbands to make the final financial purchase," stated Ana, an entrepreneur in Sao Paulo, Brazil.

Women do not perceive the value for money from insurance.

Many women see insurance as being too expensive. For the 40 percent of women below the middle income bracket,⁷ the average annual spend of \$443⁸ on insurance can represent between 15 percent to 35 percent of their annual income, and is not currently affordable to them. Even for the 32 percent of women belonging to the middle income bracket, insurance is still perceived as a luxury more than as a necessary form of protection,⁹ illustrating the progress that needs to be made in terms of financial awareness.

Case Study:

Porto Seguro

Brands such as Porto Seguro, Brazil's leading vehicle and property insurer, have been able to differentiate themselves in the highly competitive motor insurance market by offering services targeted toward women, such as a help desk for computer issues. These services are not related to the insured vehicle, but are tangible benefits that also help integrate the Porto Seguro brand in everyday lives of women. Insurers will do well to invest in understanding the daily needs of women and the types of services they can provide to bring value.



Key Segments

1. WOMEN ENTREPRENEURS

Key Characteristics: Owns her own business, may be balancing professional and personal demands, may be married and have children.

Women entrepreneurs are not targeted as a customer segment and lack understanding of how insurance could benefit them. In Brazil, 70 percent of SMEs do not have insurance. Due to the limited financial management training and support available to women entrepreneurs, many are not aware of the benefits that different insurance solutions can bring. Many women also rely heavily on their spouses for financial contributions (interviews in Brazil showed that 40 percent of women entrepreneurs in Brazil have their spouse as a business partner) and risk business interruption in the event that their spouse passes away. In addition, because many women entrepreneurs operate their businesses from their homes, they risk losing both their personal and professional assets in the case of business interruptions.

Women entrepreneurs lack access to credit. Women entrepreneurs, particularly in Brazil, have expressed the need for an insurance product that facilitates access to credit. Maria, the head of the women's entrepreneurship association in Sao Paulo, stated, "I see a lot of women entrepreneurs struggling with obtaining credit without putting up their personal assets as collateral. Some type of insurance that can guarantee women's initial access to credit and help them build a credit history would be very beneficial as they start and grow their businesses."

2. SALARIED WOMEN WITHOUT CHILDREN

Key Characteristics: May be career-oriented, may have tertiary degree, does not have children.

For Medium Income: While generally well-educated, may still be unfamiliar with financial products.

For Upper Income: May be familiar with financial products, but still lack confidence in making the right decisions.

Making insurance more tangible is key. Many women in Brazil struggle to find the value of insurance; they make premium payments without knowing if they will receive the benefits and/or they buy into certain insurance products such as life and pension that do not pay out until far out in the future. "I pay into my policy on a monthly basis, but what happens to pay outs in the future? Are they secure?" Denise from Sao Paulo stated. They prefer to spend their income on goods that benefit them in the short term, and worry about their retirement "when they get there."

Affordability is the main barrier to accessing private healthcare. Private healthcare is especially desired by women in Brazil as the private health system offers better quality care and shorter deadlines. A representative of BTG Pactual, a financial company, stated "having private healthcare coverage is the second most desirable item in Brazil, after having your own house." However, only 27 percent of the population actually has private health coverage⁹ as it is very expensive. "Private healthcare is very valuable to women as the public system is too busy and too crowded," stated Amelia in Sao Paulo.

"Women who have bargaining power are much more likely to spend on their families, including providing them with full financial protection. They are also likely to purchase life insurance to make sure their children are taken care of."

— Executive, Willis, Sao Paulo, Brazil

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

To overcome these constraints and to tap into the full potential of the women's market, insurers will need to find solutions to raise awareness, offer tangible benefits, and develop insurance solutions that proactively meet the needs of women and reduce cost at affordable prices.

Leverage the women's workforce and its understanding of women's needs to better develop and distribute products. Insurers need to explore how to better leverage the women's workforce and salesforce. Currently, 33 percent of the insurance agents in Brazil are women, an increase from 28 percent in 1998.¹¹ Interviews with Willis in Sao Paulo found that women brokers appear better able to understand and meet the protection needs of the entire family, not only those of other women. Given the dominance of the broker distribution channel in Brazil, it is important that insurers tap into the relationship-building skills of women to expand their customer base. Insurers and brokers interviewed did not provide gender-specific training for their salesforce to help both men and women better reach women clients, which is already implemented in some mature markets such as the United States.

Interviews with insurers and brokers found that women are also well represented at management level (41 percent); however, the proportion of women drops at the executive levels (20 percent). Women in leadership positions are important as they bring their own life experience and perspective in setting the strategic direction and product design, as indicated by one woman leader at AXA: *"I provide input from my [woman's] perspective to understand if the product makes sense and address my needs."* Additionally, women employees and brokers tend to act as informal advisors for their family and friends and can thus advocate for the insurance company.

Tapping into this has the potential to create a multiplier effect, to help insurers better target the needs of women and to increase the number of women clients.

Risk prevention and financial education campaigns are key to increasing awareness among women. Interview results show that financial literacy enables women to educate their peers and employees on the importance of savings. This type of informal education is already occurring among women, and insurers can leverage their network of employees to dispense this kind of informal advice and increase financial awareness.

Insurers may also choose to partner with the government and women business associations to develop such educational campaigns. In some developed markets, road-safety campaigns are often a joint initiative by insurers and the government. Awareness about maintaining a healthier lifestyle and the benefits of health insurance is another area that is important to highlight.

Provide transparency and easy-to-understand language in the policy terms and claims process to facilitate financial decision-making. Women interviewed in Brazil found the technical language used in insurance product descriptions to be overwhelming and confusing, causing them to shy away from purchasing decisions. In terms of the claim process, market research shows that women value the functionality of online claims tracking more than men. To them, it reduces the uncertainty of whether the claim will be paid and also allows them to proactively plan for the outcome, including alternative solutions.

Strengthen multiple distribution channels to better engage women and proactively offer products/services. Women in Brazil identified bancassurance as a convenient "one-stop-shop" distribution point. However, to truly meet the needs of busy women, bancassurance providers need to use data analytics and customer segmentation to predict and address the product and service demands of their women clients, based on their banking history. This is particularly important for women who need protection, such as women who recently purchased a home, but may not be aware of their protection needs.

Mobile is another channel that can be used to reach women in remote areas who may not have convenient access to traditional channels. Studies have shown that women prefer mobile applications to help them with planning and productivity, so offering applications to educate women and help them plan for their insurance and financial needs will be a very valuable tool for women.¹²

Collect gender disaggregated data to better understand the lifestyle needs of the different women customer segments. Insurers need to overcome the stereotypes in the market and invest in understanding the product and service needs of different segments of women. Needs vary depending on the woman's lifestyle and socio-economic status. Insurers will be able to explore and effectively target the women's segment further only if they start collecting data on a more granular level, so that they can perform analytics on gender disaggregated data. Higher data granularity could include gender-specific data on products, distribution channel preferences, usage of add-on services, and age group analysis.



How to Meet the Needs of:

1. WOMEN ENTREPRENEURS

Offer business partnership insurance. While currently not popular, partnership insurance can be important to protect the interest of both business partners and ensure business continuity in the case of death of one of the partners, or divorce. This product may be especially important for women in Brazil, since many are heavily dependent on their spouses for financial contributions.

Offer bundled personal and professional packages. For women entrepreneurs who run their businesses from their homes, bundling insurance packages for personal and professional needs (for example, bundling business interruption insurance with health insurance or employee accident insurance) will be helpful in protecting against the loss of income in case they or their employees are unable to work. Flexibility to adapt the product to the needs of the business will be very important.

Target marketing efforts and train agents to better advise clients. Marketing needs to ensure that women entrepreneurs get a better understanding

of what risks they are exposed to and how insurance can support them in further growing their business. Agents need to be better trained to advise them on protection possibilities.

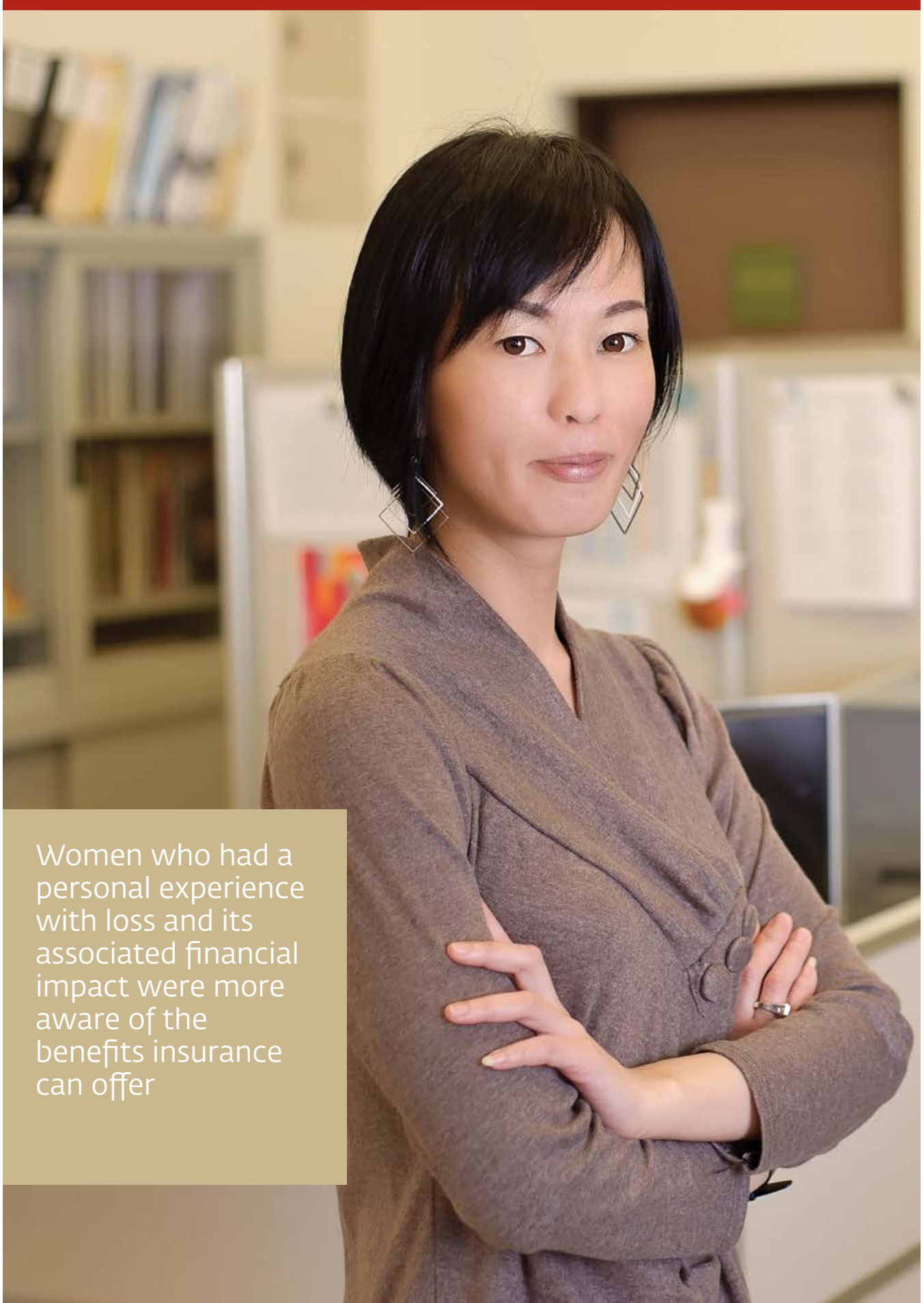
2. SALARIED WOMEN WITHOUT CHILDREN

Consider strengthening distribution channels within retail stores. Insurers should strengthen the retail channel by placing an insurance agent within shops to exclusively handle requests and questions on insurance products. This will be important for retailers that sell high-value goods, as these are the products for which women are more likely to request insurance.

Make insurance tangible through add-on services. Insurers should look to offer add-on services in addition to the coverage itself, as this will make insurance benefits more tangible. *“Women are keen to insure themselves as they are increasingly looking for stronger protection; but they also want the service that comes with it...basically the full package, and insurance companies should capitalize on that,”* stated the CEO of AXA in Sao Paulo, Brazil.

Endnotes

1. Predicted growth calculated based on projected female labor force participation (sourced from ILO), projected female income (sourced from ILO), and a predicted increase in number of women customers based on the proportion of women in who purchase insurance in developed markets (e.g., France)
2. Calculated using Munich Re. (2015). Insurance Market Outlook.
3. Ten focus countries: Brazil, China, Colombia, India, Indonesia, Mexico, Morocco, Nigeria, Thailand, and Turkey
4. World Economic Forum, “The Global Gender Gap Report,” Insight Report, (2008 and 2014).
5. International Labour Office, “ILO Social Security Inquiry; Indicator: old-age pensioners recipient ratio above retirement age,” ILO Database, Accessed April 2015.
6. EFE, “Women Account for 43pct of Brazil’s entrepreneurs,” Fox News Latino, February 24, 2015.
7. Francisco H. G. Ferreira, Julian Messina, Jamele Rigolini, Luis-Felipe López-Calva, Maria Ana Lugo, and Renos Vakis. “Economic Mobility and the Rise of the Latin American Middle Class,” Washington, DC: World Bank, (2013).
8. Swiss Re, “World Insurance in 2013: Steering Towards Recovery,” Sigma, no 3, (2014): 1-47
9. Francisco H. G. Ferreira, Julian Messina, Jamele Rigolini, Luis-Felipe López-Calva, Maria Ana Lugo, and Renos Vakis. “Economic Mobility and the Rise of the Latin American Middle Class,” Washington, DC: World Bank, (2013).
10. Ibid.
11. Francisco H. G. Ferreira, Julian Messina, Jamele Rigolini, Luis-Felipe López-Calva, Maria Ana Lugo, and Renos Vakis. “Economic Mobility and the Rise of the Latin American Middle Class,” Washington, DC: World Bank, (2013).
12. Qualcomm, Vital Wave, GSMA mWomen, “Transforming Women’s Livelihoods Through Mobile Broadband,” (2014).



Women who had a personal experience with loss and its associated financial impact were more aware of the benefits insurance can offer

CHINA

FIVE INSIGHTS

“Whoever targets women clients in the market first will have a first-mover advantage and earn the fast growing income of this increasingly important customer base.”

— Executive, National Insurer, Beijing, China

“In China, buying insurance for the family is often a woman’s task because they are more likely to be concerned about the needs of the family. Men are more self-focused, while women spend money to promote their family. The majority of my [life insurance] clients are women because they are the ones asking me for family products.”

— Bai, Agent, Beijing China

1. By 2030, the insurance premium spend of women clients in China is expected to reach between **\$375 billion** and **\$575 billion**, approximately **six to nine times** the estimated premium of \$65 billion spent by women in 2013. China represents the largest market out of the 10 focus countries in this study.

2. Over the last six years, **women’s salaries in China have grown by over 60 percent**, increasing their sway over the family wallet.

3. Rapid urbanization has increased women’s desire for family protection that includes protection for aging parents, who may live further away and/or in more rural areas.

4. Women highly value their children’s education and are looking for products to help them save for expensive overseas education in the future.

5. Women entrepreneurs make up 25 percent of all entrepreneurs in China, a market poised to grow if women can obtain better access to finance.¹

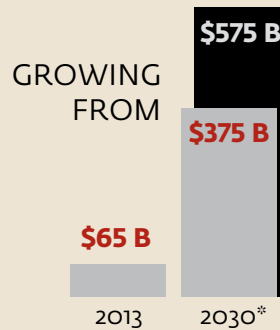
SETTING THE SCENE: THE BUSINESS CASE

By 2030, the insurance premium spend of women clients in China is expected to reach between **\$375 billion** and **\$575 billion**, approximately **six to nine times** the estimated premium of **\$65 billion** spent by women in 2013. About **\$205 billion – \$315 billion** is expected to come from the life insurance sector, while non-life is expected to account for **\$152 billion – \$232 billion**. The health segment is expected to grow to about **\$18 billion – \$28 billion**. China represents the largest women’s insurance market out of the 10 focus countries due to the already large base of women clients.

CHINA AT-A-GLANCE

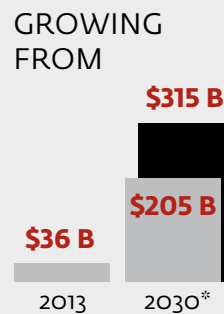
OVERALL WOMEN'S INSURANCE MARKET

6-9X
GROWTH



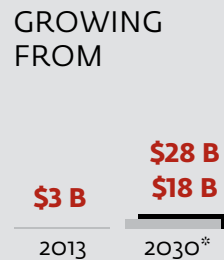
LIFE INSURANCE

6-9X
GROWTH



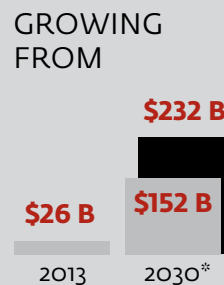
HEALTH INSURANCE

5-9X
GROWTH



NON-LIFE INSURANCE

6-9X
GROWTH



WHAT'S CAUSING THIS GROWTH?

- Increase in disposable income
- Improvement in education
- Delay in marriage and childbirth to focus on career
- Increase in women's bargaining power
- Increased appetite for financial protection
- Willingness to spend on protection for their children, parents, and in-laws.
- Longer life expectancy strengthen the need for life and pension products
- One child policy strengthen the need for life and pension products
- Willingness to spend more on value-added services, convenience and comprehensive protection
- Urbanization i.e. women cannot rely on alternative informal solutions
- Growing women entrepreneurs' segment

KEY SEGMENTS:



Working Mothers



Women Entrepreneurs

*The 2030 market size estimate is bounded by:
a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman

OPPORTUNITY DRIVERS

Opportunity Driver 1: Increased disposable income and appetite for financial protection continue to drive women's insurance market

From 2008-2013, women have increased their salaries by over 60 percent.² This rapid growth of the middle class has been accompanied by improvements in health conditions, education, and an increased disposable income, making women more likely to spend on products such as insurance. Market discussions also revealed that there is a trend of women delaying marriage and childbirth to focus on their career and to **“leverage that they went to university.”**

Overall, women's contribution to household income has increased, along with women's bargaining power and their ability to make decisions on household purchases and financial decisions. Today 47 percent³ of Chinese women pay for their own health insurance. The importance of health insurance extends to women's families, and market research indicates that women are willing to spend more on protection that is 'managed' for their children, parents and in-laws.

Opportunity Driver 2: Longer life expectancy and one child policy strengthen the need for life and pension products

Trends in retirement, income, and life expectancy indicate that women could require life insurance and pension products to a greater extent than their male counterparts. For instance, the statutory retirement age for women in China (55 years old) is five years earlier

than men's, while life expectancy for women is longer (76 years old).⁴ Women will therefore need to ensure that they have the resources to live 21 years in retirement.⁵ Additionally, the one child policy will increase the double burden to younger generations. It will also compromise the extent to which elder generations will be able to receive support. This will put significant pressure on the social pension system, and may reduce the quality of life experienced by retirees.

Opportunity Driver 3: Women in China are willing to spend more on their insurance cover

Discussions with AXA and other insurers indicated that women are less price sensitive than men for both life and health products. Women are willing to pay more for value-added services, convenience, and comprehensive protection. The importance of protection extending to all family members was strongly emphasized by participants during the market research. Women clients interviewed indicated that they are willing to put 10-20 percent of their salary towards protection as compared to about 5 percent today. Women also recognize the importance of using insurance to protect their assets, especially since societal customs

“Having insurance is more secure than marrying a rich husband. In the case of divorce, woman will at least maintain her insurance policy investments under her name, as opposed to losing them to her husband like she would a home.”

– HuaChing, Head of Household, Beijing, China

still favor men in inheritance despite equality under the law.

Opportunity Driver 4: Urbanization means that women cannot rely on alternative informal solutions in place of insurance

Urbanization exceeded 50 percent in 2012, and has grown massively since 1992 when the urbanization level was just 23 percent.⁶ Urbanization affects the traditional family set-up and informal protection network as children may move to bigger cities for their careers and leave their parents behind. Given women's "sandwich" generational position, with the duty to support their children, their parents, and in-laws, they are in need of protection solutions for the extended family.

Opportunity Driver 5: Women entrepreneurs' segment poised to grow if funding is secured

Women own 73 percent of the start-ups in China; however, as a result of unequal access to credit, a huge decline in female ownership can be noticed as businesses grow in size and maturity.⁷ Research suggests a lack of gendered approach for lending, and women-owned businesses are not large enough to be of interest to banks.⁸ With the rise in the number of women entrepreneurs and women-owned businesses in China, insurers can use this opportunity to provide tailored products that would facilitate access to credit.

WHY AREN'T MORE WOMEN IN CHINA BUYING INSURANCE TODAY?

Currently, women face several constraints in accessing the insurance market. Acknowledging these barriers and providing active support to overcome them will be critical to tap into the women's insurance market opportunity.

Women's awareness about insurance and its benefits is uneven across age, income, and social groups. Culturally, death and disasters are considered very morbid topics in China, and planning for

them is not often discussed. Focus group discussions indicated that women who had some personal experience with loss and its associated financial impact were more aware of the benefits that insurance can offer; the level of awareness also varied with age and marital status.

Interviews with older, married women with children showed that they were more familiar with the benefits of insurance. Increased likelihood of having accumulated wealth and assets,

along with experiencing loss (such as economic/natural disaster or death of a family member) significantly increased their concern about the financial burden associated with not protecting their legacy for their children.

Finally, market research shows that despite women's significant interest in protecting their legacy, they do not know how to do so. Increased insurance and risk management education efforts are needed to protect against the potential threat of loss.

Key Segments

1. WORKING MOTHERS

Key Characteristics: Focus is on providing for their children and their future (finance, education); may be financially independent and may want to protect their own assets

For Middle Income: May be used to relying on family and friends for help, but, due to urbanization, no longer has strong informal support network

For Upper Income: Have ample discretionary income to spend on sophisticated financial products, but may also prefer less risky options such as savings/checking accounts

Women demand family solutions for health and life. Market discussions with insurers revealed that they have tried to market women-specific products for health insurance, with increased protection for pregnancy and women-specific illnesses. However, most of them stopped providing them due to low uptake. Discussions with women in China confirmed that they have a stronger interest in products that include coverage for their entire family than products that cater only to them.

Annuity products are highly desirable. According to conversations with agents, annuity education funds have seen a widespread increase in popularity. More and more parents are aiming to send their children to study overseas, and many are looking for annuity insurance to plan for the costs. Young parents may lack the awareness that they need to start paying into these funds early on.

Urbanization and reduced family support structures make women less able to care directly for their parents. The rise in urbanization means that women are more likely to live further away from their family and cannot care for their parents as they used to in the past. However, they expressed the belief that insurance and innovative products could help them in managing the distance. They indicated that they are willing to pay for their parents' health insurance and additional care such as a household helper.

In the event of divorce, women face higher financial risk. Market discussions revealed that divorce and the split of assets are a major concern for women. Although not often expressed publicly, women are more likely to purchase insurance to protect their wealth in the case of divorce. This is partially driven by unequal distribution of property; as only 30 percent of women are formally listed as co-title owners and reimbursed for their contribution, many women are afraid of being left with no assets in the case of divorce.⁹

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

Women feel current product offerings do not fit their needs.

Interview results with single women under 30 show that the single women segment does not purchase insurance outside of what is offered by their employers. Although they see the value for insurance, they have not accumulated enough assets to protect or have not experienced the financial cost of loss to justify the insurance premium.

To tap into the women's market, insurers need to develop targeted education campaigns which are tailored to demographics. These should explore how products can meet women's needs, develop family solutions, and support women entrepreneurs with risk mitigation solutions.

Targeted education campaigns tailored to different demographics.

The differences in insurance awareness between generations, and income levels, need to be considered and

addressed according to demographics.

The younger generation requires education regarding the economic burden of loss in order to demonstrate the value of insurance for themselves, and their current (such as parents) or future family members (such as spouses or children). In addition, demonstrating the benefits of contributing early to a pension plan will help support the younger generation in maintaining a quality lifestyle when they retire.

Key Segments

2. WOMEN ENTREPRENEURS

Key Characteristics: Owns a business, may be balancing professional and personal demands, may be married and may have children

Women entrepreneurs make up 25 percent of all entrepreneurs in China, 38 percent of micro and small business owners, and 73 percent of the start-up owners. Insurers cannot afford to overlook this growing segment — for example, women entrepreneurs make up 46 percent of all business owners that run their businesses on Alibaba's business portal, the Chinese e-commerce giant.¹⁰

Women entrepreneurs lack access to finance and understanding of risks they face.

Self-employed workers are required to have medical insurance, however, pension and work injury insurance being voluntary. Today, the insurance industry has not addressed women entrepreneurs with dedicated solutions. Many women entrepreneurs pointed out that they do not understand all the risks they are exposed to and often only realize it when it is too late. To pay for the loss, they will then need to take out a loan in order to keep the business running.

The Chinese government has recognized the constraints women entrepreneurs face — in particular in obtaining collateral to guarantee a loan — and are providing programs to help target women entrepreneurs. In particular, it offers credit guarantees to help women secure a bank loan without collateral under the condition that they have obtained entrepreneurial certification. Often, these credit guarantees are done as either a joint guarantee and/or as loan insurance. As for other types of insurance, the industry does not proactively offer credit insurance to women yet.



How to Meet the Needs of:

1. WORKING MOTHERS

Develop family solutions for health insurance.

Given the lack of uptake on women-specific health products and needs described by women for coverage for the whole family, insurers need to investigate how they can not only capture the whole family under one policy but also ensure women's peace of mind about their parents. As stated in the section above regarding urbanization, insurers should seek to develop solutions that consider the range of dependents that a woman might care for, with add-on services that provide immediate support.

Develop products that help women save for their children's future. The future of their children is of utmost importance for women, and they are increasingly aiming to send their children to study overseas, an expensive investment. Many women resort to saving accounts at banks but do not consider insurance as an alternative. Insurers should develop products with a guaranteed savings element.

Develop products to meet women's concerns for financial self-sufficiency. For women concerned about financial losses due to divorce, insurers should demonstrate how whole life and unit linked life products with annuities can help these women grow their wealth and protect against bankruptcy in case they are not able to maintain joint assets. Insurers should offer flexibility in life products to meet women's investment and life needs, for example, by providing a window when the insured can withdraw some of their investment or receive the annuities from their unit linked products based on setbacks in life (such as a divorce), as opposed to a fixed timeframe or at maturity.

Develop products that consider women's needs in the context of urbanization. As women now tend to live further away from their parents due to urbanization, many women want to ensure not only that their parents receive sufficient health care but also that there is a quick response in the case of an emergency. *"Health insurance should offer to send someone to my parent's house in case they suffer from a broken leg to support them with the household,"* Xin, a working

mother in Beijing, China stated. Women may not be able to respond on time in case of an emergency, and may lose income when they need to care for them due to health issues. Health insurance could offer short-term income protection to cover the costs associated with these trips.

2. WOMEN ENTREPRENEURS

Promote education on risks and support women entrepreneurs in accessing finance with collaterals. Women entrepreneurs stated that they have a sound understanding about the risks they face as entrepreneurs; however, when presented with risk scenarios, they admitted that they did not consider the impact when misfortune occurs. Often, their proposed solution was to take out a bank loan, for which they might not be eligible.

Insurance outside commercial insurance can support women entrepreneurs as it will help them to keep their business running. Significant underestimated risks included income protection while suffering health issues and retirement planning.

Women entrepreneurs also face issues accessing funding from banks, despite a government program in place to support them with collateral for the loan. Credit life insurance could present an alternative for the bank to ensure that women will be able to pay back the loan in case anything happens, or to provide additional payment protection insurance in case they will not be able to pay their full installment.

Insurers can partner with the government on outreach programs and the Women's Entrepreneurship Association of China to reach out to the entrepreneur segment.

Encouraging the younger generation of women to invest early in insurance products will also benefit the insurance companies as they build rapport with women and build a base of lifetime clients.

Interviews with women in their 40s show that their primary interest in insurance is in the insurer's ability to better help them support their aging parents, but these women are not always aware of the products and services available to them. Insurers should proactively inform their women clients about product extensions and enhancements and develop wrap-around services to ensure women's peace of mind. Proactive education of coverage would enhance trust in insurance companies and demonstrate their interest in preserving the stability of the Chinese family, ultimately allowing deeper penetration of coverage and services to the over-40 female demographic and their families.

Explore products and product features designed to cater to women and their families' needs.

There are currently few products in the market designed specifically for women. The existing products are mainly supplementary health insurance for female critical illness needs (such as cancer, maternal care, and other needs) and plastic surgery for accident provisions. Conversations with insurers indicate that these products are not popular in the consumer market. This is partially due to lack of awareness, but can be primarily attributed to many women's concerns for their family's needs rather than their personal coverage; thus these products should be considered as part of broader family coverage.

In addition, women were also receptive to tangible rewards, such as discounts to health clubs or spas, with the purchase of a life policy. This is an opportunity for insurers to partner

with health clubs, which not only increases the likelihood of purchase, but also encourages fitness and a healthy lifestyle.

Leverage online channels to increase proximity to women customers.

Studies indicate that women in China are especially drawn to making purchases online for reasons including cost savings, time savings, and reliability.¹¹ For insurance in particular, women valued online contact points for research, purchase, and claims. Insurers should ensure that they have sufficient and clear information about different offerings available online, and that women can also buy the cover based on online quotes. Some women indicated that this would enable them to make quicker purchasing decisions and free up their time.

Endnotes

1. Chen Tingting and Kate Bollinger, "Leveling the Playing Field for China's Migrant Women Entrepreneurs," December 3, 2014.
2. World Economic Forum, "The Global Gender Gap Report," Insight Report, (2008 and 2014).
3. World Bank Global Findex Database 2014. — database on personally paid for health insurance, female, 15+ The World Bank, "Global Findex Database 2014: Measuring Financial Inclusion around the World; Indicator: personally paid for health insurance, female, 15+," World Bank Global Findex, Accessed April 2015.
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10. Chen Tingting and Kate Bollinger, "Leveling the Playing Field for China's Migrant Women Entrepreneurs," December 3, 2014.
11. "On the Rise and Online" The Economist. Accessed June 2015. Accessible at The Economist. <http://www.economistinsights.com/marketing-consumer/analysis/rise-and-online>

Today, marketing efforts by insurers are focused on the technical details of insurance coverage, rather than on making the benefits of insurance clearer to the clients



COLOMBIA

“I have a mortgage so I bought the required credit insurance, but didn’t even know that my bank offered property protection. The agent didn’t offer it to me even though [he] knew I bought a home.”

– Selena, Working Mother, Bogota, Colombia

FIVE INSIGHTS

1. By 2030, the insurance premium spend of women clients in Colombia is predicted grow to **\$16 billion – \$25 billion**, approximately five to eight times the estimated **\$3 billion** premium spent by women in 2013.

2. Colombian women are more protection-focused, and are willing to buy insurance once they are aware of the benefits of insurance and feel that products meet the protection needs of their households.

3. Colombia has the second highest percentage of female executives in the world (53 percent of executives are women)

and has one of the best environments for female SMEs (ranked third out of 20 countries for the overall environment for female entrepreneurs).¹

4. Non-life insurance is expected to experience the fastest growth rates, due to an expected increase in assets held in women’s names as their income and purchasing power increase.

5. Women face a higher protection gap than men. On average, they need to cover 12 more years of retirement which will drive the demand in life and pension products.

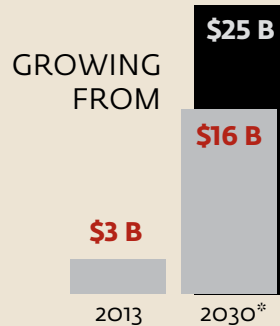
SETTING THE SCENE: THE BUSINESS CASE

The Colombian market for women’s retail insurance has the potential to increase to **\$16 billion – \$25 billion**,² approximately **five to eight times** the estimated premium of **\$3 billion** spent by women in 2013. Life and non-life segments are expected to grow from **\$1.1 billion** (life) and **\$1.7 billion** (non-life) in 2013, to **\$5.7 billion – \$8.8 billion** and **\$9.9 billion – \$15.2 billion** respectively in 2030. Across all product lines, non-life insurance growth will be driven by women’s increase in purchasing power which will give them access to assets. The health market is expected to grow from **\$0.04 billion to \$0.2 – 0.3 billion**.

COLOMBIA AT-A-GLANCE

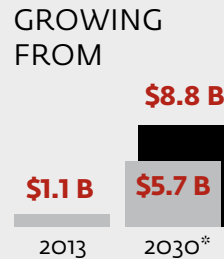
OVERALL WOMEN'S INSURANCE MARKET

5-8X
GROWTH



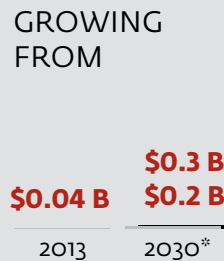
LIFE INSURANCE

5-8X
GROWTH



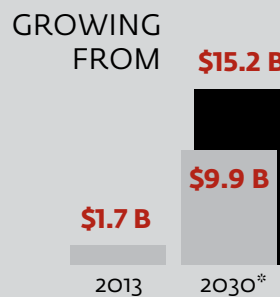
HEALTH INSURANCE

5-7X
GROWTH



NON-LIFE INSURANCE

6-9X
GROWTH



WHAT'S CAUSING THIS GROWTH?

- Increase in tertiary education
- Increase in savings and wealth
- Willingness to spend on protection needs
- Willingness to spend on family and their well-being
- Increase in life expectancy for women
- Increase in retirement gap for women
- Increase in women's insurance take-up rates as a result of greater appetite for financial protection
- Healthcare coverage and life insurance solutions a priority for Colombian women
- Favorable environment for development of women-owned SMEs

KEY SEGMENTS:



Working Mothers



Women Entrepreneurs

*The 2030 market size estimate is bounded by:

- a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
- b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman



OPPORTUNITY DRIVERS

Opportunity Driver 1: Improvements in socioeconomic conditions, combined with greater appetite for financial protection, will increase women's insurance take-up rates

The percentage of women with tertiary degrees in Colombia has increased by 16 percent between 2008 and 2014, while women's estimated income has increased by 50 percent over the same period.³ These trends will not only enable women to accumulate wealth and assets but also to purchase protection and savings products. Focus group discussions revealed that Colombian women are more protection-focused and are willing to spend a proportion of their income to meet the protection needs of their households once they feel that insurance products meet their needs.

Opportunity Driver 2: Private healthcare coverage and life insurance solutions are a priority for Colombian women

Market discussions have shown that women in Colombia are more likely to spend their income on their family and their well-being. In particular, women are willing to spend on healthcare and protection as they are able to afford it.

There is a substantial difference between the quality of care provided by the public system and that of the private healthcare system. Although the public healthcare system provides universal coverage (covering 97 percent of the population), the system is strained and lacks capacity to provide quality care for patients.⁴ Private healthcare is seen as valuable and is held by about 40 percent of the population. This is strongly driven

by mandatory employer coverage;⁵ thus, as the number of women who graduate from tertiary education and enter the workforce increases, more women will receive benefit from private health insurance.

In addition, women outlive men by seven years and retire five years earlier on average; this creates a greater need for pension products to address these 12 additional years of retirement. This retirement gap is expected to drive growth of pension plans in the future. The difference in life expectancy between men and women is also an opportunity for women to persuade their husbands to purchase life insurance, as the policy can help support their entire family in case the husband passes away and vice versa.

Opportunity Driver 3: A vibrant women's entrepreneur market

Colombia has the second highest percentage of female executives in the world (53 percent of executives are women)⁶, and has one of the most favorable environments for the development of women-owned SMEs (ranked third out of 20 countries for the overall environment for female entrepreneurs) due to the support and education available. Nevertheless, insurers have not yet developed dedicated insurance solutions for women entrepreneurs. Interviews confirmed that only property insurance is mandatory, and insurers do not currently offer any combined protection for business and personal lines, thereby missing out on cross-selling opportunities.

“Do they actually think I pay attention to their boring commercials which are not applicable to my life? I do not even know what they try to offer.”

— Daniela, Insurance Client, Bogota, Colombia.

WHY AREN'T MORE WOMEN IN COLOMBIA BUYING INSURANCE TODAY?

Currently, women face several constraints in accessing insurance products and services. These barriers need to be addressed by insurers in order to tap into the potential opportunities for growth presented by women.

Women are not sufficiently aware of the range of existing insurance solutions that exist to mitigate risks. Insurance is perceived today as a “fee” that must be paid, rather than a necessary and beneficial investment in protection. Focus group discussions have shown that even women who can afford insurance are not always aware of the types of risks they face and how insurance can protect them. This can be partially attributed to the few types of insurance that are compulsory. In addition, limited exposure to insurance is a particular issue for women who are just entering the workforce (such as recent university graduates) and/or accumulating assets, as they are not acquiring the protection they need to protect their current wealth and future income flow. When women are about to retire, they need more financial resources than their husbands, due to their longer life expectancy.

Today, marketing efforts by insurers are focused on the technical details of insurance coverage, rather than on making the benefits of insurance clearer to the clients. Raising awareness among women clients could significantly favor market perception and take-up rate. In fact, very little insurance marketing is targeted toward women today.

Women's insurance needs are not proactively addressed. Even if bancassurance is not the dominant distribution channel today (agents make up about 60 percent of the market), market interviews revealed that women value this channel to address all their financial needs at once. However, women expressed dissatisfaction with the way banks offer insurance products. They expect tailored insurance products to be proactively offered, based on the data that banks have on them. Selena, a survey participant, stated: *“I have a mortgage so I bought the required credit insurance, but didn't even know that my bank offered property protection. The agent didn't offer it to me even though [he] knew I bought a home.”*

Women expressed the same level of dissatisfaction about the ability of agents to offer them tailored products. While agents have less data about their clients compared to banks, they can use informal conversation to identify clients' needs.

Women expect simplified processes and frequent contact points with their insurer. The women interviewed stated that the claims process was too complex and long: *“Too much paperwork and long waiting times, as my husband is not so patient he passes all claim submissions on to me,”* said Gabriela, working mother from Bogota, Colombia.

In Colombia, women respond better to more personalized communication than men; for example, they receive a greeting card from their insurers on



their child's birthday and a reminder to contribute to their children's health plan. Women, however, also raised the issue of poor communication from their insurers regarding updates on their insurance policy status.

Women see insurance as being too expensive. Currently, insurance is mostly sold to the upper income bracket, which represents only 28 percent of the population.⁷ In contrast, women in lower income brackets see life insurance as a

luxury that is received as part of their employer-contributed plans and not purchased individually. Bearing in mind that, on average, women earn approximately half the income of men,⁸ they often perceive insurance as expensive and prefer to use informal insurance methods such as family contributions to meet their protection needs. However, insurers need to understand if this perception is indeed a purchasing power constraint or a lack of value-for-money assessment.

“My insurance agent was aware that I was pregnant but did not recommend to extend my private medical insurance to cover my child.”

— Graciela, New Mother, Bogota, Colombia

Key Segments

1. WORKING MOTHERS

Key Characteristics: Focus is on providing for her children and her children's future (finance, education); may be financially independent and want to protect her own assets.

For Middle Income: May be used to relying on family and friends for help, but due to urbanization, no longer has as strong an informal support network.

For Upper Income: Has ample discretionary income to spend on sophisticated financial products, but may also prefer less risky options such as savings/checking accounts.

Women want to protect their assets independently of their spouses. Interviews for this study with Liberty Seguro in Colombia indicated that credit protection products are in demand due to the longer life expectancy of women compared to their spouses. In the case of the death of a spouse, women want to ensure that they can maintain a certain quality of lifestyle.

Current products lack flexibility to meet women's changing needs for themselves and their dependents. Insurers see women as a homogenous market and offer women-oriented products (such as critical illness cover or cancer protection) without further segmenting their offer and marketing efforts according to women's income and lifestyle. Women want more flexibility to adapt the products to their financial and family needs (for example, to use their life insurance payout as an education fund) instead of being offered the same standard set of products.

Discussions show that women are willing to spend on health insurance but indicated that the products are too generic: *“My product coverage is the same as for my husband. What about pregnancy related checkups?”* Susana, a new mother, stated.

2. WOMEN ENTREPRENEURS

Key Characteristics: Owns her own business, may be balancing professional and personal demands, may be married and may have children.

Women entrepreneurs' protection needs extend beyond commercial insurance offerings. Despite the encouraging business environment for women entrepreneurs, market discussions revealed that women entrepreneurs tend not to have any insurance outside the compulsory property protection for entrepreneurs. Insurers have not been able to convince women of the benefits of commercial and personal coverage.

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

To overcome these constraints, and tap into the full potential of the women's market, insurers will need to find solutions to increase women's insurance awareness, to offer tailored products proactively, and to improve the claims processes and client communication.

Target education campaigns to increase awareness among women. Insurers need to build understanding around the common types of risks women face, and the different solutions insurance can offer to mitigate them. This will be particularly important for those who have just entered the workforce, as insurers can help these women manage their income and financial needs. Programs on the benefits of insurance for their children, the general household well-being, and their retirement needs will help put insurance into a context that is more relatable and relevant for women.

Strengthen distribution channels to proactively address women's needs. Banks currently have a wealth of client information that is not being leveraged to understand and proactively meet the needs of women consumers. In order for bancassurance to truly meet the "one-stop-shop" status expectations, further analytics and segmentation are needed.

Agents should also be trained on how to better highlight and communicate the key attributes of insurance products to women clients. This includes proactively identifying customized solutions adapted to their income level and moment in their lives.

Strengthen claims process and improve communication. It is important for insurers to view sales as the start, but not the end of a relationship with women clients. Women have a greater appetite to

be involved in the entire insurance process from purchasing, to claims, payout, and renewal. Specifically, women want to understand each step and detail of the expected outcome.

Services such as reminders of renewals, regular follow-ups on their investment portfolio, and options to track claims online help provide women with transparency of the process, help them set expectations and avoid unwelcome surprises.

Develop affordable insurance solutions for the lower end of the customer base, and make them accessible through alternative distribution channels. Due to the particularities of the lower income segment's purchasing behavior and risk awareness, retailers and grocery stores are gaining in popularity as ways to distribute insurance. Simple personal accident, credit life, and warranty insurance can be sold through retail channels. When using these alternative distribution channels, insurers will need to develop dedicated salesforce training materials to make sure their products can be successfully explained and sold.

Another approach is to explore the online channel, especially since women in Latin America have been shown to be more likely to purchase products online.⁹ Currently, the online channel comprises a small proportion of the market, as most women prefer face-to-face interactions. Security concerns regarding online payments are another factor. However, there is an increasing trend toward using online aggregator sites (such as RedSeguro) that allow quick and easy comparison and purchase of products, reducing costs for the client.¹⁰ Online and mobile sales channels can be used to reach women in remote areas, or those who have no access to traditional distributions channels.

Further classify women clients based on lifestyle preferences to better understand their needs and develop product features. It is important for insurers to segment the women's population based on their lifestyles and to allow flexibility to meet their individual needs. This can include everything from introducing more flexible payout options (such as offering different payout timeline options depending on life milestones) to more targeted market strategies. Currently, the add-on services offered by Colombian insurers to women are mature and of high quality — everything from assistance with driving home after a party to legal assistance with filling out an incident report is widely available — but these are not differentiated based on the various segments of the women's population.

Analyzing data based on segment can also help insurers to develop more tangible products for life insurance and health insurance. They will be able to see what the most frequently claimed conditions and incidents are, and to develop products accordingly.

"As women increasingly have access to education, they will have greater acknowledgment of products and risks, which will result in an increased willingness to purchase insurance."

— Executive, Zurich Insurance Group, Bogota, Colombia



How to Meet the Needs of:

1. WORKING MOTHERS

Develop products to meet women's concerns for financial self-sufficiency. For women concerned about financial losses after a divorce, insurers should demonstrate how whole life and unit-linked life products with annuities can help grow their wealth and protect against bankruptcy in case they are not able to maintain joint assets. Insurers should offer flexibility in life products to meet a woman's needs by, for example, providing a window when the insured can withdraw some of their investment or receive the annuities from their unit-linked products based on setbacks in life (such as divorce), as opposed to a fixed timeframe or at maturity.

Develop family solutions for health insurance.

Women receive private health insurance from their employer. Insurers should explore ways to allow these women to add their children to their policies. Insurers should also investigate how disability products could be tailored to women, for instance, by offering additional services to support women who have to change their lifestyle because of disability.

2. WOMEN ENTREPRENEURS

Further bundle entrepreneurs' compulsory property protection insurance with other products.

Insurers should consider bundling liability with mandatory protection products such as property protection, as this will raise awareness of the need for professional liability insurance and encourage women to purchase such insurance to protect against business interruption. Bundling compulsory covers with non-compulsory covers can create a platform to raise awareness about holistic insurance cover and its support to entrepreneurial growth. Flexibility will also be essential to ensuring that women will be able to adjust their coverage and bundle based on the maturity of their business. For example, professional liability may be less important with one employee, but may gain more importance as the enterprise hires more people. It is important to add personal line products to the package, and the impact on the business should be explained.

Distribute through women's entrepreneurship associations.

Providing insurance through women's entrepreneurship associations in local geographies enables insurers to access an entire network of clients, similar to affinity insurance schemes, where insurance is offered to a defined group of people. Insurers will be able to provide group rates on life and health products — which are generally lower than individual rates — to the entrepreneurs. Partnership with an association also allows insurers to educate its members about risk management.

Endnotes

1. The Economist Intelligence Unit. "Women's Entrepreneurial Venture Scope," (2013).
2. Total market size has been rounded for consistency.
3. World Economic Forum, "The Global Gender Gap Report," Insight Report, (2008 and 2014).
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10. Ibid



Women feel that male agents do not sufficiently address their needs and may prefer purchasing insurance from women agents

INDIA

“...India will be the most interesting country to watch; we anticipate that nearly 90% of India's population will be 'middle class' by 2040.”

— Goldman Sachs, *The Power of the Purse*, 2009

FIVE INSIGHTS

1. Insurance premium spend by women in India has the potential to be between **\$22 billion – \$35 billion**, approximately **two to four times** the estimated premium of **\$10 billion** spent by women in 2013.
2. Three million micro, small, and medium enterprises in India today have full or partial women ownership;¹ **women's entrepreneurship has been growing at more than 4.5 percent annually.**²
3. While a **large portion of the Indian population is considered low income**, huge income growth projections indicate that these individuals may quickly grow into a market for insurers.
4. **Women are still underrepresented as insurance agents** despite agents being a strong distribution force.
5. **The Indian government is promoting insurance and pension schemes** — women face larger protection gaps than men due to their longer life expectancy, making pensions a high potential opportunity for insurers targeting the women's market.

SETTING THE SCENE: THE BUSINESS CASE

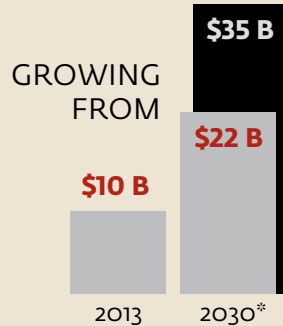
By 2030, the annual women's insurance market in India is predicted to be between **\$22 billion – \$35 billion**, approximately **two to four times** the estimated premium of **\$10 billion** spent by women in 2013.

In 2013, women spent **\$0.05 billion** on health insurance premiums; by 2030, this can reach **\$0.1 billion – \$0.16 billion** per annum. Life and non-life segments are expected to grow at similar rates, from **\$8.6 billion** (life) and **\$1.1 billion** (non-life) in 2013, to **\$17.7 – \$27.6 billion** and **\$4.4 – \$6.9 billion** respectively in 2030.

INDIA AT-A-GLANCE

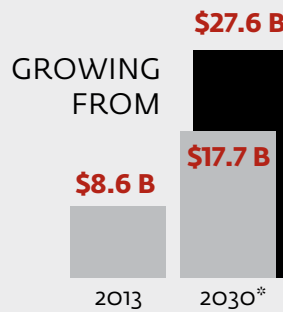
OVERALL WOMEN'S INSURANCE MARKET

2-4X
GROWTH



LIFE INSURANCE

2-3X
GROWTH



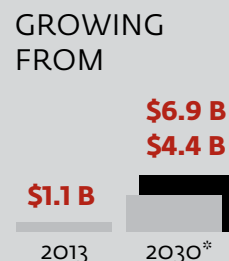
HEALTH INSURANCE

2-3X
GROWTH



NON-LIFE INSURANCE

4-6X
GROWTH



WHAT'S CAUSING THIS GROWTH?

- Improvement in tertiary education
- Increase in income
- Increase in wealth and assets
- Increase in number of working women
- Growing awareness of insurance products among women, particularly in the life and health sector
- Supportive regulatory environment
- Willingness to provide for their children
- Concern about being a burden to their families
- Decrease in fertility rates and increase in life expectancy drive the need for protection in old age
- Rise in the number of women's unions
- Growing demand for insurance coverage for women owned businesses

KEY SEGMENTS:



Women Entrepreneurs



Low-Income Customers

*The 2030 market size estimate is bounded by:

- Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
- Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman



Women and girls are at a particular disadvantage in markets such as India where adding additional family members to health coverage makes the plan unaffordable

OPPORTUNITY DRIVERS

Opportunity Driver 1: Improvements in socio-economic conditions are increasing the number of working women, driving this segment's potential as a customer base

The percentage of women with tertiary degrees has doubled from 2008 – 2014, while women's income has increased by more than 20 percent over the period.³ Women who can afford insurance are willing to spend on health and life products, which represent a particular area of growth. Increased enrollment in tertiary education means more women are expected to enter the workforce in the coming years and will be exposed to optional private health insurance through their employers, increasing awareness of insurance products in the future.

Greater financial inclusion and career prospects for women are allowing them to accumulate wealth and assets, creating a need for and

an ability to increasingly afford protection and savings products.

Opportunity Driver 2: Growing awareness of insurance products among women, particularly in the life and health sector, is spurred in part by a supportive regulatory environment⁴

Social security, insurance, and pension topics were a major focus of the Indian national election campaign in 2014. Following the election, the Indian Finance Minister announced in February 2015 the introduction of a universal social security system, which will give the population access to subsidized insurance and pensions and provide coverage for accidents and death.⁵ Media coverage of these programs has helped to increase the awareness of insurance among the general population, including women.

“There are hardly any great specialized plans available for women. Insurance companies have attempted creating such plans but they have no major cost or feature advantage, vis-a-vis a regular plan in the market.”

— Mahavir Chopra, Director, Health Insurance, Coverfox Insurance Brokers

Opportunity Driver 3: Women think of others

Research findings from the Indian market show that women are more likely than men to be concerned about providing for their children and ensuring that their family is able to maintain the same quality of life in the event that they can no longer provide for them.⁶ Women are concerned about being a burden to their families and children through funeral costs and outstanding debts.⁷

Opportunity Driver 4: Decreases in fertility and increases in life expectancy drive need for protection in old age

Old-age care in India has traditionally been provided by the family network. However, women today are having fewer children who can provide care for them in their old age. Women also outlive men by four years.⁹ These trends are increasing women's need for pension products to address this protection gap.

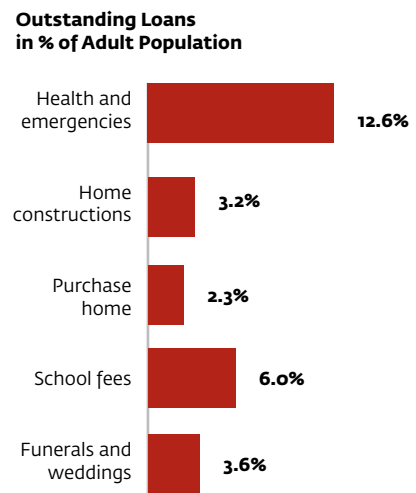
Another consequence of these trends is the increase in elder care homes.¹⁰ These cater to affluent people, widows in particular, and are typically inaccessible for lower-income groups which tend to include a high proportion of women. Insurance products that improve accessibility of old-age homes to lower-income women are likely to increase in the coming years.

Opportunity Driver 5: A rise in the number of women's unions and a growing women's entrepreneur market

The Ministry of Micro, Small, and Medium Enterprises (MSMEs) estimated that the number of women-led businesses in India grows by 4.51 percent annually,¹¹ and around one-third of India's early-stage entrepreneurs are women.¹² The Indian government operates more than 25 different entrepreneur schemes exclusively for women.¹³ The total supply of formal finance to women-owned MSMEs in 2012 was around \$42 billion, resulting in a finance gap of \$116 billion, or 73

percent of total demand.¹⁴ While there is no mandatory insurance coverage in connection with entrepreneurship, the higher stakes for women running their own businesses are likely to raise their willingness to purchase insurance.

Figure A: Over 1 in 10 women has outstanding loans as a result of median expenses



Source: World Bank, 2011

Case Study:

Unilever's Project Shakti

Hindustan Unilever Limited (HUL), Unilever's business in India, generates about half its profits from rural areas. To increase its market share, HUL sought to increase its reach from 100,000 villages to 500,000 villages, but was constrained by insufficient retail distribution networks, advertising coverage, and poor roads and transport. To overcome these constraints, HUL created Project Shakti. Shakti contributes by creating profitable microenterprise opportunities for rural women. Armed with microcredit, rural women become Shakti entrepreneurs: Direct-to-home distributors in rural markets. This microenterprise offers low risks and high returns. The products distributed are some of the country's most trusted brands of customer goods, and include a range of mass-market products especially relevant to rural clients.

Moreover, HUL invests its resources in training the entrepreneurs, helping them become confident, business-savvy professionals capable of running their own enterprise. It is conceivable that a corresponding channel to offer insurance coverage could be successful in the rural areas as well. Also, insurers may wish to explore the possibility of corporate tie-ups with such consumer goods companies and leverage on their extensive distribution networks in rural India. Rather than building a network from scratch, insurers can seek to use the existing set-ups of these companies to sell their products.



Hindustan Unilever Limited

Key Segments

1. WOMEN ENTREPRENEURS

Key Characteristics: Own a business, may be balancing professional and personal demands, may be married, and may have children.

The women entrepreneur segment has not yet been penetrated.

Women entrepreneurship is on the rise; there are nearly three million micro, small, and medium enterprises in India owned partially or entirely by women and employing over eight million people.²² However, women entrepreneurs frequently lack insurance coverage, due to insufficient awareness and poor targeting by insurers. A major issue for women entrepreneurs is the lack of formal access to finance, resulting in a lack of collateral and start-up capital. Women entrepreneurs struggle with non-credit needs such as cash management and insurance, and lack access to non-financial services such as training, mentoring, and networking.

2. LOW-INCOME CUSTOMERS

Key Characteristics: Focus is on making sure her basic needs are met, relies on family, friends, and neighbors for support and financial advice (which may not always be accurate), may worry about leaving debt to her children.

Women in the lower income segment lack access to insurers' sales channels.

Despite urbanization accelerating in recent years, 68 percent of the Indian population still lives in rural areas.²³ Fewer insurance policies are sold to the rural population compared to city-dwellers, due to difficulties in accessing these geographies. For example, health insurance penetration in India is around 5 percent across India, but up to 13 – 15 percent in urban areas.²⁴ Only a minority of sales are associated with mobile or online purchasing, which limits access to insurance for women in urban areas.

Women see the cost of insurance as too high and often cannot afford insurance. Currently, insurance companies cater primarily to the middle and high-income brackets, leaving the majority of the Indian population — and so the majority of women — without insurance coverage.²⁵

Approximately 25 percent of the Indian population still falls under the low-income bracket, earning less than \$1.25 per day, according to the World Bank, driving up the potential for microinsurance beyond typical products such as agricultural insurance and credit life for women.

WHY AREN'T MORE WOMEN IN INDIA BUYING INSURANCE TODAY?

Women are still not sufficiently served by the insurance industry and, despite the improvements outlined above, the lack of awareness on insurance benefits remains a key barrier. Moreover, for many women, commercial insurance products are simply too expensive despite increases in women's incomes overall.

Women's needs are insufficiently addressed by insurance companies.

Women only make up 20-30 percent

of insurer's portfolios, based on statements by insurers.¹⁵ Several insurance products that cater to women are currently being offered; however, few have been successful in the market.¹⁶ Media coverage shows that women feel that male agents do not sufficiently address their needs and may prefer purchasing insurance from women agents.¹⁷

Although insurance awareness is growing, in some areas, lack

of compulsory insurance and low levels of education limit women's exposure and literacy in insurance products. Low levels of compulsory insurance—only motor vehicle insurance is compulsory—limit women's insurance coverage, as they are less likely than men to own a vehicle and purchase insurance.¹⁸ The rural population is significantly less aware of insurance than the urban population.¹⁹ Lack of awareness of the different types of protection

available limits decision-making and fails to capitalize on women's ability to influence the purchase decisions of others by not equipping them with the right knowledge to perform this role effectively.

Women tend to rely on savings, rather than insurance, in case of a health emergency. World Bank data on outstanding loans supports that there is a market for financial investments in general and in particular for women.²⁰ For example, 12.6 percent of women have outstanding loans in health and emergencies, indicating that women are willing to spend more on health than on other types of expenses.

Finally, women and girls are at a particular disadvantage in markets such as India where adding additional family members to a health coverage makes the plan unaffordable, and coverage for female family members is often deprioritized.²¹

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

To tap into the women's market, insurers need to develop education campaigns, strengthen their distribution channels, and develop product features to meet women's needs. Pricing needs to be reviewed and women clients' journey improved. Bundled entrepreneur products can support the growth of the women's entrepreneur market.

Targeted education campaigns to increase awareness among women. Insurers need to build programs designed to enable women to better understand the concept and advantages of insurance. They should specifically focus on the most common types of risks women face for which insurance can offer peace of mind and provide a real safety net against the unknown. This will be particularly important for university students or young professionals, as insurers can help these women manage their income and financial needs early on.

Programs on the benefits of insurance for their children, the household well-

being, and their retirement needs will help put insurance into a context that is relatable and relevant for women, and will enable them to learn more about the different products available.

Leverage women in the salesforce to sell products to women clients. Insurers in India primarily use individual agents to place their products in the market. While there are efforts to increase the number of women agents, approximately 75 percent of them are still men. Findings indicate that male agents are not as successful as women in addressing women's needs as consumers.²⁶ Insurers should take steps to further grow the women agent salesforce and use them to tap into the women's insurance market.

In India, experience by Bharti AXA Life Insurance shows that the average premium per policy sold by female agents' can be up to 50 percent higher than those sold by men agents,²⁷ while Aegon Religare Life Insurance found that while 31 percent of agents are women, they bring in close to 40 percent of total Aegon's business.²⁸ Employing women agents in rural areas can help insurers to reach out to the near 70 percent²⁹ of the population that lives in rural areas. For example, in the manufacturing industry, Unilever successfully engages rural women as their salesforce³⁰ to sell their products. Insurers need to look into how to adapt the business model to reach out to more women.

Conduct in-depth research on what women expect from health insurance. According to the World Bank, women in India have the highest amount of loans outstanding for health and emergencies.³¹ Insurers need to conduct research to find out what women need from health

Case Study:

Support Women Agents

In India, women expressed concerns about the lifestyle of the insurance agent. For example, night time events with clients (such as dinners) can be disruptive to family life, or even a safety concern, especially if women are traveling alone.

One way to address the safety concerns of women agents is for insurers and brokers to provide a ride-share program for women. For women agents who live in remote areas or who need to travel late at night, a ride-share program will be invaluable to ensure their safety. The program needs to be flexible to adapt to a woman's timetable – for example, women who need to drop their children off at daycare will require a later pick-up time. Such programs exist in India; Bajaj Allianz, for instance, offers pick-up and drop-off assistance to women agents.





How to Meet the Needs of:

1. WOMEN ENTREPRENEURS

Offer solutions for entrepreneurs. Women entrepreneurs face many challenges in taking out bank loans. Keeping in mind that entrepreneurship can be used as a vehicle for economic growth as a whole, and considering the number of women entrepreneurs in the market, insurers should focus specially on the women entrepreneur's market segment. Success in this segment has a particular power of multiplication, enabling women to grow their business by offering credit life insurance policies and thus securing their access to bank loans. Furthermore, insurers can offer women life insurance policies with the incentive of using these as collateral to obtain bank loans at a lower cost. Costs can be lowered in the long run as women entrepreneurs enter into life and health insurance contracts by assuring that the entrepreneurs receive adequate illness-related treatment so their working ability is optimally preserved. Life insurance coverage may also stimulate women to seek other insurance solutions such as bankruptcy insurance.

2. LOW-INCOME CUSTOMERS

Explore microinsurance market for family cover.

Women play a role as influencers in their households as well as caregivers, and should therefore be a natural segment to target for the insurance industry. However, the majority of products available in the market are not affordable to them. Insurers need to think beyond traditional microinsurance products such as agricultural and credit life covers to cater to specific events in a woman's lifecycle, such as childbirth or a spouse's death.

Women are particularly vulnerable to health issues and tend to delay seeing a doctor for cost reasons. Pregnancy and maternity-related riders, in particular, are of utmost importance. Focusing on women means planting a seed to grow the individual cover to a family cover.

Finally, to ensure that women are not excluded from family cover, insurers should consider packaging family healthcare to automatically include all family members. An example of this is India's Self-Employed Women's Association's (SEWA) family health microinsurance plans which, although they are more expensive than individual coverage, keep incremental costs low by ensuring a larger population; between 2005 and 2009, this program tripled in size.³³

Rethink distribution systems. Insurers need to think of innovative ways to reach out to the women population outside of cooperation with MFIs. Insurer can make further use of the growing online access and mobile penetration by targeting women-centric platforms and domains or online media sites geared toward women. The effect of this is amplified, especially by the growing significance of mobile phones. Insurers have an opportunity to draw learnings from Project Shakti, an innovative and successful rural distribution initiative of HUL that targets small villages populated by less than 5,000 individuals (see Case Study: "Unilever's Project Shakti").

Identify opportunities to lower costs, such as through mobile distribution or partnerships.

Furthermore, as women do not currently see insurance as an affordable product, insurers need to review their pricing and also identify their major cost drivers — a strong cost driver will most likely be the agent distribution model. Offering more products via mobile phones will help to lower distribution costs, as commissions for agents are usually high, and increase reach. As online access in India continues to grow as expected,³⁴ insurance products can be offered via the online market as well.

insurance, whether it is related to women-specific conditions or for the benefit of their children.

Make use of the knowledge that women are key influencers for financial decisions in a household. In India, men are traditionally the financial decision-makers throughout all income brackets, with women being influencers of financial decisions. In tailoring and targeting products, insurers should raise women's awareness of insurance with a view of enabling and empowering women as advocates for insurance in household financial decisions.

Convert clients along their journey from lower income to middle class. A study from Goldman Sachs on the power of the women's consumer market notes that *"Beyond 2025, India will be the most interesting country to watch; we anticipate that nearly 90% of India's population will be 'middle class' by 2040."*³² Insurers would be wise to capture this growth as clients' incomes

rise, by working to better identify the clients that are entering the middle class and retaining them by offering them a higher level of protection. A product built on adding additional short-term protection would also require new distribution partners as other channels, such as banks or telecommunication providers, which might be better positioned to capture the rise in income than agents.

Leverage ongoing discussions and media coverage. With current plans by the Modi government elected in 2014 to improve insurance and pension coverage for all Indians, the topic is currently receiving significant media attention. Furthermore, government subsidies are available — for example, for pension schemes — if individuals enter into certain types of contracts. Insurance companies should use the publicity related to current discussions to increase awareness of their products in the market. Furthermore,

insurers have an opportunity to align their products around the available government subsidies to optimize uptake and returns for clients, in particular for women. In offering longevity-oriented products, insurers can also address women's increased need for retirement savings as they are experiencing lower fertility rates, and thus cannot rely as much on their children. In addition, insurers can help make old-age homes more affordable with a suitable insurance coverage advance.

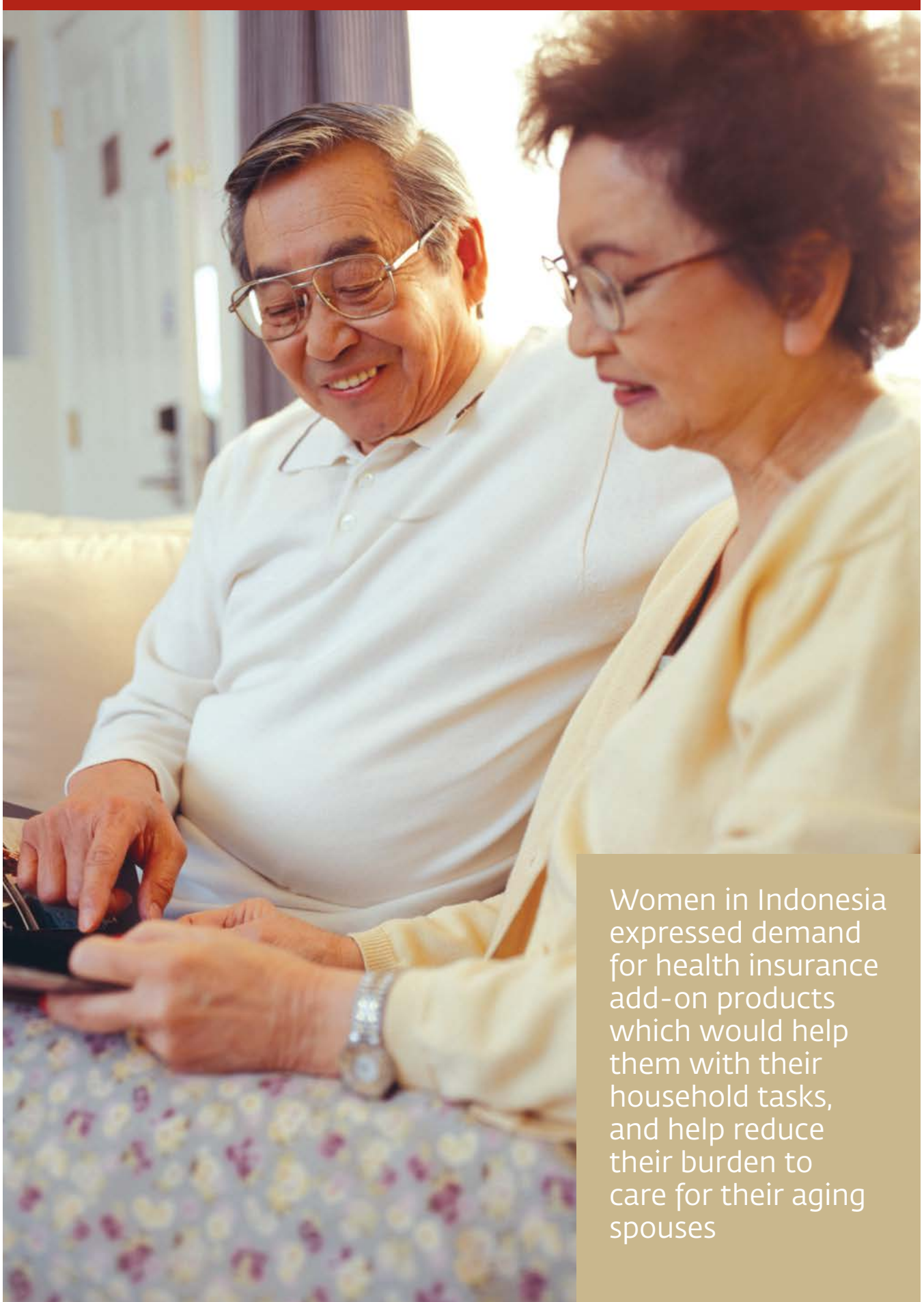
"Studies show that women are key drivers for a sustainable growth in a developing country."

— Tapan Singhel, Managing Director and CEO, Bajaj Allianz General Insurance, Pune, India ⁸



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Women in Indonesia expressed demand for health insurance add-on products which would help them with their household tasks, and help reduce their burden to care for their aging spouses

INDONESIA



FIVE INSIGHTS

“Women care about the protection of the family and steer the husband toward taking out life insurance.”

— ACA Insurance Executive, Jakarta, Indonesia

1. By 2030, the insurance premium spend of women clients in Indonesia is predicted to be \$9 billion – \$14 billion, approximately 10 to 16 times the estimated premium of \$0.9 billion spent by women in 2013. The women’s market in Indonesia is expected to experience the fastest growth rate out of the 10 emerging markets.

2. The average income of women has doubled in the last six years, making women growing influencers of household finances.

3. Cost, awareness, and lack of targeted products are the biggest constraints faced by women in accessing insurance.

4. Over 18 percent of loans taken out by women are to cover health and emergency costs,¹ and only 1 percent² of women currently personally pay for health insurance, reflecting insufficient insurance coverage for healthcare.

5. Women in Indonesia will need to plan for 18 years of retirement and will demand products to protect their health and assets in their old age.

SETTING THE SCENE: THE BUSINESS CASE

Overall, the Indonesian insurance market has shown tremendous growth over the last 10 years. The sector is poised to record further growth through a large and relatively untapped market of almost 250 million people and an expanding economy. By 2030, the insurance premium spend of women clients in Indonesia is estimated to be **\$9 billion – \$14 billion**, approximately **10 to 16 times** the estimated premium of \$0.9 billion spent by women in 2013. The projected growth rate in the women’s insurance market in Indonesia is the fastest of all the focus markets,³ reflecting the rapid growth expected in the insurance industry overall.

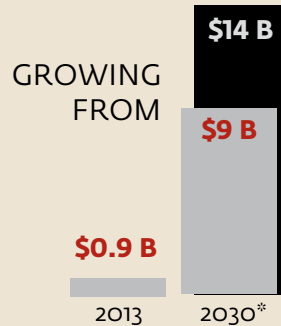
The women’s health insurance market is expected to grow from **\$0.002 billion** in 2013 to **\$0.016 billion – \$0.025 billion** by 2030. The women’s life insurance market is expected to grow from **\$0.7 billion** in 2013, to **\$7.0 billion – \$11.0 billion** in 2030, while the non-life insurance market is expected to grow from **\$0.2 billion** in 2013 to **\$2 – \$3 billion**.

The rapid growth in the women’s insurance market can be partially attributed to the currently low representation of women as clients in the insurers’ portfolios. Interviews with several local insurance companies in Jakarta, Indonesia, revealed that women clients represent only between 8 percent-12 percent of total policyholders. Women make up a higher percentage of health insurance clients (25-50 percent), and less of life insurance clients (less than 10 percent). As women’s socioeconomic progress is reflected in their purchasing habits, it is expected that they will become a much bigger portion of insurers’ portfolios.

INDONESIA AT-A-GLANCE

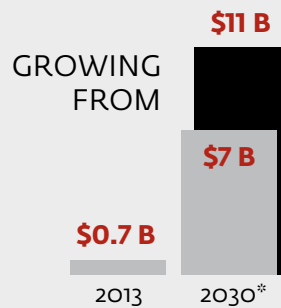
OVERALL WOMEN'S INSURANCE MARKET

10-16X
GROWTH



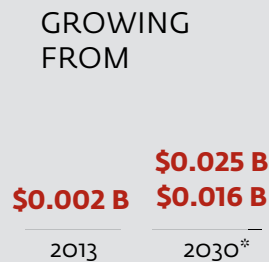
LIFE INSURANCE

10-16X
GROWTH



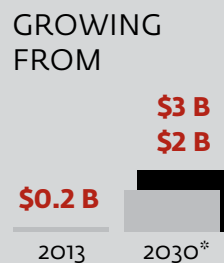
HEALTH INSURANCE

9-15X
GROWTH



NON-LIFE INSURANCE

10-17X
GROWTH



WHAT'S CAUSING THIS GROWTH?

Progress in tertiary education

Increase in income

Increase in life expectancy creating a need for life insurance and pension products, and a greater demand for healthcare

5 more years of retirement as compared to men

Declining birth rates entailing the need to rely on savings rather than children as safety net

Women see good opportunities to start a firm in Indonesia

Favorable environment for women owned businesses

KEY SEGMENTS:



Retirees



Low-Income Customers

*The 2030 market size estimate is bounded by:

- a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
- b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman



Due to the fragmented geographical landscape of Indonesia, women often lack access to insurance and rely on agents “to come to the village once in a while”

OPPORTUNITY DRIVERS

Opportunity Driver 1: Women are making tremendous progress in tertiary education and have more than doubled their salary

A report by McKinsey found that, as clients move up in income bracket and spending, they are purchasing more discretionary items such as insurance.⁴ According to McKinsey, “that will mean an additional \$1 trillion in annual spending by the nation’s optimistic and increasingly sophisticated consumers.” Within the last six years, women’s enrollment in tertiary education has doubled and so has women’s income,⁵ increasing their capacity to spend on products such as insurance for themselves and their family members. However, the vast majority of women are still not aware of the benefits of insurance, underscoring the need for more targeted education on the benefits of insurance.

Opportunity Driver 2: Women face a bigger protection gap, which drives the need for life, pension, and healthcare products

Women’s life expectancy in Indonesia has increased to reach on average 73 years.⁶ The official retirement age for women is 55 years⁷ in Indonesia, which means that they will need to plan for 18 years of retirement, compared to their male counterparts, who have an average retirement span of 13 years.

This protection gap creates a need for life insurance and pension products, increases the demand for better healthcare, and puts additional pressure on children to care for their parents. Birth rates are declining, and have reached 2.2 children per family in 2015⁸ against 5.6 children per family in 1970⁹. This has significantly changed the support structure for the elderly population: the younger population cannot rely on their children’s support as a safety net in the future. Without children to provide the traditional

model of financial aid and physical support to women as they grow older, savings, access to healthcare, and elderly assistance will become crucial to accommodate the aging population.

Opportunity Driver 3: Women in Indonesia see it as desirable to start a business

Nearly half (49 percent)¹⁰ of women see good opportunities to start a firm in Indonesia but lack access to financial resources or fear bankruptcy if their business fails, demonstrating clear demand for formal financial services.

About 21 percent¹¹ of the adult population are established business owners, which is one of the highest rates in Southeast Asia compared to neighboring countries at a similar economic development level. Of the total number of small and medium sized enterprises in Indonesia, 30 percent¹² are owned by women.

WHY AREN'T MORE WOMEN IN INDONESIA BUYING INSURANCE TODAY?

Currently, women in Indonesia face several challenges in obtaining insurance, and general awareness about insurance as a risk mitigation solution is low. In the future, these women may face a large protection gap linked with aging, which they either underestimate or which, they believe, current products do not sufficiently address. Women entrepreneurs also struggle to understand the risks they are facing and how insurance could support them in growing their business.

Many women are not aware of potential risks and the concept of insurance. Market discussions with insurers, insurance associations, and women indicated that the biggest barrier for women is their unawareness and underestimation of the effect of

risk on their lives. Frequent natural disasters in Indonesia have resulted in many women becoming accustomed to the possibility of a tragedy. Despite this, women often underestimate how these events will affect their lives and assets. Women interviewed indicated that they might have heard of insurance, but do not see the link between the risks they face and how insurance could help them maintain or improve their living standard.

Women need better healthcare products. The Indonesian government introduced a new national health insurance program in early 2014 with the aim of covering the entire population.¹³ The service means that patients now have a choice as to where they can access treatment, as long as they can afford to travel to the

hospital. First views on the quality of the treatment and the government funding are rather skeptical;¹⁴ however, many women would be willing to purchase complementary health cover. Women in Indonesia show high rates of death, from high blood pressure and obesity,¹⁵ a problem which could potentially be addressed by access to better healthcare. Many women who want better quality of care still rely on their spouses, who often do not see the need to purchase additional health cover.¹⁶ Currently, however, healthcare products in Indonesia are restricted to hospital cash plans and require upfront self-funding, which is often a challenge for women. Women are often forced to take out loans for healthcare costs; over 18 percent of loans taken out by women are to cover health and emergency costs.¹⁷ Only 1 percent¹⁸ of women currently personally pay for healthcare insurance, demonstrating the lack of insurance coverage for healthcare.

Women entrepreneurs' protection needs are not met. As previously stated, 49 percent of women in Indonesia see good opportunities to start their own company, as it gives them more flexibility in managing their household and care responsibilities. However, women entrepreneurs struggle to access funding¹⁹ to initiate and grow these businesses. Currently credit life cover is only available through microinsurance, and excludes women entrepreneurs with larger-scale businesses who are looking for collateral to get their loans approved. One of the biggest fears for women in starting a business is the risk of bankruptcy. Insurers could provide some form of bankruptcy protection which would further support women entrepreneurs and business owners overall. It would also help with access to financial resources and attract more women to the workforce.



Key Segments

1. RETIREES

Key Characteristics: Focus is on maintaining quality of life after retirement, health conscious, willing to spend for best health benefits, may inherit assets from spouse, may be looking to downsize, but still own assets such as cars; pragmatic about spending, not technology savvy.

Retirees face an enormous protection gap. Women retirees in Indonesia are facing a higher protection gap due to their lower income, and higher life expectancy rates, as well as the decline in birth rates. As Indonesia's population is aging, and with women's life expectancy exceeding that of men by at least five years,²⁰ healthcare products will be needed to provide women with additional services to cater to their needs.

In 2013, only 8 percent²¹ of the total population was covered by any sort of formal pension, which leaves the large majority uncovered in their old age. Statistics suggest that over 41 percent²² of the elderly (60 years and above) live in poverty. Additionally, with 18 years of retirement to plan for, women are under great pressure to make their savings last and protect their health for a long period of time.

She may need assistance around the home. Women in Indonesia expressed demand for services tied to health insurance products. These services would help elderly women with household tasks that they may not be physically strong enough to conduct, and help reduce their burden to care for their aging spouses. These could include discounts on in-home care, or a special hotline for home emergencies

2. LOW-INCOME CUSTOMERS

Key Characteristics: Focus is on making sure the family's basic needs are met, rely on family, friends, and neighbors for support and financial advice (which may not always be accurate), may worry about leaving debt to their children.

Many women cannot afford insurance. Women interviewed said that insurance, particularly life and health products, is not affordable for them. Focus group discussions indicate that bundled life and health packages for young women are currently available for around \$25 per month, which represents 5 percent of a woman's average salary. Cover costs are likely to be higher for older women. For reference, life insurance packages in the United States are around \$61 per month for younger women — however, this represents only 2 percent of a woman's average annual salary of \$40,000.²³

Low-income women may lack access to purchase insurance. Due to the fragmented geographical landscape of Indonesia, women often lack access to insurance and rely on agents "to come to the village once in a while." Nearly 50 percent of the population lives in rural areas and interviewed insurers indicated that fewer policies are sold to the rural population compared to people living in cities. In rural areas, this results in agents becoming the most dominant distribution channel. Life insurance agents in particular capture 50 percent²⁴ of the insurance sales in these populations. According to discussions with Asosiasi Asuransi Jiwa Indonesia in Jakarta, about 18 percent of sales are generated via direct selling. Based on discussions with the insurers, hardly any sales are generated from mobile or online purchasing as Indonesia's IT infrastructure does not yet fully support such an offering.

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

To tap into the women's market, insurers need to establish education campaigns, explore ways to reach out to the majority of the population, develop products that address women's needs in health and business, and make products affordable.

Targeted education campaigns to increase awareness of risks that women face. Insurers need to build programs that enable women to better understand the most common types of risks they face based on their lifestyle, and how insurance can mitigate these risks. This will be particularly important for those who have just entered the work force, as insurers can help these women manage their income and financial needs early on.

Programs that articulate the benefits of insurance for their children, the household well-being (via health protection), and their retirement needs will help put insurance into a context that is relatable and relevant for many women to learn more about the different products available.

Insurers in Indonesia have started to engage hospital staff as part of campaigns to increase understanding about health risk. Hospital staff are asked to speak to women about health risk — in particular, about breast cancer — to reinforce the importance of health insurance.

Marketing initiatives should help women visualize the risks to which women are exposed to, as they are often not aware of these. In addition to clarifying and simplifying information on the coverage, insurers should help women understand the benefits of having insurance, and the dangers in foregoing insurance cover.

Explore innovative distribution models via mobile channels to reach out to the geographically fragmented women population. Insurers should review their distribution models in order to reach out to the geographically split population. The majority of policies are sold via agents; mobile and online distribution channels are underdeveloped.

Insurers should consider engaging new distribution partners such as telecommunication providers. Indonesia is the fourth largest mobile market in the world, showing enormous potential for using mobile as a distribution channel.²⁵ Phones can be used to reach out to the rural women's population, complementing an online offering to the urban women's population. Insurers can consider a call back option as part of their client service to lower the clients' cellphone costs.

In Indonesia, 87 percent²⁶ of women with Internet access indicated they would prefer to shop online and follow social media recommendations. This indicates that the online channel may be worth evaluating and potentially pursuing. Among Indonesia's 40 million female Internet users, 66 percent have bought items online for their families, and 74 percent²⁷ said they are most influenced by friends in social media and community platforms. With rising Internet usage, online insurance products are likely to offer a potential opportunity for insurers to reach the women's segment.

Engage growing population of educated women as members of the salesforce. A higher number of educated women also leads to more women being eligible to join the insurers' salesforce and sell products to other women, which is a channel for insurers to further leverage. Women agents can help insurers expand and tap into rural areas. Working as an agent gives women the ability to work at their own pace while managing their family and gaining financial benefits (see Case Study: "AXA's 'Wanita Hebat' (Amazing Women) Program").

In addition, engaging more female sales agents can help build trust in insurance products. In rural areas, where there may be less defined financial infrastructure, trust is critical for clients.

Case Study:

Leveraging the Arisan

Insurers have developed a novel approach to educating the women client market by combining both doctors and the "Arisan" club — a popular type of social gathering that approximately 75 percent of women in Indonesia participate in — as distribution channels. Working with doctors, midwives, and nurses, insurers organize events with the Arisan club members, where the medical professionals will help women visualize and understand health risks that they are susceptible to — such as breast cancer. Following the presentation of health risks, the insurers will then show participants what products are available to help them manage these risks. Interviews with women in Indonesia indicate that this method is effective, as women trust medical authority figures.



How to Meet the Needs of:

1. RETIREES

Develop product add-on services that support elderly women in their daily life. Women will need more and longer health support in the future. Insurers should think about services to either add to the policies of retired women, or to include them in their children's policies to help them cope with their daily life. These services could include mobile nurses to check on them; assistance with their grocery shopping; or additional medical services such as providing blood pressure readers.

2. LOW-INCOME CUSTOMERS

Explore the microinsurance market and transition products to ensure affordability. As many women do not currently view insurance as an affordable product, insurers need to review their pricing and consider the development of a transition product as outlined in the study. Insurers should also identify their major cost drivers, as the agent distribution model is likely to be expensive. Offering more products online and via the mobile phone will help to lower distribution costs, as commissions for agents are usually high. As online and mobile channels may not be significantly developed at present, the focus will possibly continue to be offline channels, leveraging agents in the near future. However,

insurers can evaluate the effectiveness of online and mobile distribution as they pursue it, and subsequently grow this channel.

Microinsurance products currently available on the market only focus on credit life and agricultural insurance. There are no products specific to women that either focus on women's retirement needs or meet the education funding needs of children. Insurers should explore ways to address these needs through add-ons to existing products.

Consider innovative distribution and education channels. In the past, women in rural areas faced similar issues of accessibility in banking and created their own community solution by gathering themselves in an "arisan," an association of women created to help them gather socially and share the latest on fashion, jobs, and life, as well as to engage in peer-to-peer lending by taking turns in sharing a sum of money through contributions to a group fund.²⁸ Arisans can be seen as an alternative to banking solutions in this type of rural environment. The arisan solution also shows that women can develop creative solutions when they lack access to required products and services. For example, discussions with women revealed that they often use the money from an arisan to fund losses that could potentially have been funded by insurance (see Case Study: "Leveraging the Arisan").



Case Study:

AXA's "Wanita Hebat" (Amazing Women) Program

AXA Indonesia has pioneered a program to recruit women as agents in Indonesia. Data from certain product lines have shown that there is a correlation between growth of the women agent workforce and growth of the women customer base. AXA has closely monitored the results of the ongoing recruitment program since it began in October 2014, and results show an increase in the number of recruits and certification rates, indicating that the targeted messaging and marketing channels

are highly efficient. Overall, these promising results demonstrate that AXA Indonesia's push to increase gender diversity among its salesforce will differentiate AXA from its competitors.



redefining / standards



Develop further bundled products that cater to women's healthcare, retirement, and funding of their children's education needs at affordable prices.

80 percent of insurers surveyed in Indonesia confirmed that product design is already an important aspect of their differentiation for women. In order to avoid a protection gap for women in the future, insurers need to expand the spectrum of holistic protection products to cover their health and retirement funding. Bundled products, while currently offered by a number of insurers, are currently very expensive for women. These products should also provide an opportunity to receive advances from the policy to fund their children's education. In addition to annuity payments, products could potentially include:

- Direct payments of hospital expenses
- Health check-ups depending on a women's age
- Disability benefits
- Additional services for the elderly, such as home care services through mobile nurses and support for grocery shopping

Insurers should also collaborate with the government to explore ideas on combined funding, as this will relieve the government from the sole responsibility of funding future payments to the elderly.

Offer products that support women entrepreneurs in receiving funding for their business and provide a safety net in case of bankruptcy.

One potential way insurers can help women access credit is through offering protection for their credit based on future payback potential. For example,

insurers can protect a certain level of credit, and increase the credit limit they cover based on performance of the business. This will help women access the initial capital they need to start their business, and use their future earnings as collateral to build their asset base and increase their credit limit. In case of bankruptcy, their loans would be insured. Anecdotal evidence in interviews has shown that women are more likely than men to pay back loans, so women potentially present a lower risk for insurers.

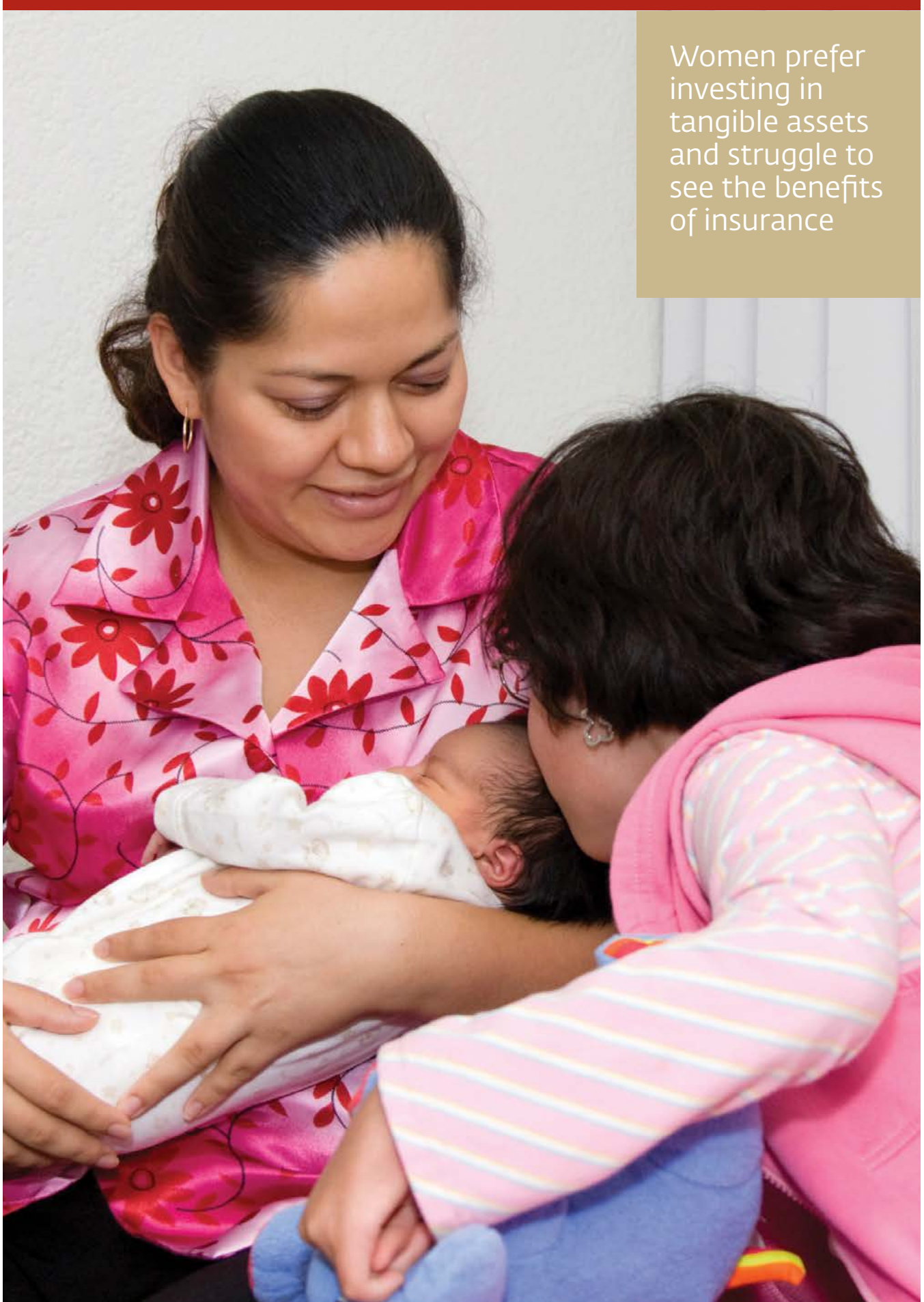
Additional products might also be explored, such as coverage in case of insolvency or business interruption as this is the biggest fear of women entrepreneurs. Insurers should think about how this fear (or risk) can be mitigated.



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Women prefer investing in tangible assets and struggle to see the benefits of insurance



MEXICO

“Men think of their wives first, then their children. Women tend to think of their children first.”

— Representative, Asociación Mexicana de Instituciones de Seguros (AMIS), Mexico City, Mexico

“The relationship between income and insurance in the national market is a ‘U’ shape, where the lower and higher income brackets recognize the need for insurance, while the middle income bracket perceive they have the wealth to pay out of pocket for replacements.”

— Executive, Zurich Seguros, Mexico City, Mexico

FIVE INSIGHTS

1. The women’s retail insurance market in Mexico has the potential to grow to \$26 billion – \$40 billion by 2030, six to 10 times the estimated \$4 billion insurance premium spend by women in 2013.

2. The rise of single mothers — one in four households in Mexico is headed by a single mother¹ — and the rise in the percentage of the population living in poverty point to an increased need for affordable protection.

3. 25.7 percent of women in Mexico are involved in entrepreneurial activities, but women entrepreneurs are currently not specifically targeted as insurance customers.

4. Mexican women may be willing to spend as much as 10 – 15 percent of their salary on healthcare protection for themselves and their families.

5. Affluent women in Mexico expressed a strong interest in add-on services to insurance products.

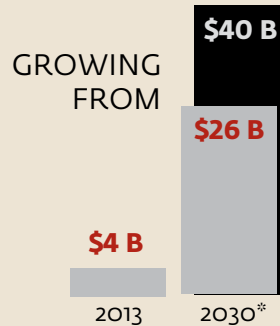
SETTING THE SCENE: THE BUSINESS CASE

The women’s retail insurance market size is projected to grow to **\$26 billion – \$40 billion** by 2030; approximately **six to 10 times** that of the estimated **\$4 billion** insurance premium spend by women in 2013. Given the vast and growing protection gap for women, life insurance premium spend is expected to grow from **\$2.0 billion** in 2013 to **\$11.7 billion – \$18.1 billion** by 2030, while non-life premium spend is expected to grow from **\$2.0 billion** in 2013 to **\$13.6 billion – \$20.9 billion** in 2030. Health insurance is expected to grow from **\$77 million** to **\$433 – \$669 million**.

MEXICO AT-A-GLANCE

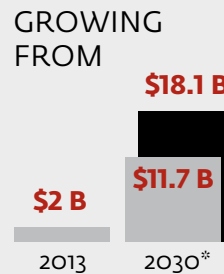
OVERALL WOMEN'S INSURANCE MARKET

6-10X
GROWTH



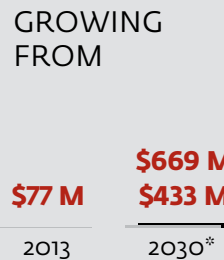
LIFE INSURANCE

6-9X
GROWTH



HEALTH INSURANCE

6-9X
GROWTH



NON-LIFE INSURANCE

7-10X
GROWTH



WHAT'S CAUSING THIS GROWTH?

- Increase in labor force participation
- Increase in income
- Increase in tertiary education
- Increase in financial literacy and awareness of insurance
- Increased health risks intensify the need to spend on protection
- Willingness to purchase private healthcare products and critical illness products for themselves, their husbands and families
- Increasing number of women entrepreneurs

KEY SEGMENTS:



Women Entrepreneurs



Working Mothers

*The 2030 market size estimate is bounded by:

- a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
- b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman



Female agents are perceived to be good at educating and training clients on insurance benefits, and see their jobs as lasting through the entire insurance lifecycle

OPPORTUNITY DRIVERS

Opportunity Driver 1: Increases in labor force participation and income

From 2008 to 2014, women's participation in the labor force increased by 11 percent while women's income increased by 73 percent.² These social and demographic factors are a strong source of growth in the number of women clients and the amount they spend on insurance. In particular, the increase in labor force participation means that more women will be enrolled in insurance plans, notably through their employers.

Opportunity Driver 2: Increase in tertiary education and financial literacy

An increase in tertiary education enrollment is expected to favor the acknowledgment of formal risks management mechanisms, such as insurance.³

Additionally, according to Visa's 2013 International Barometer of Women's Financial Literacy study, out of 27 countries surveyed, women in Mexico talk to their children about money management issues most often, indicating they place a high level of importance on ensuring that future generations are financially savvy.⁴ As women learn more about the importance of using insurance for protection, they will also be able to influence others in their household to invest in insurance, both life and non-life.

Opportunity Driver 3: Increased health risks intensify the need to spend on protection

Between 2012 and 2014, more than six million Mexicans were diagnosed with diabetes, causing Mexico to spend more than \$4 billion in 2012 alone to manage diabetes-related problems.⁵ This issue and the rise of other diseases have made the need for healthcare

protection stronger than ever. Focus group discussions have indicated that women are increasingly willing to purchase private health plans and critical illness products for themselves, their husbands, and their families. Currently, women spend about 7 percent of their income on insurance, which indicates significant room for growth⁶ in health and life insurance.

Opportunity Driver 4: Opportunities for growth in the women's entrepreneur market

In Mexico, 25.7 percent of the female adult population are involved in entrepreneurship activities,⁷ but are hardly covered or targeted by insurers. Women entrepreneurs face constraints in accessing credit, and this can limit the growth of their enterprises.⁸ This is a particular market segment for insurers to target, as women entrepreneurs are likely to have a great need for risk protection.

WHY AREN'T MORE WOMEN IN MEXICO BUYING INSURANCE TODAY?

Currently, women face several constraints in accessing the insurance market:

Women are not aware of the benefits of insurance. Women are not aware of the range of protection provided by insurance. This is particularly prevalent within the lower and middle income bracket, who are less likely to have access to private insurance.

Furthermore, the compulsory status of insurance in Mexico is inconsistent at a state level. For example, although third-party liability motor insurance is compulsory on all federal roads, it is enforced inconsistently at the state level, and only 30 percent of vehicles currently hold it.⁹ Because women are less likely than men to own the vehicle, they are less likely to purchase and be aware of motor insurance.

Women do not perceive the value for money of insurance and may consider it expensive. Many see insurance as luxury that is only affordable by the wealthy. This is reinforced by the fact that women earn, on average, half the income of men,¹⁰ and may not want to spend on what they consider “not a priority.”

In addition, women prefer investing in tangible assets¹¹ and struggle to see the tangible benefits of insurance, especially within the middle class, where women have recourse to informal protection systems, such as relying on loans from family members or friends.

In addition to price, reaching insurance points of sale might actually be costly both in terms of money and time. Women reported that outside of major urban centers, it can be complicated to

travel to an insurance agency or bank. Considering women are less mobile and rely more on public transportation, this is particularly time-consuming.¹²

Women do not trust insurers. This is partially due to a lack of understanding of the policy terms and exclusions. Women are often surprised when their coverage is denied or when they do not receive the full claims payment they expected. In interviews with women clients, they commented that much of the detail is “**hidden in the fine print**” and is not clear to them even when they seek clarification through additional questions. Women have also indicated that they would like more insight into the claims process, which is seen as an integral part of their experience with insurers. Those who do not live up to their promises are seen as untrustworthy and can discourage women from returning.

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

To address these issues and tap into the full potential of the women's market, insurers will need to find solutions to increase awareness and build trust, improving service while lowering the price of their policies.

Targeted education campaigns to increase trust and awareness among women. Insurers need to build campaigns to educate women about the benefits of insurance based on their lifestyle needs. Education can be done through a variety of channels such as television and retail stores, which are integrated into women's everyday life, and not necessarily only through financial institutions or employers. Content can focus on helping women understand the most common types of risks based on their lifestyle; how insurance can be used to mitigate

these risks; how they can access insurance; and what the common limits or exclusions of policies are. This will be particularly important for those within the lower and developing middle income bracket.

Develop partnerships to increase visibility. Insurers need to create partnerships outside traditional distribution channels to increase their visibility in the market and better connect with women in their daily lives.

Creative partnerships as featured in the Zurich and Avon case study prove to be successful in reaching out to informally and semi-formally employed women.

Partnering with women's associations can help to educate women about their risks and reach large groups of women at a single point.

Invest in microinsurance or other low-cost products through partnerships. A large percentage of Mexico's population lives in poverty (52.3 percent in 2012)¹⁴ and, based on a 2014 study from Munich Re, approximately 66 percent of Mexico's population are potential microinsurance clients.¹⁵ This presents an opportunity for insurers to provide microinsurance as these households are likely to be vulnerable to external and internal shocks, such as natural disasters, unemployment, and chronic diseases. Insurers can create new products with partners such as reputable NGOs and governments to provide insurance to low-income customers, while creating strategic alliances with the federal government, which implements social programs. Building strategic alliances with private microfinance institutions

Key Segments

1. WOMEN ENTREPRENEURS

Key Characteristics: Own her own micro-, small- or medium-sized businesses, may be balancing professional and personal demands, may be married and may have children.

Women entrepreneurs face increased exposure to risk due to personal circumstances.

Mexican women entrepreneurs face additional risk of business interruption compared to men. Focus group discussions found that women are more likely than men to operate their businesses from home, and hence are more likely to face business interruptions due to their household duties. In addition, caretaking duties may also take women away from income-generating activities. According to the World Bank Global Findex, 53 percent of women indicate it would be “not at all possible” or “not very possible” to come up with emergency funds, compared to 45 percent of men.¹³

Women entrepreneurs have insufficient access to credit.

Inability to access credit creates a barrier to starting their businesses and limits financial options to grow and obtain insurance for their businesses. In fact, many women rely on their personal savings and contributions from their families for funding, which makes them particularly vulnerable to business interruption and/or failure.

2. WORKING MOTHERS

Key Characteristics: Focus is on providing for her children and her children’s future (finance, education); may be financially independent and want to protect her own assets.

For Middle Income: May be used to relying on family and friends for help, but due to urbanization no longer has as strong informal support network.

For Upper Income: Has ample discretionary income to spend on luxury financial products, but may also prefer using less risky options such as savings/checking accounts.

Women look for tailored value-added services such as childcare, repair or replacement assistance, and expect health insurance to be more integrated in their overall life.

Market research indicated that women who purchase insurance want more wrap-around services to help them manage their individual work-life demands, and value assistance services as much as they value the financial benefits of insurance. As non-communicable diseases are on the rise, women expect to be rewarded for staying healthy. Women expect private health insurance to be more integrated into their lives and critical illness products to reflect women-specific features.

Women want to protect their assets and income independently of their spouses and family members.

Women interviewed in Mexico raised concerns around protecting their income and assets throughout changes in their legal status, from marriage to divorce or widowhood. Key drivers of this sentiment were societal customs that favor men as the sole property holder, and patrilineal lines of inheritance that can be valued above all others. In addition, the rise of single mothers means this population may have a smaller social network, have a much smaller safety net through informal protection methods, and thus may find greater value in formal protection provided by insurers.

“I’d rather spend some of my income now to make sure I have a [financial] backup in case something happens, rather than not have anything when it’s too late.”

— Patricia, Young Professional, Mexico City, Mexico,



How to Meet the Needs of:

1. WOMEN ENTREPRENEURS

Form partnerships with banks to help women access credit. One potential way insurers can help women access credit is through offering protection for their credit based on future payback potential. For example, insurers protect a certain level of credit, and then increase the credit limit they protect based on performance of the business. This helps women access the initial capital they need to grow their business, and use their future earnings as collateral to build their asset base and increase their credit limit. Evidence from microfinance has shown that women are more likely than men to pay back loans and therefore are a better risk for insurers to take on.

Distribute through women's entrepreneurship associations. Providing insurance through women's entrepreneurship associations in remote locations enables insurers to access an entire network of customers, similar to affinity insurance schemes which provide insurance to a group of individuals such as a company's employees. Insurers will be able to provide group rates on life and health products to the entrepreneurs, which are generally lower than individual rates. In addition, such partnerships allow insurers to leverage the association's network and resources to educate its members about risk management.

2. WORKING MOTHERS

Educate new mothers. Insurance companies can use child-focused retailers, such as toy stores as distribution channels for education programs. These programs can focus on the benefits provided by insurance for children and their household well-being via health protection. This will help put insurance into a context that is relatable and relevant for women, and will enable them to learn more about the different products available.

Offer add-on services based on lifestyle needs and make their lives easier.

Insurers also have the opportunity to build relationships with current women clients by offering them flexible service options such as child care services from a trusted agency. Survey participants in Mexico said that insurers need to be more proactive in offering tailored products and services based on the lifestyle needs of women. For example, working mothers are looking for help to balance the needs of their household with their work, while elderly women may need help with mobility and health monitoring, such as a 24-hour heart-rate-monitor service that can respond in the case of an emergency. Women heads of household in other Latin American markets, such as Brazil, are also using mobile applications to manage their finances, a value-added service that insurers can provide.

Health products should reflect what women can do to improve their health by offering discounts for gym memberships, or if they take measures to lower their weight to prevent diabetes and cardiovascular diseases. Critical illness coverage is seen as an important product; however, not all products in the market cover gender-specific conditions. Insurers could make the product much more applicable to women's needs if this type of coverage were emphasized.

Offer products that support women in case of divorce and widowhood to help them maintain their living standards.

As women are likely to face financial difficulties in case of a divorce if the assets are not under her name, insurers should offer products that keep women from facing bankruptcy. A life insurance product which pays out partially in case of a divorce could support women to cover initial expenses and include a rider for legal expenses to support them in case of divorce. As women cannot be certain that their husband's wealth will be transferred to them in the case that their husband passes away, insurers should help create ways to ensure certainty that women are beneficiaries.

will complement microcredit with microinsurance.

Increase the number of women distributors. Interview results with AXA and Willis in Mexico City indicate that women are perceived to be better at educating and training clients on the purpose, benefits, and types of insurance coverage, and are often considered more dependable and helpful when clients have claims. A female agent often tends to see her job as lasting through the entire lifecycle of insurance, and not just up to the end of the sale; thus they are more likely to invest time explaining the full process to clients. They consider themselves as franchise owners and take pride in owning the client relationships.

Increase transparency through clear language and online claims tracking.

Given the emphasis that women place on understanding the details when deciding to purchase insurance, clearly stating what the exclusions are will help set expectations on what women will receive compensation for, and how

their premiums are being used to cover any potential future claims.

Enabling online claims tracking will also be valuable for the women's market. Market interviews with women customers show that they value online

claims tracking more so than men, as it reduces uncertainty and allows them to proactively plan for the outcome. Online tracking will also build women's trust in insurers, as they will be able to see what insurers are doing with their claims and prevent them from misconceptions.

Case Study:

Zurich and Avon

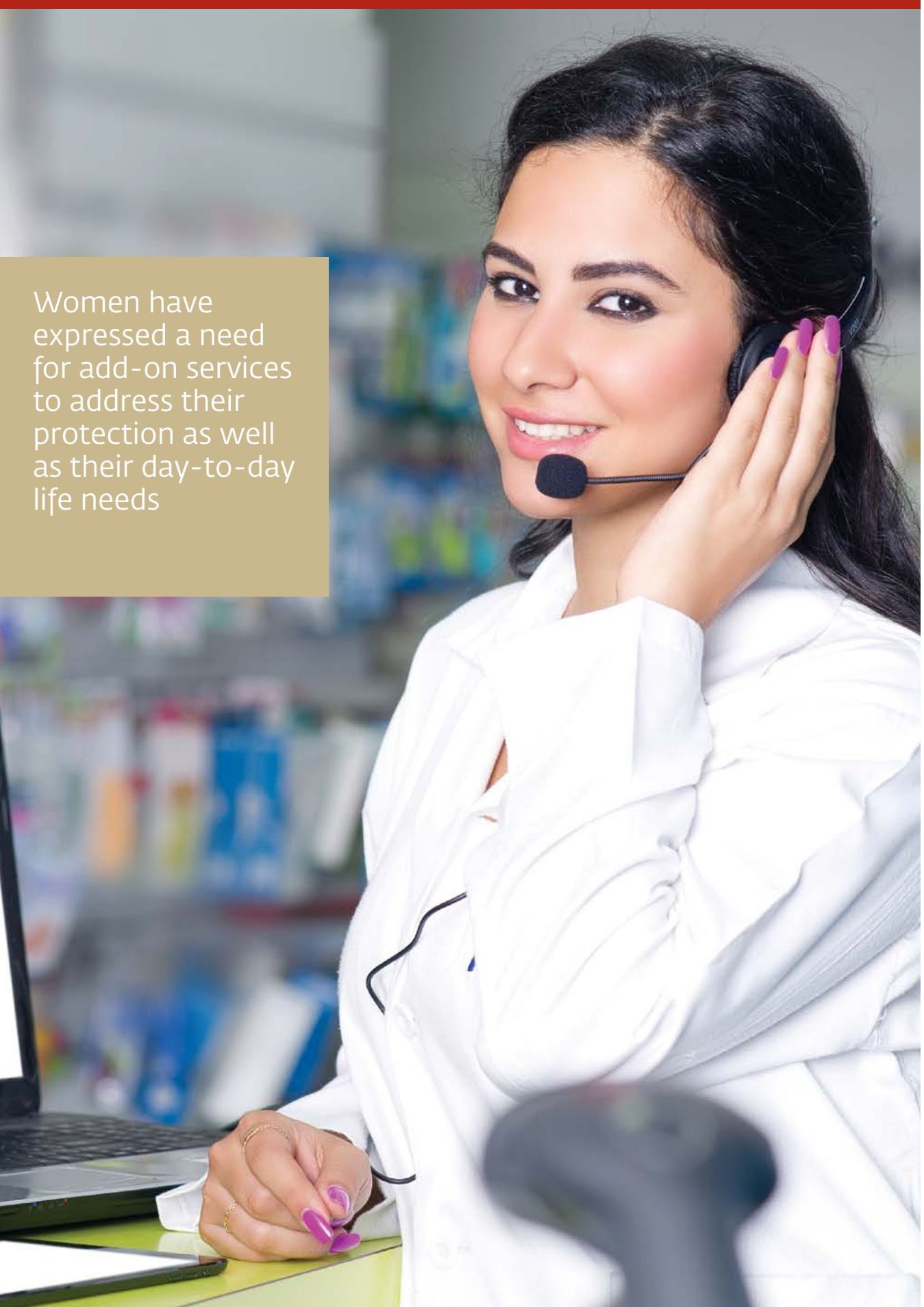
Women are drawn to becoming independent agents because of the flexibility the work allows. Most companies in Mexico, however, do not offer benefits to their agents as they are not employees. To address this access gap, Zurich Seguros in Mexico has partnered with Avon to provide health, medical, and accident benefits to Avon agents through an innovative incentive plan at no cost to Avon.

After two years of the partnership, Zurich Seguros and Avon are excited to look for opportunities to expand their partnership to reach more women in the market. As one Zurich Executive said: "In insurance, thinking outside of the box is important to reach a new customer base and grow penetration within the market."



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A woman with dark hair, wearing a white lab coat and a headset with a microphone, is smiling and looking towards the camera. She is sitting at a desk with a laptop. The background is a blurred pharmacy or laboratory setting with shelves of products. A text box is overlaid on the left side of the image.

Women have expressed a need for add-on services to address their protection as well as their day-to-day life needs

MOROCCO

“Women are a vehicle for the promotion of insurance... [They] are protective and could indeed influence greatly the uptake of insurance.”

— Representative, Societe Centrale de Reassurance (SCR), Casablanca, Morocco

“Credit protection is all that gets offered to me; it helps in case I cannot pay back my loan, but covers nothing else.”

— Fatima, insurance client, Casablanca

FIVE INSIGHTS

1. The women's retail insurance market is expected to grow from two to four times its current size, up to **\$50 million – \$77 million by 2030**.
2. Between 2008 and 2014, **women's income in Morocco almost doubled**, allowing more women to become influencers of household finance decisions.
3. Based on company interviews, **women represent 50 percent of the directly employed agent market** and, in general, exhibit good sales skills.
4. **Women in Morocco value insurance as an important source of funding** for private healthcare, and are even willing to pay for additional cover, on top of what their employers provide.
5. **Women cooperatives in Morocco are relevant in the labor market** and could represent a target segment for insurers to better provide insurance solutions.

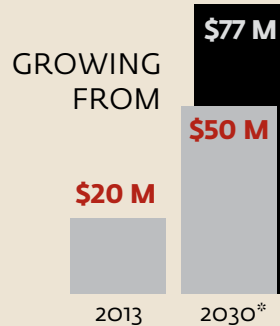
SETTING THE SCENE: THE BUSINESS CASE

The Moroccan insurance industry is one of the largest in the Arab region, and the second-largest in Africa, after South Africa.¹ By 2030, the potential size of the women's retail market is estimated to reach **\$50 million – \$77 million** in premium spend, approximately **two to four times** greater than the **\$20 million** women spent on insurance in 2013. Across product lines, the women's life insurance market is expected to grow from **\$7.5 million** in 2013 to **\$16.2 million – \$24.8 million** by 2030. The non-life insurance market is expected to grow from **\$10.0 million** in 2013 to **\$27.5 million – \$42.1 million** by 2030, while the health insurance market is expected to grow from **\$2.8 million** in 2013 to **\$6.6 million – \$10.2 million** by 2030. Focus group discussions and interviews provided evidence that there is a clear need and willingness among women to pay for the benefits that insurance can provide.

MOROCCO AT-A-GLANCE

OVERALL WOMEN'S INSURANCE MARKET

2-4X
GROWTH



LIFE INSURANCE

2-3X
GROWTH



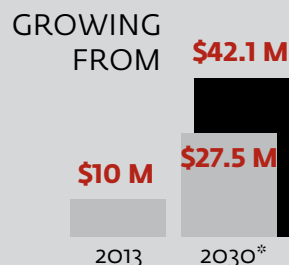
HEALTH INSURANCE

2-4X
GROWTH



NON-LIFE INSURANCE

3-4X
GROWTH



WHAT'S CAUSING THIS GROWTH?

- Increasing salary
- Increasing disposable income
- Strained and inadequate public health system
- Willingness to pay for private healthcare
- Increasing demand for better health insurance as a result of increase in income
- Willingness to purchase life insurance to provide for children's future
- Women represent 50% of the directly employed insurance workforce
- Women are effective insurance sales agents
- Mandatory insurance driving awareness and sector growth

KEY SEGMENTS:



Salaried Women Without Children



Working Mothers

*The 2030 market size estimate is bounded by:
a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman



As women move from the lower to middle income brackets, spend on insurance increases, in particular for products related to protecting their families

OPPORTUNITY DRIVERS

Opportunity Driver 1: Women In Morocco today are earning more, and spending more of their disposable income on insurance

Women's income has almost doubled between 2008 – 2014.² Survey results and studies³ have indicated that women are more likely to be aware of formal methods to mitigate risks and of the insurance benefits provided by their employer. Focus group discussions show that, as women move from the lower to middle income brackets, spend on insurance increases, in particular for products related to protecting their families. Moreover, financially literate women are also better positioned to be strong influencers of purchasing decisions made by their husbands. The influencing role of women should not be overlooked, as they are mostly the ones who identify household protection needs, evaluate and select products, and sometimes make the final purchase.

Opportunity Driver 2: Women will spend their higher incomes on health and life insurance in particular

Discussions with women in Morocco indicate that private healthcare is their preferred choice, even though only 16 percent of the population is covered due to the high cost.⁴ Based on interview results, it is expected that as women's income in Morocco grows further, so will the demand for better health insurance. The public healthcare system is strained in capacity, public hospitals' medical equipment varies, and staff is scarce, which makes it difficult to provide quality care.⁵ Moreover, access to public healthcare is poor in rural areas, and the system is unable to manage the need for critical conditions,⁶ with waiting room deaths alarmingly common. Women in Morocco value insurance as an important source of funding for private healthcare, and those with the financial resources are willing to pay for private care on top of what

their employers currently offer them.⁷ Women in higher income brackets also indicated that life insurance is important to them to provide their children with a sustainable future.

Opportunity Driver 3: Anecdotal evidence suggests that women can be effective insurance distributors, especially considering cultural and religious practices, which require women distributors to sell to women clients

Women represent 50 percent of the directly employed insurance workforce, with a higher proportion of women below management level. Interviews with insurance companies demonstrate that women are very effective as agents.

Low turnover among women workers supports the perception in the industry that women are loyal employees. Interview results show women are viewed as trustworthy,

organized, and more eager to take on responsibilities. Women have a wide sphere of influence, and are more likely to educate their friends and families about financial products, and so can help insurers increase financial literacy. The role of women in influencing their households, families, and friends can be leveraged to increase insurance growth uptake by the broader population.

Furthermore, in some mainly rural conservative areas, women cannot make direct purchases of goods and services from men. Rather, their husbands or fathers lead interactions within their economic environment. Expanding the women's salesforce could help reach out directly to populations where direct interaction with men is culturally not accepted.

Opportunity Driver 4: Mandatory insurance is driving sector growth and population awareness, especially within the salaried force

Compulsory insurance, such as third-party motor liability, employee health insurance, and Contrat-Programme (provides mandatory property, health, and natural catastrophe coverage),⁸ has also been a strong driver of growth as the government looks to expand the overall industry, with additional growth expected in the future. Salaried women will receive health insurance via their employers and are more likely to recommend the benefits of health insurance to their friends. Having different types of compulsory insurance will help women increase their awareness of risks and insurance benefits.

WHY AREN'T MORE WOMEN IN MOROCCO BUYING INSURANCE TODAY?

Currently, women face several constraints in accessing insurance. These barriers need to be addressed in order to tap into the potential opportunities for growth in this segment.

Women are dissatisfied with the transparency of policies and the claims process. Women report that policy terms are too complex and confusing. They also have difficulties with the claims process and with payout amounts, all of which discourage them from purchasing insurance products. Women who have bought insurance products report that they sought clearer communication on claims payment time, and expect their insurer to honor the timeline and payment amount they have committed to. Survey results with women clients indicate that speed of payment recovery is a **"key influencer"** in a woman's choice of policies. Insurers who do not live up to their promises, either in the time or amount of payout, are seen as untrustworthy **"thieves,"** dissuading women from returning or renewing their policies.

Women see insurance as too expensive. Interview results show that women are more price-sensitive than men regarding insurance products. As 52.9 percent of Morocco's population lives on less than \$4 per day,⁹ many women often view insurance as a luxury. There is a gap

in society between the low-income bracket (microinsurance market) and the middle class in terms of product offerings. This gap is especially prevalent for entrepreneurs who find commercial insurance products too expensive, but may not be satisfied by microinsurance offerings.

Women entrepreneurs' needs are not addressed by current market offerings. Products in the market do not adequately address the needs of women in terms of minimizing the risks of setting up a new venture. Focus group discussions indicate that many women entrepreneurs are unaware of the business risks to which they are exposed; this is especially true for women who run their businesses from their home, who are at both professional and personal risk in the case of certain misfortunes such as fire. Many entrepreneurs who are aware of these multi-faceted risks feel that the current products are not offered proactively by agents. Discussions with women entrepreneurs revealed that they perceive commercial insurance as too expensive. There are many women's cooperatives in Morocco, particularly in rural areas. These cooperative structures combine women ventures in one single productive unit and have been flagged as not being appropriately covered by insurers with customized product offerings and pricing.

"Buying from a women is easier as they can relate to my life circumstances and tell me about risks I face and I have never thought about before."

— Zainab, Head of Household,
Casablanca, Morocco

Key Segments

1. WORKING MOTHERS

Key Characteristics: Has children, may have spouse, likely to steer household finances toward family purchases and risk mitigating measures.

Over 40 percent of women are not aware of insurance and do not see the benefits. Awareness is closely linked to purchasing insurance cover.¹⁰ Gender differences in awareness of insurance in general can be partly attributed to demographic and socioeconomic factors. The lower the education level and income bracket, the less likely women are to be aware of financial products. Without a strong understanding of insurance products, women will not be likely to steer household finances toward these products.

Women are dissatisfied with their access to insurance and the difficulty of the purchasing process. Women who are aware of the benefits of insurance want a quick and efficient service, especially as they balance professional and household demands. Interview results indicated a strong preference for online channels for research and purchasing. Working mothers are especially in favor of online channels due to the convenience. Women in rural areas lack access to the salesforce and often have to “wait” for the agent to see them. Currently, however, insurers lack innovation on this domain. Based on interviews, online and direct channels account for only 4 percent of sales; as such, this avenue offers significant potential for growth.

2. SALARIED WOMEN WITHOUT CHILDREN (UPPER INCOME)

Key Characteristics: May have a tertiary degree, may be familiar with financial products but still lacks confidence in making the right decision, may be looking to grow and protect her substantial income.

Affluent women do not get offered tailored solutions. Women who can afford insurance expect products that address their specific needs, particularly health and life products. Apart from some stand-alone initiatives, there are no women-specific product features and marketing approaches, and women do not feel the marketing is effective, or that it is aimed directly at them.

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

To overcome these challenges, and to tap into the full potential of the women's market, insurers will need to find solutions to increase education, offer tangible benefits, clarify the policy language and the claims process, as well as lower the costs.

Start insurance education early. Because insurance awareness is so low among women in Morocco, insurers

should consider creating partnerships with regulators to develop educational programs for women, particularly for recent tertiary graduates. This population is a growing demographic segment and is more likely to have financial independence when it enters the labor force. Some organizations are already educating the younger generation; for example, interviews

with FMSAR, an insurance association, revealed that it is a part of the “Foundation for Financial Education” to promote financial education in schools.

Simplify policy wording to enhance understanding and to build trust. Clear information about exclusions and coverage limits should be emphasized, as it is what women focus on most when researching

and selecting a policy. Stating the exclusions upfront will help set expectations regarding what women will receive in compensation and how their premiums are used to cover any potential future claims. It is important for women to understand these possible outcomes so they can proactively plan for different events.

Increase transparency in the claims process and follow through on payment promises. Market research shows that women value online claims tracking more than men, as it reduces uncertainty and allows them to proactively plan for the outcome. Online tracking will help to build women's trust in insurers' processes and integrity.

Beyond these considerations, integrity and honesty are valued highly by the women's market. Insurers must also follow through on their promises; they should, for example, document what they have communicated and/or promised and notify the client immediately if they are not able

to pay certain claims. This allows insurers to proactively manage women's expectations and reduces unwelcome surprises that may result otherwise in a decrease in trust. Regular communication between women clients and insurers during the claims process is key to building a long-term relationship based on trust.

Leverage women sales agents to address needs of female clients. Survey participants in Morocco indicated a preference for a female salesforce. Insurers can leverage these agents, as well as data, to understand the needs of women and educate their entire salesforce on techniques to sell directly to women. Best practices in other markets which can be leveraged in Morocco include development of specific training materials to help the salesforce better service women clients.

Offer more economical protection and explore microinsurance opportunities. The low- and lower-middle income segments still make

up the majority (60 percent) of Morocco's population. Women in the low-income segment indicated that they would be interested in saving for their children's education via an insurance product and would like to be able to access better healthcare.

A bridge product would support women's journey into the emerging middle income class by slowly building up to a full insurance cover through riders added on to the policy at various stages of a woman client's life cycle.

Identify and develop products that can encourage growth in women's entrepreneurship.

Women entrepreneurs can help grow the overall economy. Developing new products and improving communication about the ones that already exist can increase the number of women starting their own businesses. A review of commercial insurance pricing structures, for example, selling bundled solutions rather than several independent individual policies, should be explored to potentially drive down the price of commercial line products. Health and life insurance, in addition to the already available credit insurance, can help to free up more money to reinvest into the business. Insurers need to revise their communications to highlight how these types of insurance can impact entrepreneurial growth.

Leverage the women's employee base. Anecdotal evidence from market interviews has demonstrated that women in the salesforce are perceived as being more patient in explaining policy coverages and are more understanding toward the concerns of other female clients, and hence more likely to proactively address them. Insurers should make sure to integrate findings from women sales agents into product development and client sales training, and should ensure gender diversity throughout their insurance value chain.





How to Meet the Needs of:

1. WORKING MOTHERS

Targeted education campaigns to increase awareness among women. Insurers need to engage in education programs that can support the increase of awareness and the understanding of risks women are exposed to, as well as explain the benefits of insurance. Programs on the benefits of insurance for their children (such as how life insurance will reduce the potential burden on their children), and for household well-being (via health protection), will help present insurance into a context that is relevant for women. This, in turn, will empower them to take action in learning more about the product, influencing the purchasing decision (by helping select the product), and making the purchase themselves.

Develop products according to women's needs and attract them through targeted marketing.

Women want insurance products that cater to their needs. Health insurance should feature women-specific components such as pregnancy riders, and life insurance should offer flexible payment terms.

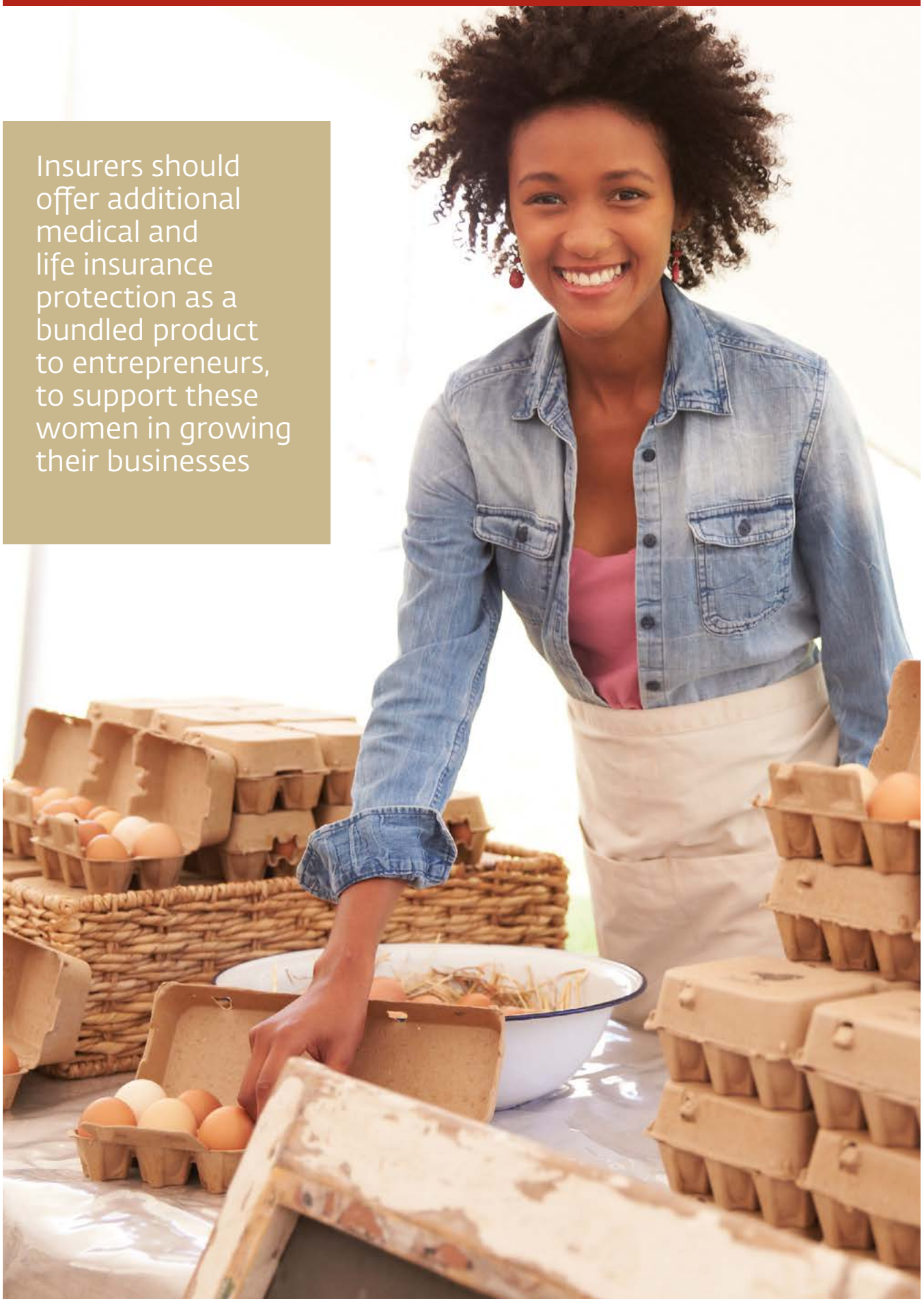
2. SALARIED WOMEN WITHOUT CHILDREN (UPPER INCOME)

Turn client needs into product offerings. To capitalize on the opportunity that women represent, insurers need to understand where women experience challenges in their daily lives and incorporate wrap-around services that address these pain points and make insurance more tangible. Women have expressed a need for add-on services to address their end-to-end protection needs (for example, helping draft accident reports, providing psychological counseling after an accident) as well as their day-to-day life needs. Some survey respondents said that, ideally, a good insurance package for women should combine traditional insurance products with assistance services. Providing such services helps women with more than just their long-term protection and financial needs; it demonstrates that insurance protection also helps with day-to-day tasks and helps integrate the insurance brand into their everyday lives.

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Insurers should offer additional medical and life insurance protection as a bundled product to entrepreneurs, to support these women in growing their businesses



NIGERIA

“I do understand that private healthcare would improve my quality of life, however, I do not have the money left at the end of the month to afford it. Insurers ask us to pay first and claim back — where should the money come from?”

— Lola, Insurance Client, Lagos, Nigeria

“The way women approach their work, they are able to bring more organizational skills and trust.”

— Executive, AICO Insurance, Lagos, Nigeria

FIVE INSIGHTS

- 1. The insurance premium spend of women clients in Nigeria is predicted to reach **\$5 billion – \$8 billion** by 2030, approximately **nine to 13 times** the estimated premium of **\$0.6 billion** spent by women in 2013.** While not the largest opportunity out of the focus markets,¹ Nigeria is the second fastest growing market.
- 2. Women entrepreneurs in Nigeria are a growing area of focus** for financial institutions, but are not well served by insurers.
- 3. Affordability is the key constraint to insurance uptake** as over 60 percent of Nigeria’s population is considered low-income, leaving room to grow the microinsurance market.
- 4. Women are seen as successful sales agents,** capable of breaking down trust barriers.
- 5. Women are highly likely to suffer from financial shocks** after their husbands die due to unfavorable inheritance practices in Nigeria — or in case of a divorce — resulting in high demand for insurance for their personal assets.

SETTING THE SCENE: THE BUSINESS CASE

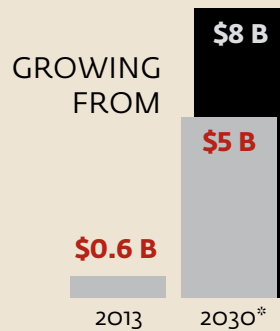
The insurance premium spend of women clients in Nigeria is predicted to reach **\$5 billion – \$8 billion** by 2030, approximately **nine to 13 times** the estimated premium of **\$0.6 billion** spent by women in 2013. After Indonesia, Nigeria represents the second fastest growing women’s insurance opportunity out of the 10 focus markets, thanks to the rapid increase in income experienced by women.²

The biggest driver of growth is expected to come from non-life products. In 2013, the non-life product line was valued at **\$0.56 billion**, which represents 80 percent of women’s total insurance premium spend. This segment’s willingness to spend on non-life products makes this a high-potential growth area for insurers. Women’s overall financial situation is expected to improve, as the rising middle class’ ability to grow their assets will require more non-life protection, while the compulsory liability insurance for entrepreneurs is another driver for growth. In 2030, the women’s non-life insurance market is projected to be **\$4.6 billion – \$7.1 billion**. The life insurance market is projected to grow from **\$76 million** in 2013 to **\$621 million – \$952 million** by 2030, while health insurance is expected to grow from **\$0.2 million** to **\$2 million – \$3 million**.

NIGERIA AT-A-GLANCE

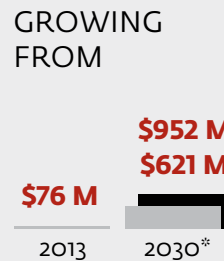
OVERALL WOMEN'S INSURANCE MARKET

9-13X
GROWTH



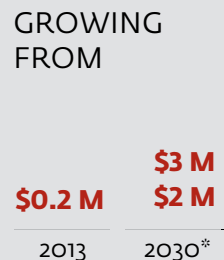
LIFE INSURANCE

8-13X
GROWTH



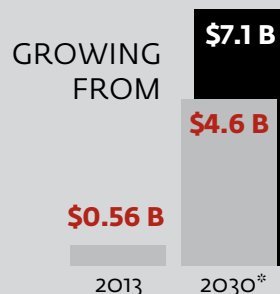
HEALTH INSURANCE

9-13X
GROWTH



NON-LIFE INSURANCE

8-13X
GROWTH



WHAT'S CAUSING THIS GROWTH?

Increase in salary and disposable income

Room for growth of the microinsurance market

Need for better healthcare

Private healthcare is the preferred choice for many women

Women's willingness to spend on private cover for themselves and their children

Room to create insurance products catering to women entrepreneurs

Women show better sales performance

Women can act as advocates for insurers

KEY SEGMENTS:



Women Entrepreneurs



Low-Income Customers

*The 2030 market size estimate is bounded by:

- a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
- b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman



Women not only value private coverage for themselves but would also like to extend it to their children

OPPORTUNITY DRIVERS

Opportunity Driver 1: Women today are earning more and have more disposable income available to spend on insurance

While an increase in education is not reflected in the overall formal workforce participation (which has decreased slightly over the last six years), it has led to higher incomes among already formally employed women: the average salary for women has tripled from 2008 – 2014.³

Opportunity Driver 2: There is room to grow the women's microinsurance market

Despite the improvements in income mentioned above, women remain at higher risk than men of being in or falling back into the lower income bracket, with over 60 percent of Nigeria's population living below the poverty line.⁴ Microinsurance will

enable insurers to reach out to the majority of the population for whom regular insurance products will not be affordable. There are currently no gender-specific microinsurance products available in the Nigerian market, indicating that the specific needs of women may not currently be effectively addressed.

Opportunity Driver 3: Women will spend their higher incomes on health insurance for themselves and their children

The combination of high infant mortality, illness, and death during childbirth significantly lowers life expectancy of women and creates a need for better healthcare.

Adequate cover is important both to mothers and for their children, as the mortality rate for children under five

years old in Nigeria is 117 per 1,000 children, one of the highest in the world.⁵ At the root of the situation is the significant under-development of the Nigerian healthcare system: inadequate infrastructure and insufficient public funding have led to gaps in the supply of medicine as well as poor access to health professionals. Women are particularly affected by insufficient healthcare, and market discussions have shown that they are more inclined to spend on private healthcare than men. Discussions have also indicated that many women not only value private coverage for themselves but would also like to extend it to their children. Despite measures by the Nigerian government to address the state of public health, private care will remain a preferred choice for many women.

Opportunity Driver 4: There is room to grow the women entrepreneurs' market

A study on women entrepreneurs by IFC⁶ shows that the women entrepreneurs' market is often underestimated and overlooked. Banks have already started to grow the women's market by simplifying access to funding. However, despite providing compulsory insurance for business owners, insurers have not been able to demonstrate the value of additional insurance to women entrepreneurs. In particular, products like health insurance for business owners, life covers to secure loans, and business continuity covers are not currently bundled into the compulsory cover, which would help women to manage and grow their own business.

Opportunity Driver 5: Women show great strength in the sales process and act as advocates for insurance

Insurers stated that women have a stronger and more sustainable customer base than men and show better sales performances. Focus group discussions also indicated that women are more likely to work for an agency force than as brokers.

Women employed in the insurance industry stated that they give informal advice on the benefits of insurance to their family and friends, an advocacy effect that insurers can leverage to their advantage.

“Insurers are quick to collect premium but are a hassle when it comes to pay the claim. You never know if they pay or not and if they pay, it is late.”

— Teresa, Entrepreneur,
Lagos, Nigeria

WHY AREN'T MORE WOMEN IN NIGERIA BUYING INSURANCE TODAY?

Currently, women face several obstacles in accessing insurance. These barriers need to be addressed in order to tap into the opportunities for growth represented by women.

The majority of women are not aware of insurance and if they are, they often mistrust insurers.

Awareness of products among women is low, in particular beyond compulsory insurance policies, which are applicable to entrepreneurs and car owners.⁷ This lack of awareness and lack of familiarity causes women to view insurers as untrustworthy. Women interviewed indicated that they often felt the “small print” left them unsure and doubtful. Women also perceived the insurance industry as corrupt, and not run with the best interests of the client in mind.

The role of religion in society influences women's decision to purchase insurance. In Nigeria, 50 percent of the population identifies as Muslim, 40 percent as Christian, and 10 percent observe indigenous religions;⁸ some of the women interviewed remarked that they believe that risks in their lives are “in the hands of Allah” and are opposed to taking out insurance.

Women are dissatisfied because conducting business with insurers is difficult.

Many women expressed the need to be able to better conduct research as well as purchase insurance online. *“Being able to get sufficient information either offline or online, and purchase cover online quickly would support the sales process,”* said Uloma, a head of household in Lagos.

Additionally, women are dissatisfied with the transparency of their cover and with the claims process. Though they see both as vital services provided by insurers, they are not sure how and when their claim will be paid out, and they believe they will not get value from the product.

Current products do not cater to the needs of women.

A review of the insurance products on the Nigerian market shows a lack of availability of health insurance with women-specific components such as pregnancy riders or specific conditions in critical illness policies.

Local interviews indicate that health insurance has the greatest need for gender-specific requirements. In Nigeria, patients in the public health system often experience long waiting lists for medication and a low quality of care. While women recognize the need for private care, currently only 0.2 percent of the female population pays for private healthcare. Market discussions revealed that women are overall dissatisfied with the healthcare service; those who have the means seek medical consultation abroad to receive better healthcare, and look to purchase some form of insurance with global coverage rather than one that would only cover Nigeria.

Products may not protect women in the case of divorce or death of a spouse.

In some places in Nigeria, customary law can prevent women in Nigeria from inheriting their spouse's assets.⁹ In these cases, where women are not aware of differences between constitutional inheritance law and customary laws, the spouse's assets are most likely to be passed on to the family, who will also receive payments from his life insurance if no beneficiaries are named in the policy.



Key Segments

1. LOW-INCOME WOMEN CUSTOMERS

Key Characteristics: The focus is on making sure her and her family's basic needs are met; she relies on family, friends, and neighbors for support and financial advice; and may worry about leaving debt to her children.

The majority of women cannot afford insurance. Affordability is still one of the biggest barriers to insurance for women, as over 60 percent of the Nigerian population earns less than \$1.25 per day.

However, World Bank data on outstanding loans support the idea that there is a market for financial investments in general, and in particular, for women. For example, 9.3 percent of women have outstanding loans in health and emergencies and 4.9 percent in school fees. Despite low insurance penetration, it is important for insurers to capture the low-income market in Nigeria, as they will be the emerging consumers.

2. WOMEN ENTREPRENEURS

Key Characteristics: Owns her own business, and potentially runs it from her home; may have employees to provide for; may be balancing professional and personal demands; may be married and may have children.

Women need to better understand the risks they face as entrepreneurs. In Nigeria, 36 percent of women are formal entrepreneurs, and women and men have roughly equal rates of entrepreneurship.¹⁰

Although Nigeria's entrepreneurs must purchase compulsory professional liability insurance, in practice, insurers only provide the cover once the entrepreneur's business has reached a certain size.

There is also little awareness of other insurance products and how they could help meet specific needs related to protecting and growing entrepreneurs' businesses. In particular, theft, damage, fire, and income protection (in the case of insolvency) are coverages which are attractive for business owners. Many women are still relying on informal insurance, calling on neighbors and family to help out either with time or with financial support as the need arises.

Business interruption insurance can also help women entrepreneurs grow their businesses, and they indicated, for example, that the unpredictability of power cuts due to less developed infrastructure significantly increases their costs of conducting business.

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

To overcome these challenges and tap into the potential of the women's market, insurers will need to develop affordable and appropriate covers for the women's segment, especially women entrepreneurs.

Target education campaigns to increase awareness among women.

Insurers need to engage in education programs that can increase women's

awareness and understanding of the risks to which they are exposed, as well as explain the benefits of insurance.

In addition to the lack of awareness, there is a lack of trust, among women, for insurers. Insurers need to build trust through implementing standardized and transparent processes, in particular relating to the communication about the details of

the coverage and the claims process.

Engage more women agents and distributors to reach the women's market.

Another way insurers can reach more women and build trust is through active engagement of women sales agents. Female agents are perceived to have larger social networks and closer ties to community, friends, and family. They

do not only sell financial products to their friends and family, but also provide them with financial advice — in particular, on insurance products. Female agents interviewed supported the idea that “women-to-women” selling is more successful, indicating they are better able to discuss personal family concerns and finance with other women. Working as an agent is also seen as quite desirable for women, due to the flexibility and financial independence it offers.

Currently in Nigeria, no scheme exists to officially incentivize female employees to become advocates for insurance to their friends and families. Referral schemes could be employed to support the uptake of insurance among women and potentially encourage them to cover their families.

In addition to improving reach, women sales agents can help build trust and long-term client relationships as underlined by executives from both Ark

“Women sales agents are better at building longer term relationships and building trust.”

— Executive, Ark Insurance Brokers, Lagos, Nigeria

How to Meet the Needs of:

1. LOW-INCOME WOMEN CUSTOMERS

Explore the microinsurance market and women's product needs to cater for lower-income market.

Women play a growing role as decision makers within their households and should therefore be a natural segment to target for microinsurance.

Currently, microinsurance covers are mainly addressed to men, as they tend to be the ones taking out a loan, for which they need a credit life cover. However, the credit life cover will only ensure the payoff of the loan and will not cover any further expenses associated with the death of the husband. Therefore, insurers should explore possibilities to offer microinsurance products that extend beyond credit life and need to think of innovative ways to reach out to the women population outside the cooperation with MFIs.

Women are particularly vulnerable to health issues and tend to delay seeing a doctor for cost reasons. Pregnancy and maternity related riders are of particular importance. Eventually, individual coverage can grow to family coverage. For example, LAPO, one of the top structured and managed microinsurance facilities, recently added coverage for C-sections within its policies. The operation was deemed viable, with a claims ratio for this product at approximately 40 percent.¹¹

2. WOMEN ENTREPRENEURS

Identify and develop products that can help to grow women's businesses. Women entrepreneurs can help to grow the overall economy. Developing products or improving communication about existing

products can help increase the number of women starting and successfully growing their own business.

Train agents to recognize and market to the needs of women entrepreneurs. Agents are not trained to offer a holistic approach to cover all of the entrepreneurs' needs. Insurers need to develop training and supportive marketing material on the insurance covers that are available, beyond those that are mandatory for entrepreneurs, and how they affect their business. Marketing materials should include an explanation of risks that entrepreneurs face and how these risks can be mitigated. This can include a demonstration on how health and life insurance, on top of the already available credit and liability insurance, can help to free up money to reinvest into the business.

Develop products that help cover business interruption. An additional range of products could be explored, such as coverage in case of insolvency or business interruption; market discussions showed that this is the biggest fear of women entrepreneurs. Insurers should think about how this fear (or risk) can be addressed.

Address women entrepreneurs' needs beyond commercial lines. Women entrepreneurs are vulnerable to personal shocks from illness or disability. Insurers should capture these risks by offering additional medical and life insurance protection as a bundled product to entrepreneurs, to support these women in growing their business.



Insurance Brokers and AllCO insurance. Finally, discussions with insurers also indicate that women can be more successful in converting leads into clients.

Develop products and services that address women's needs. Women in the middle and upper income brackets tend to be covered under group risk policies provided by their employer. This results in greater awareness of insurance benefits and, according to focus group discussions, greater demand for further add-on covers from their employer, in particular for health and critical illness. Insurers should consider building stronger offerings related to employee benefits.

Focus group discussions revealed that some women would appreciate additional services that include regular health check-ups, particularly for cervical and breast cancer so as to enable early detection of illnesses. Insurers therefore need to explore how to incorporate women-specific additional services into healthcare products; for example, free check-ups would increase women's satisfaction and also enable early detection of illnesses.

Explore ways to protect women independently of their spouse.

Women may be excluded as beneficiaries of their spouse's life insurance if it is not clearly stipulated that they should be the beneficiaries. Insurers should explore how they can ensure that the woman is named as a beneficiary at inception or if the woman can take out a policy on her spouse's life so that a payout is guaranteed. Sometimes payouts are not possible or are postponed because the woman does not have a bank account. Insurers should work closely with banks to combine complementary products such as life cover and personal bank accounts.

Improve the ease of conducting business through online channels.

Women with Internet access said that being able to purchase insurance online would save them time and would make them more willing to buy insurance. Online services would improve access to information to make an informed decision or influence the husband's decision. Engaging women online can help them explore different coverage

options, find price quotes, and review additional services or claims procedures.

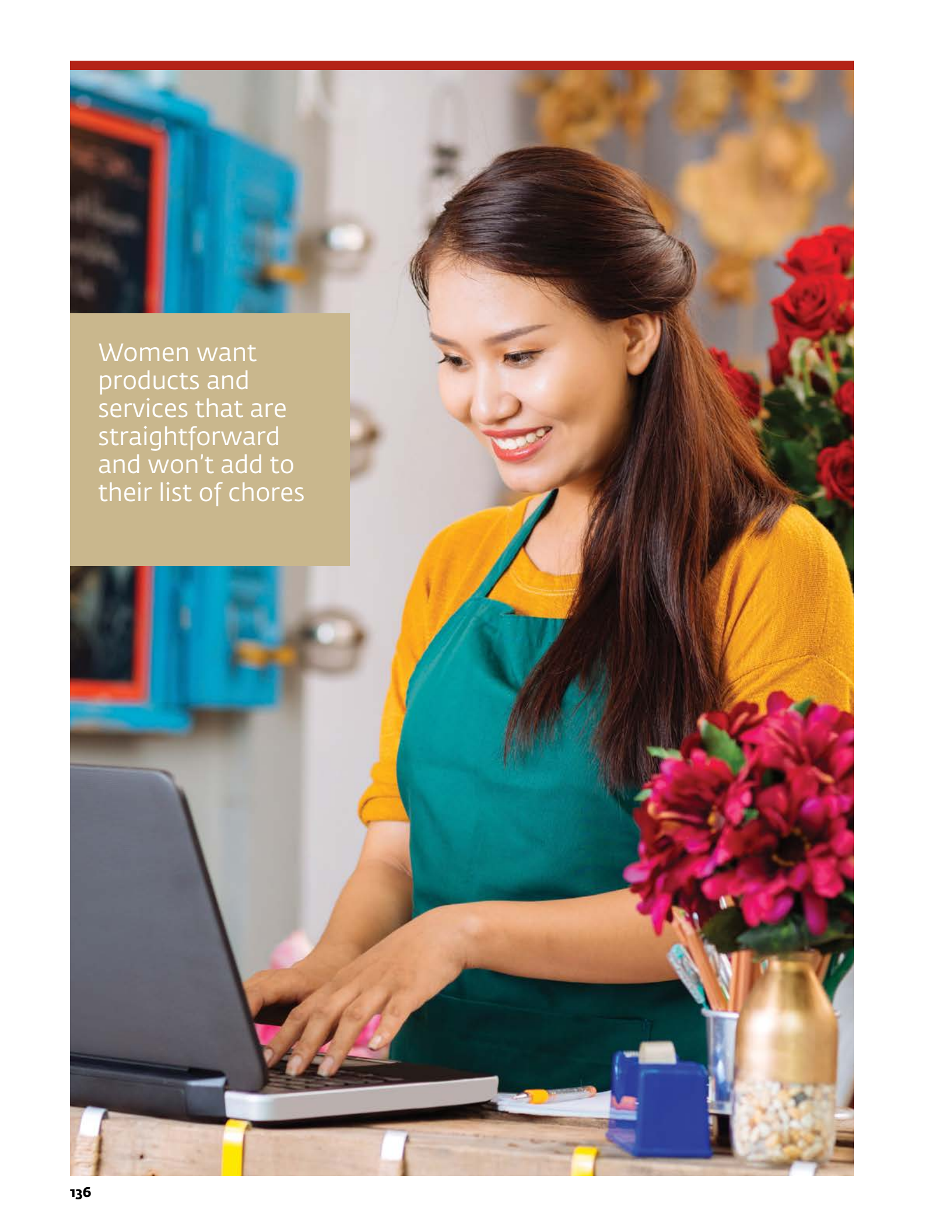
Women surveyed indicated they would prefer an online mechanism to be able to track the status of their claim to understand when to expect the payout as well as the amount. They want to be able to anticipate any issues and to have information on coverage details that they can refer to in case of questions.

“When it comes to life insurance, women are more successful at turning leads into clients. In the car/motor space, female brokers are more successful at managing long term clients.”

— Executive, AXA Mansard, Lagos, Nigeria


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A young woman with long dark hair, wearing a yellow long-sleeved shirt and a green apron, is smiling as she works on a laptop. She is in a shop or office setting with a wooden desk. On the desk, there is a vase with pink flowers, a blue stapler, and some papers. In the background, there are blue shelves and a chalkboard.

Women want products and services that are straightforward and won't add to their list of chores

THAILAND



“I have many different customer loyalty cards and use reward programs, but my insurance does not offer anything.”

— May, Insurance Client, Bangkok, Thailand

FIVE INSIGHTS

1. By 2030, the insurance premium spend of women clients in Thailand is predicted to be **\$5 billion – \$8 billion**, approximately **five to eight times** the estimated premium of **\$1.0 billion** spent by women in 2013.
2. Decreasing fertility rates and increasing life expectancy have led to a dramatic aging of the Thai population. **Women have an average of 17 years of retirement to plan for**, and fewer dependents to support them.
3. Women in Thailand account for the majority of the population and 46 percent of the working population. Compared to women in other focus countries, **they are more likely to make financial decisions independently of their spouses.**
4. **Women already dominate insurers’ portfolios for private medical insurance**, with one in five¹ women in Thailand personally paying for their health insurance, despite the public system covering 99.5 percent² of the population.
5. Thai women spend about 3 percent of their income on insurance; however, market discussions show that women who are already aware of the benefits of insurance, particularly of life and health, are **willing to spend 10-15 percent of their income on insurance**, indicating a large growth opportunity.

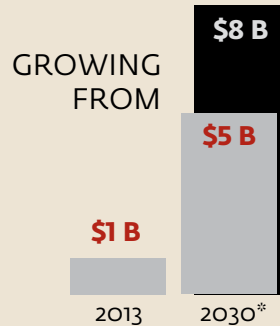
SETTING THE SCENE: THE BUSINESS CASE

The Thai insurance market can be characterized as being in a state of steady growth. By 2030, the insurance premium spend of women clients in Thailand is predicted to be **\$5 billion – \$8 billion** or approximately **five to eight times** the estimated premium of **\$1 billion** spent by women in 2013. A similar growth rate is expected across all product lines; the women’s life insurance market is expected to grow from **\$0.69 billion** in 2013 to **\$3.6 billion – \$5.4 billion** by 2030; the women’s non-life market is expected to grow from **\$0.19 billion** to **\$1.1 billion – \$1.6 billion**; and the women’s health market is expected to grow from **\$0.1 billion** to **\$0.52 billion – \$0.81 billion**.

THAILAND AT-A-GLANCE

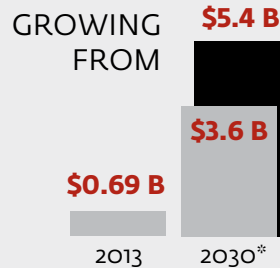
OVERALL WOMEN'S INSURANCE MARKET

5-8x
GROWTH



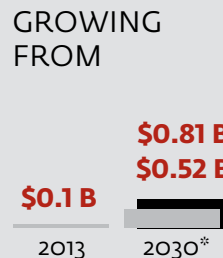
LIFE INSURANCE

5-8x
GROWTH



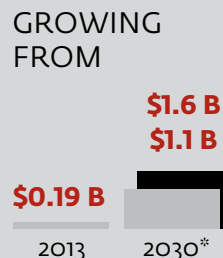
HEALTH INSURANCE

5-8x
GROWTH



NON-LIFE INSURANCE

6-8x
GROWTH



WHAT'S CAUSING THIS GROWTH?

Women outnumber men in tertiary education

Strong participation in workforce

Increasing income

Significant economic and social power

Women in Thailand are key decision makers regarding financial products for their households

Increasing life expectancy causing bigger protection gap

Comfort about insurance among middle class

Decreasing birth rates causing bigger protection gap

Willingness to spend on health insurance for improved services

Favorable business environment

Growing number of women entrepreneurs

KEY SEGMENTS:



Women Entrepreneurs



Retirees

*The 2030 market size estimate is bounded by:

- a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
- b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman

OPPORTUNITY DRIVERS

Opportunity Driver 1: Women outnumber men in tertiary education, show strong participation in the workforce, and benefit from higher income

Women account for 51 percent of Thailand's population and about 46 percent of the working population (approximately 64 percent³ of working-age women in Thailand are employed).⁴ Nearly 60 percent⁵ of the eligible women population are enrolled in tertiary education. Women are an integral component of the society and have significant economic and social power.

Market interviews have shown that the majority of women in Thailand are key decision makers regarding financial products for their households. Their power is fueled by women attaining higher levels of education than men, and an increasing income, and thus a better overall economic position in society.

Opportunity Driver 2: Women face a bigger protection gap than men due to higher life expectancy and decreasing birth rates

On average, Thai women outlive men by six years. The rise in life expectancy, which is at 77 years for Thai women, is not supported by a higher age of retirement, which remains at 60 for both men and women. This means that women have to plan for an average of 17 years of retirement. Moreover, fertility rates decreased from 5.6 in 1970 to 1.4 in 2012⁶ and continue to gradually decline. This means women have fewer children to support them as they age. Both of these trends lead to a protection gap, which is an opening

for insurers to engage with women by helping with their retirement planning. Women (like men) are only eligible for retirement payments if they have paid into the system for at least 15 years.⁷

The aging population in Thailand creates a need for women to privately invest into pension or life insurance to guarantee financial resources for the future.

Opportunity Driver 3: An established level of comfort with insurance and a growing middle class

In Thailand, 22.6 percent⁸ of women personally pay for their health insurance, despite the public system covering 99.5 percent⁹ of the population. Some gender-specific health products are already available on the Thai healthcare market, including components such as pregnancy covers or women-specific scans. Private medical care is seen as a luxury product, but women in the emerging middle income bracket show a willingness to spend on health insurance if it gives them access to better treatment, faster care, and more sophisticated medical facilities.

Opportunity Driver 4: Favorable business environment supports the growth of women's business

Thailand's women entrepreneurs are major drivers of the economy; with annual growth rates of 2.25 percent, they contribute nearly 40 percent of Thailand's GDP.¹⁰ Discussions with local women entrepreneurs indicated that they are not fully aware of the risks they face as entrepreneurs and how additional insurance protection, in addition to liability cover, could support them in growing their businesses.

For commercial lines, no gender-specific products exist to support female entrepreneurs. However, unlike developed markets, there are very few compulsory insurance products for entrepreneurs. Compulsory insurance only exists for gas stations and businesses that pose a risk to the environment.

When conducting business, many women look to banks as their immediate partners as their main concern is to get sufficient funding. Funding requirements include start-up expenses, expansion funding, or a loan as a result of a risk induced loss. Insurers have an opportunity to become the security fallback option for business owners who are not currently insured.

"My bank provides me with all these discounts to food vendors, so every time I go purchase something from there, I am reminded of why I stay with the bank. I wish insurance companies would do the same – to remind me why I should stay with them."

– June, Working Professional, Bangkok, Thailand

WHY AREN'T MORE WOMEN IN THAILAND BUYING INSURANCE TODAY?

Currently, women face several constraints in accessing insurance products as the awareness of insurance as a risk mitigation solution is low. In general, women are underestimating their needs for retirement planning and are dissatisfied with the client experience, while women entrepreneurs struggle to understand the risks they are facing and how insurance could support them in growing their businesses.

While tailored products are available based on women's needs, many women lack awareness about the risks they face and how insurance could help mitigate them. Market discussions with women, insurers, and the Office of Insurance Commission (OIC) have revealed that, for women in Thailand, the main barrier to taking out insurance is awareness. While women know that, in the event of a tragedy, they face various risks, they lack awareness of security and cover options that insurance can provide. In particular, the underestimation of their own life expectancy and the need for pension and life insurance products exposes women to a high risk of poverty when they retire.

Current insurance products do not target women's lifestyle needs. Women are dissatisfied with the services offered by insurers to accommodate their lifestyle needs. Services such as roadside assistance are already provided by motor insurers, but the services for other products, such as life or homeowners, do not meet their expectations. Additional service offerings will become particularly important for an aging women's population, in particular to support women who will live by themselves without family support.

Women view the claims processes as burdensome, and this deters them from insurance purchases.

Women in Thailand often return to work after they have a child, which can compromise their free time. They want products and services that are straightforward and won't add to their list of chores. Women in focus group discussions stated that they find the policy documentation too long and complex. In particular, exclusions are not stated in an obvious manner, and claims processes are seen as burdensome and long. *"I have taken out health and life insurance. The policies are really long and I have to admit I did not even read it. I know that the insurer has a big name which gives me enough comfort,"* Tangmo, a working professional from Bangkok, said.

Women's online activity is increasing across different areas of their lives but not for insurance purchases. In Thailand, aggregator sites such as GluayGluay.com are growing in popularity due to ease of price comparison.¹¹ But many women are frustrated by the lack of functionalities of insurers' websites. In particular, the policy data and claims processing are not satisfying. It is not possible to receive pre-populated

documents via an online portal. Updating personal and beneficiary information is difficult. Many women view the process of changing this information as too time consuming, and have indicated that this is one of the key reasons why they change their insurers. Interestingly, even when functionality is improved and purchasing functions are enabled by websites, women may still opt for additional in-person support. An interview with AIG in Thailand found that even though women may purchase online, they will still call in to discuss the product in more detail before buying insurance.

Insurers have not recognized women's desire to communicate with their insurers.

Women surveyed indicated interest in regular communication and building a relationship with a commercial insurance organization. The banking industry has realized that women like more holistic services and offer female-specific credit cards which come with additional incentives, such as movie days or discounts for specific shops.¹² There is an opportunity for the insurance industry to consider innovative approaches to embed insurance in women's lifestyle.

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

To tap into the women's market, insurers need to establish education campaigns and develop ways to make insurance more accessible to the woman consumer.

Targeted education campaigns to increase awareness of risks that women face. The insurance industry recognizes the current low levels of awareness that many women have regarding insurance

offerings, and has started to work closely with the Ministry of Education to start teaching children at school about the importance of insurance from an early age.

Insurers in Thailand are involved in various initiatives to raise awareness and offer road-safety trainings at driving schools, using this new driver base to educate parents about products such as personal accident



Key Segments

1. RETIREES

Key Characteristics: Focus is on maintaining quality of life after retirement, health conscious, willing to spend for best health benefits, may inherit assets from spouse, may be looking to downsize, but still own assets such as cars; pragmatic about spending, not technology savvy.

Pension and retirement planning are not sufficient to prevent poverty in the future.

Market discussions with Thai women revealed that they are not confident about planning their retirement. If they are aware of their need to plan for retirement, they often indicated that the products are very complex and that they would like to see more information on the investment of their funds. Pension products will be in great demand in the future.

Given Thailand's aging population, there will be an additional need for services associated with life or health insurance, such as caretaker services that visit the elderly at home or do grocery shopping for them if their children work or live further away.

Women demand wrap-around services for themselves and aging spouses.

Women's retirement needs will go beyond payments by insurers, and they will require additional support to comprehensively plan for their aging and related healthcare needs. These types of services are particularly valuable for elderly women, as they usually take on more of the household tasks, but may not be physically strong enough to continue managing the home. Products that offer tied services to help both elderly women and men living independently will reduce elderly women's burden of care for their spouses

2. WOMEN ENTREPRENEURS

Key Characteristics: Owns her own business, may be balancing professional and personal demands, may be married, and may have children.

Women entrepreneurs lack understanding of the risks they face and current products to provide for their needs.

As earlier stated, women entrepreneurs play a critical role in Thailand's economy; however, they have very little understanding of the risks they face. Insurance could be a great mitigator if positioned and explained properly. It should be noted that currently the only required insurance for business are the insurance policies that address the effects of business ventures that could damage the environment through exposure to chemicals, opening great opportunities for the much needed products.

Women entrepreneurs need access to funding and risk mitigation options for their business ventures.

One of the key issues for women entrepreneurs in Thailand is access to sufficient funding, and the fear of running an unprofitable business, which is not directly addressed by any insurance products currently available in the market.

and life insurance, as well as advertise products for education funding. Insurers believe that mothers are more open to discussing the value of insurance once they have a better understanding of the risks their children face. However, insurers indicated that this practice does not extend to the whole country and is currently available only in bigger cities.

Insurers can also support the government and the OIC to increase awareness outside the school curriculum by further developing educational campaigns to reach more members of the population. For example, in other developed markets, road-safety campaigns are

often a joint task by the insurers and regulators. Awareness on maintaining a healthier lifestyle (to reduce the rate of diabetes and cancer) and the benefits of health insurance are other areas that are important to highlight, as Thailand has high levels of obesity, with over 40 percent of the population being overweight or obese.¹³ Insurance companies should consider combining information on health insurance products with health education programs provided by the government.

Ensure that policies are short and clear. Policy documents should be easy to understand and shorter than current versions. Having a decent

understanding of what is included and excluded in the policy, combined with less technical wording, will increase women's understanding of what is covered and avoid disappointment when a claim occurs, ultimately increasing trust in insurance.

For mothers working outside the home, develop services that support women in their busy daily lives. Women appreciate services offered by the motor industry and health insurers; however, other products lack service components and often only offer payouts as an option. Insurers should consider services to replace goods or sending skilled personnel directly to repair household

How to Meet the Needs of:



1. RETIREES

Create education campaigns for pension products.

Awareness of pension products, such as annuities, needs to be greater, as women might otherwise end up in poverty when they reach retirement age. This means that the industry, regulators, and government need to join forces to increase public awareness.

Develop retirement offerings that reflect holistic needs and services beyond annuity payments.

Retirement planning is of utmost importance for the aging women population. Insurers need to find ways to begin educating potential consumers about retiring early due to long annuity payout periods with a high associated longevity risk. This communication should focus on the risks that occur if women do not sufficiently fund their retirement when they are young.

Given the decrease in birth rates, women in particular should expect less funding from their children in the future and a decrease in the ability of their children to take care of them on a daily basis as they age.

Insurers should investigate how additional services for the elderly such as pension products can enhance the tangibility of the pension product. Additional services could include caretaker services such as grocery shopping, or regular mobile nurse visits to check on their well-being.

2. WOMEN ENTREPRENEURS

Understand and point out the risks women face as entrepreneurs and envelop products to protect against them. Women indicated that their biggest fear is starting a business and running into financial difficulties, or even being unable to secure startup funds. Credit life insurance, which already exists in Thailand, is not always seen as collateral to secure funding, as many women are not aware of the existence of the product. In addition to enhancing communications about the value of credit life cover, insurers should consider developing a product that protects women from bankruptcy.

Distribute through women's entrepreneurship associations. Partnerships with women's entrepreneurship associations enable insurers to access an entire network of clients, similar to affinity insurance schemes. Insurers will be able to provide group rates on life and health products to the entrepreneurs that are generally lower than individual rates due to spreading of the risk pool. In addition, partnership with an association allows insurers to leverage the association's network and resources to educate its members about risk management.

items such as air conditioning units or washing machines.

Attract women and strengthen loyalty through stronger online presence, especially for the higher income bracket and younger segment. On average, women expect add-on services, especially functionalities for policy administration and claims management. Claims forms are usually available online, but need to be printed, filled in manually, and then scanned in for submission. Many younger women complain that they need to look up and fill in too many data fields, which could be pre-populated if a portal would hold their data. Women indicated that they are particularly dissatisfied with cases where they are the beneficiary on their husband's

life insurance and have to submit duplicative information to the insurer.

Also, despite the online trend, many women would still like to have the option to talk to an agent on the phone (as part of the sales support) to confirm information and answer any additional questions. Leveraging women agents would be particularly valuable for the industry as women are perceived to be better at explaining insurance products in Thailand and are preferred by women clients. They are seen as more patient and detailed when answering questions.

For higher income women, use reward programs as a method to improve communication. Many women appreciate reward programs as additional services offered by

credit card companies and banks, as it increases their touch points. Insurers should consider reward opportunities such as discounts on gym memberships or a diet tracking app for lowering health risks in order to enhance communication with their women consumers.

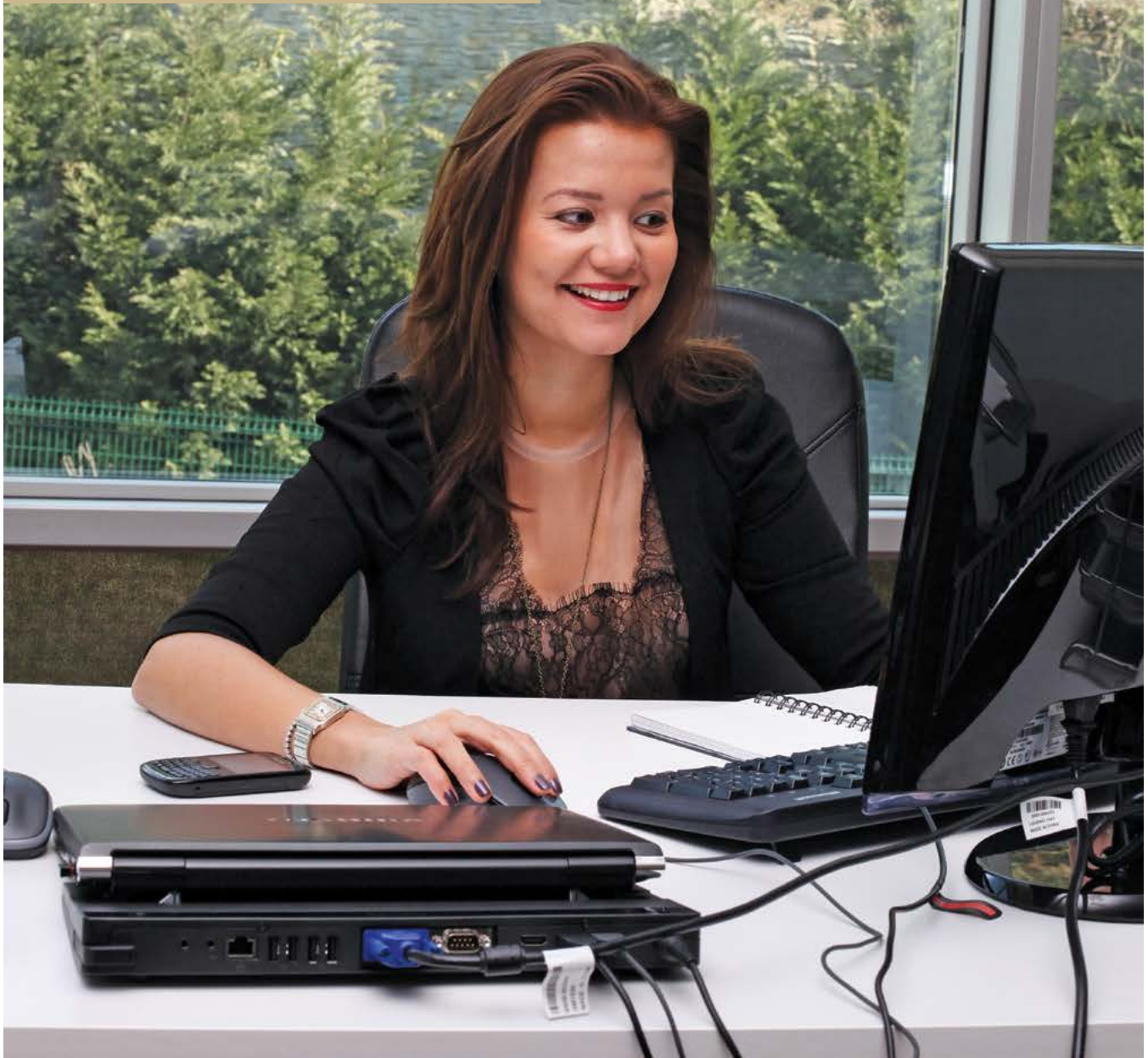
“Insurers only pay the time value of my broken items but then it is upon me to buy a replacement and arrange delivery.”

— Bat, Working Mother,
Bangkok Thailand

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Women's expectations are currently not met by bancassurance or agents, so there are opportunities for insurers to better train bancassurance staff to proactively offer gender-specific products



TURKEY



“They know my financial situation; why do they not recommend the right products?”

— Azra, Bancassurance Client, Istanbul, Turkey

“Life insurance is not an easy product; I ask my agent for advice, but when I want to change my premium payments, it takes the agent a long time to get back to me with a revised cover calculation.”

— Ada, Insurance Client, Istanbul, Turkey

FIVE INSIGHTS

1. In 2030, the insurance premium spend by women clients in Turkey is predicted to reach **\$31 billion – \$47 billion**, approximately **eight to 12 times** the estimated premium of **\$3.7 billion** spent by women in 2013. The women’s insurance opportunity in Turkey is the third largest out of the 10 focus markets.¹
2. **40% of MSMEs are owned by women**, but lack insurance products to fit their needs.
3. Employers indicate that **women are more likely to purchase employer-provided insurance for themselves and their children.**
4. **Bancassurers are the primary distributors to women**, but are not meeting women’s needs in terms of product offerings.
5. **Many women lack experience with insurance** and would benefit from add-ons and tangible services, and are largely overlooked by the insurance industry to date.

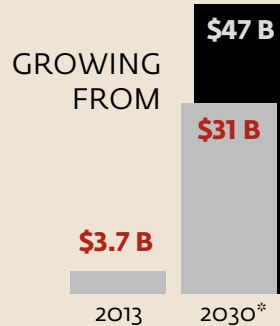
SETTING THE SCENE: THE BUSINESS CASE

The women’s retail insurance market in Turkey presents the third largest opportunity out of the 10 focus markets. By 2030, the potential size of the women’s individual insurance market is estimated to reach **\$31 billion – \$47 billion**, approximately eight to 12 times the estimated premium of **\$3.7 billion** spent by women in 2013. The non-life product line is expected to dominate, growing from **\$3.2 billion** in 2013 to **\$26.7 billion – \$40.4 billion** by 2030. The life insurance market is expected to grow from **\$0.5 billion** in 2013 to **\$4.4 billion – \$6.7 billion** by 2030, while the health market is expected to grow from **\$15 million** in 2013 to **\$122 million – \$189 million**.

TURKEY AT-A-GLANCE

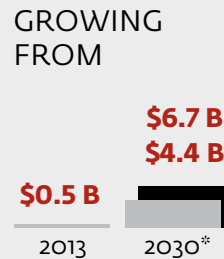
OVERALL WOMEN'S INSURANCE MARKET

8-12X
GROWTH



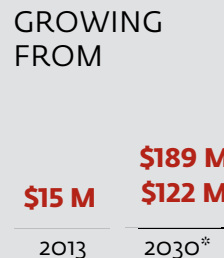
LIFE INSURANCE

8-12X
GROWTH



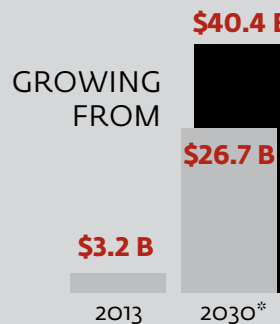
HEALTH INSURANCE

8-13X
GROWTH



NON-LIFE INSURANCE

8-13X
GROWTH



WHAT'S CAUSING THIS GROWTH?

Increase in labor force participation

Increasing income

Increase in tertiary education

Increasing life expectancy causing bigger protection gap

Women play a significant role in influencing purchasing decisions

Large and untapped entrepreneur segment

KEY SEGMENTS:



Women Entrepreneurs



Working Mothers

*The 2030 market size estimate is bounded by:

- a) Baseline Growth (lower boundary): Growth in the number of women customers and individual premium spend per customer due to improvements in the women's socioeconomic factors
- b) Opportunistic Growth (upper boundary): In addition to socioeconomic improvements, assume successful efforts in targeting more women to purchase insurance products and in upselling/cross-selling products to each woman



Women want to take the time to understand the details of an insurance product and not focus only on the price

OPPORTUNITY DRIVERS

Opportunity Driver 1: Women's socio-economic situation is improving in Turkey, resulting in an increase in the segment of working women as a potential customer base

In recent years, Turkey has experienced rapid economic growth, increasing employment prospects across the population and enabling improvements in health and education. Women are living longer and are enrolling in tertiary education in increasing numbers (enrollment doubled between 2008 and 2014).² Currently, only 29 percent³ of women participate in the workforce, but data show that almost half of all working women in Turkey work in the informal economy.⁴ However, the higher educational attainment is expected to be reflected in women's participation in the labor force in the coming years, growing the

base of working women consumers for insurers to target. Furthermore, while women are still paid on average 50 percent less than men, the average women's income has more than doubled from 2008 – 2014,⁵ indicating room for growth in terms of women's share of wallet and resulting in women being more likely to spend on insurance products.

Opportunity Driver 2: Women are more likely to purchase insurance through their employer

In addition to an increase in disposable income with which to purchase insurance, increases in labor participation could also mean increases in the proportion of clients purchasing insurance through their employer. Also, as women's education and their

employment increases, insurers will be better able to target women and the family wallet through their employers.

Opportunity Driver 3: Women influence household purchasing decisions

Women in Turkey play a significant role in influencing purchasing decisions and spreading awareness within their families. In Turkey, 40 percent of households have women as the sole financial decision-maker.⁶ Increases in income, as outlined above, combined with improved financial literacy, will serve to further increase women's household bargaining power. As women become more aware of the risks in life and their potential financial consequences, insurers can develop solutions that meet their concerns and convert them into new customers.

Opportunity Driver 4: The women entrepreneurs' segment today is large and untapped

A 2015 study by the World Bank Group indicates that women-owned businesses represent 40 percent⁷ of registered micro, small, and medium enterprises, and are currently underserved in terms of insurance. Because of the lack of available insurance products, women entrepreneurs tend to rely on informal means such as their husbands and extended families for financial contributions, putting both them and their business at risk in the case of an event, such as death of a spouse. Insurance could therefore play a risk-mitigating role for women entrepreneurs with credit insurance, which would be a valuable solution to secure business loans, and potentially explore other business insurance solutions in addition to what is currently offered.

“After my promotion, the first insurance product I purchased was health insurance — the quality of the healthcare is better and I get check-up services included in my cover.”

— Belinay, Young Professional, Istanbul, Turkey

WHY AREN'T MORE WOMEN IN TURKEY BUYING INSURANCE TODAY?

If insurance companies want to capitalize on the women segment, several issues need to be addressed.

Women do not see tangible benefits in insurance today.

Women may never realize the benefits of insurance if they do not make a claim, especially as there are few touch points with the insurer. Interview results suggest that women are not aware of pensions or life insurance benefits. Women live, on average, seven more years than men and retire two years earlier (58 for women, 60 for men), but they tend to underestimate their life expectancy, which makes them vulnerable to any sudden economic shocks and affects their ability to afford retirement. Lack of tangible, immediate benefits makes it difficult for insurance to compete against other products for a women's share of wallet. Discussions indicate that women who are aware of insurance are more likely to purchase life insurance and pension products for themselves if affordable.

Women see insurance as too expensive.

Personal life insurance coverage is currently not affordable to all segments of the female population, especially for those who are financially dependent on their husbands. Even in the health sector where the government has implemented a series of reforms that have led to universal health coverage,⁸ those who can afford the private system prefer the higher quality of care offered.

Women are dissatisfied with lack of product targeting and poor processing speed.

Discussions with local focus groups indicated that bancassurance (the largest distribution channel for life products in Turkey) is less popular with women, as banks do not always proactively offer products based on the client's banking history, which women would prefer. Agents, who make up the largest distribution channel for non-life products, lack client data that financial institutions might have. Therefore, they tend to offer highly standardized products and tend to take time to revise coverage based on client requests.

HOW CAN THIS CHANGE? POSSIBLE SOLUTIONS TO BETTER PROTECT WOMEN

To solve these problems and to tap into the full potential of the women's market, insurers will need to find solutions to offer to the women entrepreneur segment. They must also raise awareness, offer tangible benefits, and proactively meet the needs of women while lowering costs.

Develop targeted education campaigns to increase awareness among women.

Regulators and the financial services industry could develop education programs for women, particularly among the growing demographic of young, recently

graduated women who have greater potential for financial independence. Currently, programs exist for banking (such as those initiated by the Capital Markets Board of Turkey) could be leveraged by insurers to identify target groups. A particular focus on health and life insurance will be important, as these are areas in which women have specific needs and also an important influence in the decision-making process.

Insurers should launch educational programs helping women learn about the most common types of risks they face based on their life milestones,

Key Segments

1. WOMEN ENTREPRENEURS

Key Characteristics: Owns her own business, may be balancing professional and personal demands, may be married and may have children.

Bancassurance is the main distribution channel through which women buy their commercial insurance, but women entrepreneurs are not targeted sufficiently by the bancassurers. Women mainly use banks to purchase their commercial insurance, as they are one of the key touch points for women starting or growing their own business. Banks often require credit insurance to secure a loan and sell it with the loan. Women are, however, not made aware by the bank of other insurance products that could help them grow their business by mitigating risk.

Women entrepreneurs may lack awareness of other insurance products. Limited financial management training and support provided to women entrepreneurs mean that many lack awareness of insurance products and the benefits they provide.

Women entrepreneurs' needs are currently not catered for holistically. Given that 50% of working women in Turkey are in the informal economy, and many do so in home-based businesses, they risk losing both their personal and professional assets in the case of events such as fire. No solutions are available to serve the holistic business needs of women, that is, to combine their business with their personal needs.

2. WORKING MOTHERS

Key Characteristics: Focus is on providing for her children and her children's future (finance, education).

For Middle Income: May be used to relying on family and friends for help, but due to urbanization, no longer has as strong an informal support network as she had when living in a rural area.

For Upper Income: Has ample discretionary income to spend on luxury financial products, but may also prefer less risky options such as savings/checking accounts.

Women are not aware of the benefits of insurance, and are often mistrusting of insurance companies. This is mainly due to lack of experience with the insurance industry, as, historically, women's spouses tend to make the final financial decisions. Women instead tend to play influencing roles in household finances. This influencing role, while important, offers them less exposure to the final purchase. Regulators and insurers have been working to bring more awareness to the public on natural disasters, by, for example, introducing compulsory earthquake protection cover for all homes. However, state-run insurance education programs for women do not exist yet.

Many women lack the confidence to make financial decisions. In general, women in Turkey today still face cultural and societal barriers in reaching financial independence. Increased education of women is expected to increase the rate of labor force participation in the next years, as well as increase women's financial literacy. However, today many women still lack the confidence to make financial decisions independently.

Women tend to be more interested in the details of the coverage. Women want to take the time to understand the details of a product and not focus only on the price. An executive from AXA in Turkey said, "Women are rational, and interested in details. They ask more about the product's characteristics and details of the coverage. Compared to male clients, female clients need to be assured more [about the benefits], especially as a new client."



How to Meet the Needs of:

1. WOMEN ENTREPRENEURS

Rethink insurance packaging and communication for entrepreneurs. Women entrepreneurs' needs for protection go beyond what is currently offered by banks and insurance companies. To enable women to start and grow their businesses, insurers need to explore innovative product solutions which de-risk business activities, such as insurance against bankruptcy. These products may also encourage women to start their own businesses. Insurers and banks further need to rethink the way that commercial insurance is packaged and how benefits to women are communicated. This will require closer collaboration between banks and insurers. Insurers could also use commercial insurance as an entry point to bundle it with personal line covers such as life or health insurance. An example of this is bundling business interruption insurance with health insurance or employee accident insurance. Flexibility to adapt the product to the needs of the business will be important.

Identify specific needs of women entrepreneurs. Insurers in Turkey are starting to investigate the potential of women customers to better understand their purchasing behavior as well as their influence on their husband's decision making on financial products. However, currently, limited data exist on the insurance needs of female entrepreneurs. Most insurers agree that property and liability insurance (such as compulsory earthquake insurance) will be important in protecting the entrepreneur's physical assets.

Develop bundled products for personal and professional needs. Bundling insurance packages for women entrepreneurs who run their businesses from their homes — addressing both their personal and professional needs — will protect against loss of income in the event that they or their employees are unable to work. An example of this is bundling business

interruption insurance with health insurance or employee accident insurance. Flexibility to adapt the product to the needs of the business will be important.

2. WORKING MOTHERS

Ensure women have sufficient information available to feel confident in making or influencing purchasing decisions. Insurers can help women to make decisions by introducing shorter policy documents and using clearer and less technical language. Women have also expressed dissatisfaction with the claims process, and being more transparent by giving them the ability to track claims online could be a solution. Leading practices in other markets demonstrate that a transparent and well-explained claims process supports women's decision-making and helps build their trust in insurers. Increased confidence and trust of women in insurance products and services will have knock-on effects, as it has had with other financial products. Interview results show that women are trying to educate their peers and employees on the importance of savings, in particular, as their life expectancy is much higher than that of their husbands.

Employ more women sales agents to market to women clients not currently being reached. Insurers can leverage their own women's workforce as advocates for insurance and to test new product and marketing ideas. Women staff indicated that they give informal advice to their friends and families about financial products. *"Only when I started working for an insurance company, I understood how important a life insurance policy is. Not for me as such but for my children in case anything happens to me,"* Ecrin, a working mother woman from Istanbul, stated. Insurers should think about programs to incentivize their women employees for recommending insurance products to their friends.

such as a new job, marriage, or divorce, and how insurance can mitigate these risks. Insurers can help women who have entered the workforce manage their income and financial needs. Programs that articulate the benefits of insurance for their children (such as how life insurance reduces the burden on their children of events such as the death of one of the parents), the household wellbeing (via health protection), and their retirement needs (how their husband's life insurance policy may help with their retirement financial needs) will help put insurance into a context that is related to their lives.

Make insurance more tangible and relevant to women. Add-on services could be introduced to support women in their busy lives; for example, instead of paying out a claim, the insurer could send a replacement directly, or dispatch a certified handyman to repair broken items. Women's interest in healthy lifestyles could be a topic for communication and could be an element to build on, for example, by offering discounts in health or fitness centers through insurers' reward programs. Women-specific add-on services leveraging mobile phone apps could also be another way to make insurance more tangible.

Proactively target products and services to meet women's needs and speed up process times. Women's expectations are currently not met by bancassurance or agents, so there are opportunities for insurers to better train bancassurance staff to proactively offer gender-specific products, by using analytics to offer **"the right product at the right time."** Greater collaboration with banks could enable insurers to tap into a wealth of data, since a client's financial situation can generate key insights into what could be offered, for example, knowing what women are taking loans for. Actively targeting women and offering tailored solutions to address their needs will increase insurance penetration of the women's segment in Turkey.

Beyond more tailored products and services, insurers need to answer concerns related to processing speed for pricing requests and changes to policies. These transactions could be improved by increasing the degree of automation in the underwriting process at the point of sale.

Identify lower cost distribution channels to bring down the cost of premiums. Agents and bancassurance are expensive channels in terms of distribution for insurers — in fact, they are among the main drivers of cost — but they are still the largest distribution channels in the Turkish market.

Direct sales through mobile and online channels are growing in popularity — especially through multi-national insurers — as an effective way to reach a larger percentage of the population at potentially lower cost. Loosening of regulations on direct sales for pension products means that it is no longer necessary to have face-to-face interaction to receive cover, so policies can be bought and activated online. These sales channels will enable insurers to reach more women in Turkey, including those who are not currently part of the formal labor market, and are therefore less likely to receive insurance products via their employer.

"I was in contact with the bank staff when I purchased the life cover; sometimes I even forget that I have cover as I only get reminded when they take the premium out of my account."

— Nisa, Bancassurance Client, Istanbul, Turkey

Endnotes

1. Ten Markets: Brazil, China, Colombia, Mexico, Morocco, Nigeria, India, Indonesia, Thailand, and Turkey
2. World Economic Forum, "The Global Gender Gap Report," Insight Report, (2008 and 2014).
3. The World Bank, "World Development Indicators 2013" Indicator: Labor force participation rate, female (% of female population ages 15+).
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6. TEB Bank, Global Banking Alliance for Women, May 2015 Newsletter
7. The World Bank, "World Bank Group – Turkey Partnership: Country Program Snapshot." April 2015. Accessible at <http://www.worldbank.org/content/dam/Worldbank/document/eca/Turkey-Snapshot.pdf>
8. The World Bank, "Turkey on the way of universal health coverage through the health transportation program (2003-2013) (English), January 1, 2015.



Realizing the full potential of the women's insurance market will create impact far beyond the insurers' bottom line, increasing innovation, women's economic empowerment, and economic growth

11. Conclusion

The women's insurance market is poised for growth. Globally, the women's premium spend is expected to grow by up to two times its current size to \$1.45 trillion to \$1.7 trillion in 2030. Women entrepreneurs, who make up one third of the world's business owners, are looking for financial solutions to expand their business and seek protection. Insurers who invest in understanding and targeting the women's market will have a first mover advantage in capturing this growth.

There are currently significant gaps in addressing women's needs for complete, affordable, and tangible insurance coverage that delivers peace of mind. In addition, insurers have not targeted products, marketing or distribution approaches to different women's segments. A comprehensive strategy is needed, beginning with collecting gender-disaggregated data and leading to development of products to provide the right coverage, at the right time, for the right woman. Distribution methods will need to provide women with enough clear information on products, while at the same time deliver efficiently and in a personalized manner.

Greater inclusion of women within the insurance industry, more specifically in the marketing and distribution functions will enable insurers to respond to the diverse needs of clients. Additional hiring cannot be the only solution. Insurers can start now, by encouraging their salesforce to lead with listening and developing an understanding of women clients' unique needs.

Success will also require collaboration; insurers will need to engage with other stakeholders ranging from governments to NGOs to complementary industries to

help women overcome constraints in accessing insurance products. Examples exist of insurers working with other organizations to increase financial literacy, market to a majority-female workforce, and leverage existing community relationships to build their own brand and trust.

Realizing the full potential of the women's insurance market will create an impact far beyond the insurers' bottom line. Women's multifaceted roles in society make them a unique conduit for positive social and economic progress. By leveraging saleswomen and their client-facing qualities, and by growing women homemakers, employees, business owners/entrepreneurs, and retirees' insurance coverage, markets can expect increased economic growth and innovation, as well as stronger economic empowerment. This, in turn, will further the growth of insurers' customer base, completing a virtuous cycle.



Insurance will help women recognize and anticipate risks, a behavior they will pass on to their family and community

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Annex B: Definitions

Bancassurance: Partnership or relationship between an insurer and a bank, whereby insurance is sold through the bank.

Baseline Growth: Growth in the number of women clients and personal premium spend per customer due to improvements in socioeconomic factors of women, with no changes to any other variables. This is the growth assuming that no efforts are made to target more women and/or to upsell/cross-sell to more women.

Book of Business: The clients or accounts serviced by brokers, agents (tied and independent), and bancassurance representatives.

Focus Markets: Brazil, China, Colombia, Indonesia, India, Mexico, Morocco, Nigeria, Thailand, Turkey

Health Insurance: For the purposes of this report, health insurance is defined as private health insurance. Private health insurance is defined to be voluntary policies offered through insurance companies, with premiums calculated based on risk ratings.

Insurance Distribution/Salesforce: Sellers of insurance products. Include independent insurance agents, tied insurance agents, insurance brokers, and bancassurance representatives.

Life Insurance: For the purposes of this report, life insurance is divided into two categories:

Protection Oriented Life Insurance: Offers protection only — payout to a beneficiary in the case of the policyholder's death. This type of insurance is used to secure the policyholder's income to be passed onto the beneficiary to reduce the financial burden on the beneficiary after the policyholder's death. Examples include whole life, credit life, and term life.

Savings Oriented Life Insurance: Offers protection component (e.g. payout for claims) and savings component (e.g. investments in mutual funds) that provides returns to the policyholder. Savings oriented life insurance in certain markets can offer tax benefits that can make it more appealing than investments in banking products. Examples include endowment, universal life, and annuity products.



Microinsurance: Microinsurance is a mechanism to protect low-income households against risks, such as illness, a death in the family, or crop failure.¹⁵⁴ Microinsurance is typically defined in terms of the income of target clients (those with daily income of \$2 to \$8), the limits on the amount of premium or the size of the benefit set by the local regulator (variable, based on market, type of insurance, and coverage), or a combination of these criteria.^{155, 156}

Non-Life Insurance: For the purposes of this report, non-life insurance is defined as property and casualty (P&C) insurance. Examples include motor insurance and home insurance.

Opportunistic Growth: In addition to the socioeconomic improvements, this assumes successful efforts in targeting more women to purchase insurance products (increasing the number of women who purchase insurance) and in upselling/cross-selling products to each woman (increasing the premium spend per woman).

Opportunity Driver: Factors and behaviors that increase women's ability or willingness to purchase insurance, which, in turn, increases the size of the women's insurance market. Examples include: increase in socioeconomic conditions, increase in bargaining power.

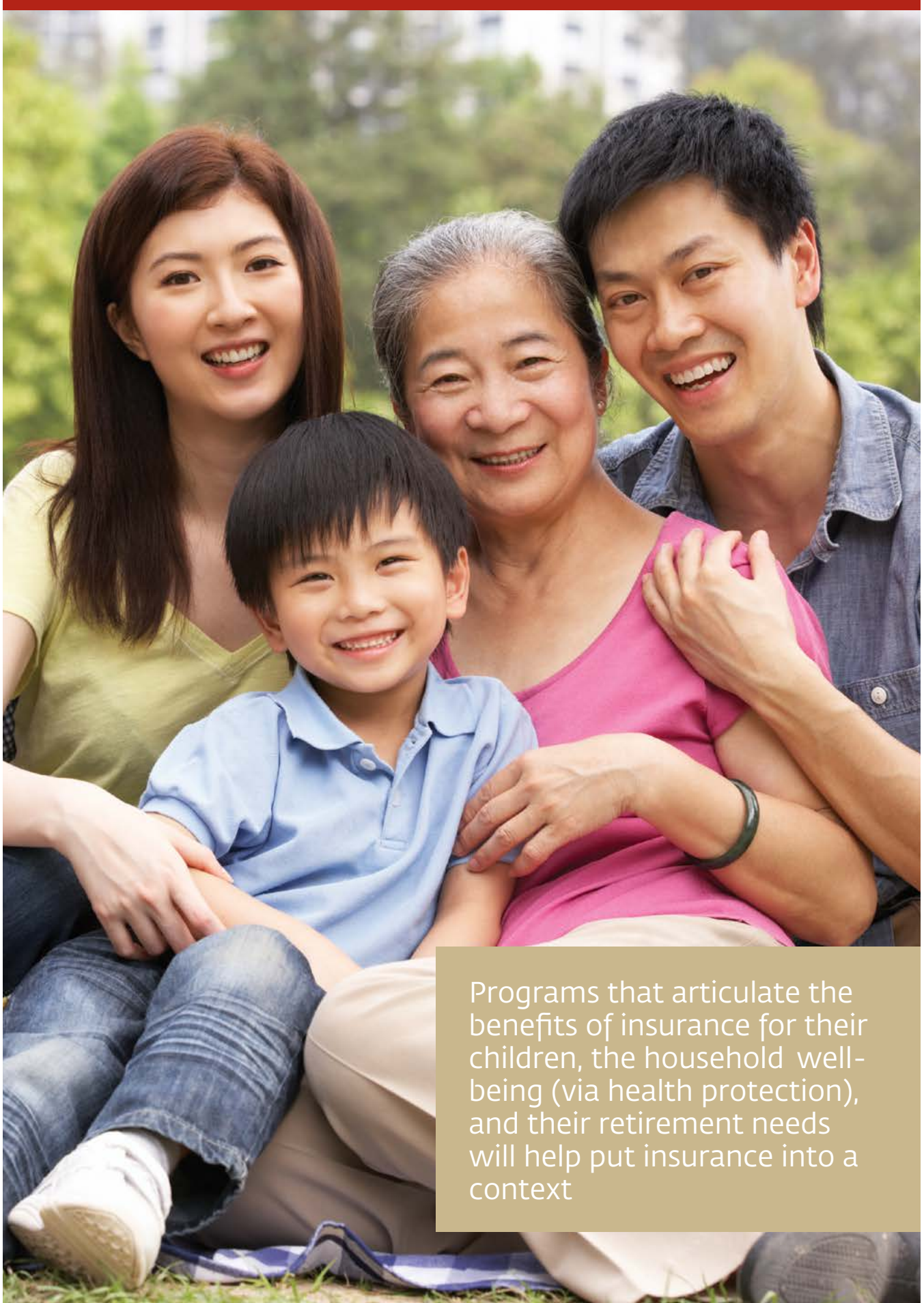
"S Shaped" Relationship between Income and Insurance Purchase: As income increases, purchase of insurance will increase at an exponential growth rate due to perceived need for more protection. Growth will continue until the inflection point, where insurance purchase slows with increase in income due to saturation of insurance products.

Unit-Linked Life Insurance Products: Unit Linked products are type of insurance vehicle in which the policyholder purchases units at their net asset values and also makes contributions toward another investment vehicle.¹⁵⁷

"U Shaped" Relationship between Income and Insurance Purchase: Lower income correlates to higher insurance purchase due to high perceived need for financial protection. As income increases, insurance purchase decreases to a minimum, due to perceived belief that out-of-pocket spend is sufficient to recover loss. After the minimum point, insurance purchase rises with additional increases in income due to perception that higher value assets will require more extensive coverage.

Women Clients: Women purchasers of retail insurance products.

Women's Insurance Market Size: Individual annual premium spend by women retail customers, including spend by those who are self-employed. The market size does not include commercial lines (e.g. women covered under employer plans) or insurance spend by women on others (e.g. spend on children).



Programs that articulate the benefits of insurance for their children, the household well-being (via health protection), and their retirement needs will help put insurance into a context

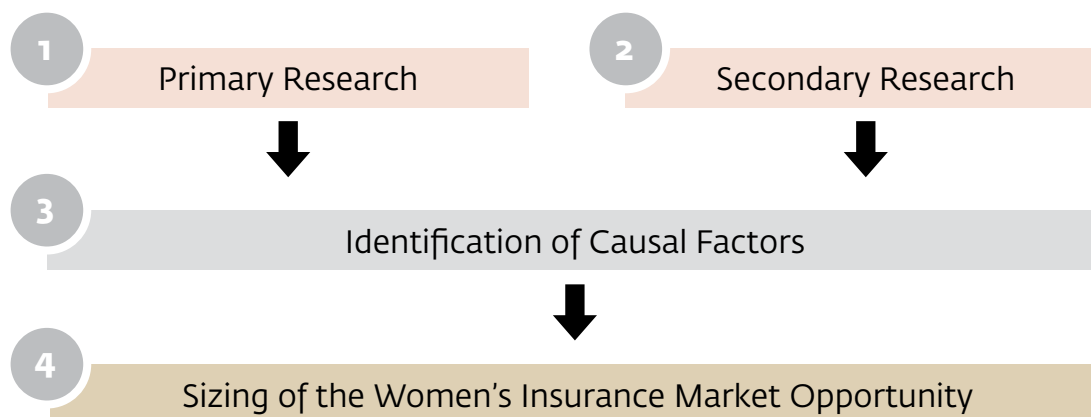
Annex C: Detailed Methodology

The market sizing presented in this report is global in scope, but focuses on 10 emerging markets (Brazil, China, Colombia, India, Indonesia, Mexico, Morocco, Nigeria, Thailand, and Turkey). These markets were selected based on rapid growth experienced by both the women's and insurance markets. The socioeconomic advancements made by women vary by market, but trends indicate an increased need in the future to protect women's assets and independence in the future. In addition, insurance companies' rate of growth in these markets is rapidly outpacing growth in the developed markets. A recent study by McKinsey & Company noted that though developed markets accounted for 84 percent of insurance premiums, developing markets drove more than half of the global premium growth.¹⁵⁸ In particular, projections indicate that global insurance growth will be driven in large part by the BRIC (Brazil, Russia, India, and China) markets, as well as parts of North Africa, Asia, and Latin America.

Primary and secondary research were used to gather quantitative data on women's insurance purchasing behavior — i.e. the uptake of insurance within the women's market. Qualitative data was also collected to inform analysis on the trends, challenges, and opportunities in the women's insurance market, as well as to validate and test assumptions. Data was collected over the course of eight weeks beginning January 2015. See Figure M1 for an overview of the methodology.

A key finding from the data collection process is the limited amount of publically available gender disaggregated quantitative data on women's purchasing behavior in the insurance industry, specifically on the number of women insurance clients and the total insurance premium spend per woman. Hence, qualitative data from interviews were used to make logical assumptions and test trends in these areas.

Figure M1: Overview of Methodology



1. Primary Research

174 interviews and surveys were conducted across 10 markets with the following stakeholders:

- **Senior insurance, reinsurance and bancassurance representatives:** What is the current status of women as both customers and members of the salesforce in the insurance markets, and what initiatives are currently in place to increase women's involvement in insurance?
- **Insurance brokers and agents:** What benefits and challenges are faced by women in the salesforce?
- **Women consumer focus groups (from various demographic brackets, including entrepreneurs):** What are their perceptions, needs, and usage of insurance products in their markets?
- **Insurance associations:** What are the current products and services offered by insurers, and are they relevant and meeting the needs of women customers?
- **Insurance regulators:** How do public policies and programs currently provide opportunities and barriers to involving more women in the insurance sector?
- **Universities:** What are the trends in male vs. female engagement in insurance related fields (e.g. business management, engineering, actuarial sciences)?

2. Secondary Research

Desk research was also conducted using the following sources (see Figure M2 right):

- **Literature Review:** Review of existing reports on gender, insurance, and development from academics, international development organizations, and insurance industry authorities to understand and learn from existing initiatives on women in insurance. This secondary research complemented data collected through primary research.
- **Insurance Industry Database**
 - AXCO
 - Economist Intelligence Unity
 - Swiss Re
 - Munich Re
- **Gender and Development Database**
 - International Labour Organization
 - United Nations Statistical Division (UNSTAT)
 - World Bank
 - World Health Organization
 - World Economic Forum

Figure M2: Types of Data Collected from Secondary Research



3. Identifying Causal Factors that Influence Women’s Purchase of Insurance

A statistical exercise was carried out to determine what economic, behavior or socioeconomic factors have the greatest influence on women’s uptake of insurance. This required identification of a data set to represent women’s insurance uptake (the dependent variable) to test various economic, behavior, and socioeconomic causal factors (independent variables) against.

Identification of a data set to represent women’s insurance uptake (dependent variable selection)

The data assessment found that data on female insurance penetration is sparse. *Personally paid for health insurance (percentage age 15+)* for 2011 was selected as the proxy to represent women’s insurance uptake as it was available across all markets.

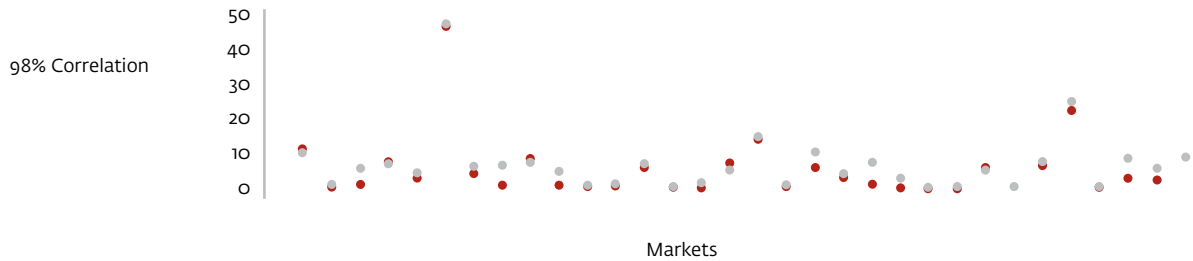
Identification of causal factors that influence personally paid health insurance purchase (independent variable selection)

A regression analysis was then carried out to test which economic, behavioral or socioeconomic factors most influenced women’s propensity to personally pay for health insurance. The regression was conducted across 137 markets.

Upon analysis of the Personally Paid for Health Insurance data set for men and women, findings show there is a high correlation between male and female insurance penetration (see Figure M3).

Figure M3: Correlation Between Women’s and Men’s Personally Paid Health Insurance Purchase Rates (15+)

- Personally paid for health insurance, female (% age 15+)
- Personally paid for health insurance, male (% age 15+)

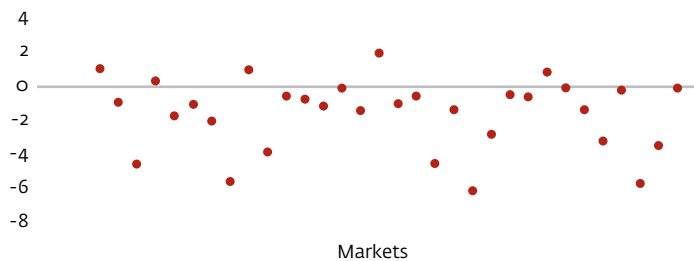


The variation between countries is explained by general macro-economic factors such as GDP per capita, but offers little insight into what might be affecting the behavior of women in particular.

To understand drivers of women’s insurance buying behavior, focus was shifted to the difference between men’s and women’s insurance penetration. The gap between men and women is smaller in some markets than others (see Figure M4), so a deeper understanding was needed on what market factors lead to greater parity between men’s and women’s insurance purchase rates.

Figure M4: Difference Between Women’s and Men’s Personally Paid Health Insurance Purchase Rates (15+)

- Difference

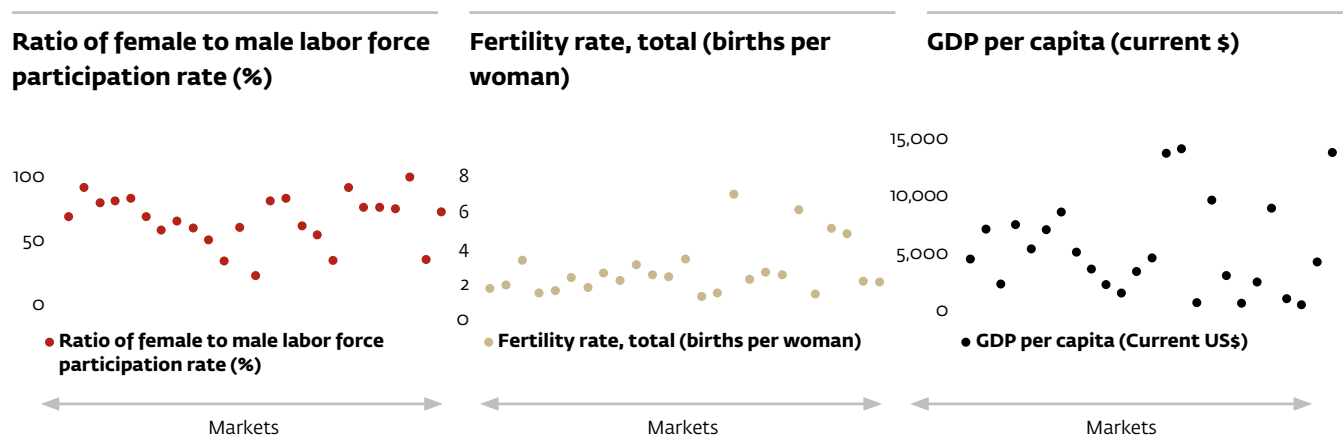


Using a cross sectional regression model, 197 data series were tested for their correlation with the gap between the rates of men’s and women’s personally purchased health insurance. These data sets range across demographic, education, employment, financial behavior, fiscal position, regulatory, and healthcare categories.

Through the regression, individual wealth (GDP per capita), fertility rate and women’s labor force participation rate were found to have the biggest influence on the gap between men’s and women’s health insurance purchase rates. These relationships were measured with a high degree of statistical confidence.

Variable	T-Value for Model Coefficients	P-Value for Model Coefficients	Correlation with gap between men's and women's insurance purchase rates
Ratio of female to male labor force participation	3.66	0.1%	0.4
GDP per capita (current \$)	2.45	2.2%	0.18
Fertility rate, total (births per woman)	2.99	0.7%	0.07

Countries with higher rates of individual wealth and women's labor force participation tend to have a smaller gap between men's and women's health insurance penetration. Hence, these variables were identified to have the strongest influence in closing the gap between men's and women's insurance purchase rates.



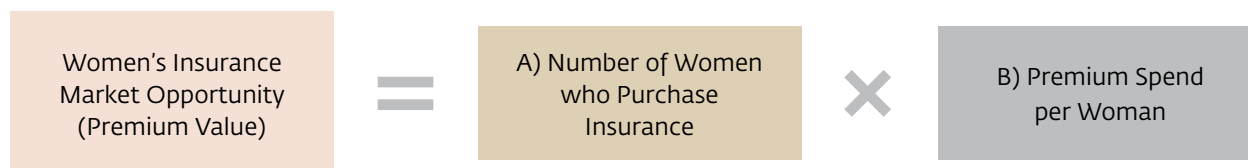
Although these three variables were found, statistically, to have the strongest influence on the gap between men's and women's insurance purchase rates, market interviews with insurance specialists identified that individual wealth and labor force participation are the most relevant factors in influencing women's purchase of insurance, due to their increased ability and willingness to spend on insurance. Hence, only individual wealth and women's labor force participation were used as inputs for the market sizing exercise. Fertility rate is reflected in the qualitative findings of the report as the number of dependents women have, a factor used to segment the women's market.

4. Sizing the Women's Insurance Market Opportunity

The size of the women's insurance market is defined as the annual individual premium spend by women retail clients, including spend by those who are self-employed. The market size does not include commercial lines (e.g. women covered under employer plans), insurance spend by women on others (e.g., spend on children), or insurance purchases women may have influence over or public spending on insurance for women.

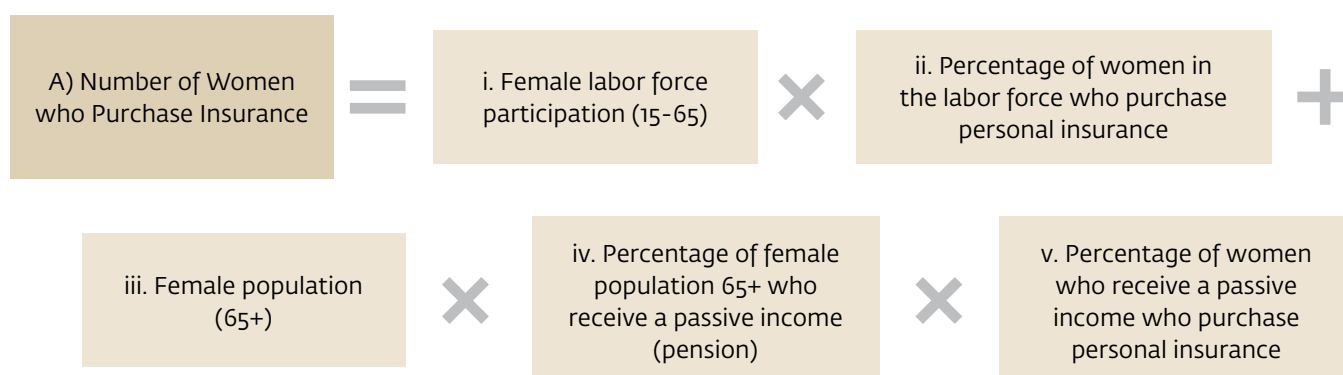
Given the complexities of calculating and forecasting the premium volume opportunity within the insurance industry, particularly at a global scale, these projections should be taken as indicative.

The size of the women's insurance market was calculated using the following formula:



The sections below will provide further explanation to the variables:

A) NUMBER OF WOMEN WHO PURCHASE INSURANCE: The number of women who purchase insurance was calculated using the following formula:



Description of variables and calculations

- i. **Female labor force participation:** As identified in the cross-section regression analysis above, labor force participation is an important variable that influences women's insurance purchase rates. Interview findings substantiated that women who work will be more likely to purchase insurance due to access to income. Hence, female labor force participation was used as a basis to estimate the number of women who purchase insurance.¹⁵⁹
- ii. **Percentage of women in the labor force who purchase personal insurance:** Not all women in the labor force will purchase individual insurance. To the percentage of women who did, the percentage of the adult working population (15+) who purchased insurance¹⁶⁰ was multiplied with the total adult population (male and female 15 – 65)¹⁶¹ to get an estimate of the total number of insurance clients in each market. The percentage of women retail clients in select insurers' portfolios was then used to determine the total number of women retail insurance clients in a market. This was then calculated as a percentage of the total female labor force.
- iii. **Female population 65+:** Women who retired from the labor force also purchase individual insurance. The population of retired women was assumed to be all women over age 65.¹⁶²
- iv. **Percentage of female population 65+ who receive a passive income:** It was assumed that only women who earn a passive income (e.g. through pension)¹⁶³ will be able to purchase insurance when they are retired.
- v. **Percentage of women who receive a passive income who purchase personal insurance:** It was assumed that when women retire, a lower percentage will be willing to purchase personal insurance (compared to the percentage of employed women who purchase personal insurance — variable ii) given their decrease in income. The percentage of pensioned women who purchase insurance was estimated to be 70 percent¹⁶⁴ of the percentage of employed women who purchase insurance.

B) PREMIUM SPEND PER WOMAN (AS PERCENTAGE OF INCOME): The spend per woman was calculated using the following formula:

$$\text{B) Premium spend per woman} = \text{vi. Total aggregate consumer insurance spend} + \text{vii. Total aggregate consumer spending} \times \text{viii. Income per woman (from employment or pension)}$$

Description of variables and calculations

- vi. **Total aggregate consumer insurance spend:** Total aggregate value of consumer insurance spend within the market.¹⁶⁵ This includes life, private health, and property and casualty spend by individuals and self-employed, and does not include commercial lines insurance (e.g. does not include insurance provided by employers).
- vii. **Total aggregate consumer spending:** Total aggregate value of all consumer spend within the market.¹⁶⁶ For the purposes of calculating the market sizing, it was assumed that the total consumer spend represented the total income.

Gender disaggregated data on total consumer insurance spend and total consumer spend was not available; therefore, it was assumed that men and women spend the same percentage of their consumer spending on insurance in 2013. However, women were projected to having a higher willingness to spend in 2030.

- viii. **Income per woman:** Estimated earned income per woman at purchasing power parity.¹⁶⁷ Pension income was calculated by applying a net pension replacement rate defined as the individual net pension entitlement divided by net pre-retirement earnings.¹⁶⁸ Net pension replacement rate was assumed to be the best indicator of pension income earned by retired women.

Scenarios

In predicting the market size for 2030, a range of values is provided as two growth scenarios were considered:

- Baseline growth (lower boundary of the range):** Growth in the number of women customers and premium spend per customer due to improvements in the socioeconomic factors of women, with no changes to any other variables. This is the growth assuming that no efforts are made to target more women and/or to upsell/cross-sell to more women.

	Variable	Growth Assumptions
A) Number of Women who Purchase Personal Insurance	i. Female labor force participation	Growth as projected by ILO ¹⁶⁹
	ii. Percentage of women in the labor force who purchase personal insurance	No Change
	iii. Female population 65+:	Growth as projected by UN ¹⁷⁰
	iv. Percentage of female population 65+ who receive a passive income	No Change
	v. Percentage of women who receive a passive income who purchase personal insurance	No Change
B) Premium Spend per Woman	vi. Total aggregate consumer insurance spend	No Change
	vii. Total aggregate consumer spending	No Change
	viii. Income per woman	Growth projected using historical rates from World Economic Forum ¹⁷¹

- Opportunistic growth (upper boundary of the range):** In addition to the socioeconomic improvements listed above, assume successful efforts in targeting more women to purchase insurance products (increasing the number of women who purchase insurance) and in upselling/cross-selling products to each woman (increasing the premium spend per woman).

	Variable	Growth Assumptions
A) Number of Women who Purchase personal Insurance	i. Female labor force participation	Growth as projected by ILO ¹⁷²
	ii. Percentage of women in the labor force who purchase personal insurance	Growth proportional to the industry growth rate as projected by Munich Re ¹⁷³
	iii. Female population 65+:	Growth as projected by UN ¹⁷⁴
	iv. Percentage of female population 65+ who receive a passive income	No Change
	v. Percentage of women who receive a passive income who purchase personal insurance	Growth proportional to the industry growth rate as projected by Munich Re ¹⁷⁵
B) Premium Spend per Woman	vi. Total aggregate consumer insurance spend	Growth as a percentage of current spending. Market interviews indicated that women in focus markets were willing to pay 10 to 20 percent of their salary on insurance, which is, on average, 50 percent more than what they were currently spending on insurance. It was assumed that insurers are able to capture the full increase in women's willingness to pay.
	vii. Total aggregate consumer spending	No Change
	viii. Income per woman	Growth projected using historical rates from World Economic Forum ¹⁷⁶

Assumptions Made

Assumption Type	Assumption Description
Calculation	"Current Women's Insurance Market Size" was calculated using premium data from 2013 ¹⁷⁷
Calculation	The women's insurance market size for each product line was calculated by taking the ratio of product line premium value to total premium volume for the total insurance industry, ¹⁷⁸ and applying the ratio to the total women's insurance market size. For example, the market size for the women's life insurance market was determined by calculating the ratio of the life insurance premium value to the total insurance premium value for the entire insurance industry, and applying this ratio to the total women's insurance market size.
Calculation	Due to limited data availability, the size of the non-life market was calculated by subtracting the size of the life and health market from the overall market size
Calculation	The growth rates (CAGR) for women's labor force participation, women's income, insurance premium, insurance density, and percentage of the women's population who purchase insurance were applied consistently to the calculations for all product lines and for the overall market size
Data	Most recent data was used, with datasets ranging from 2010 – 2013.

Limitations:

Given the novelty of the topic, there are a number of data limitations in calculating the market size:

- Limited data was collected on the insurance needs of women in all income brackets and geographies (e.g., rural, urban) due to time constraints in the research. More research is needed to gain a deeper understanding of each segment's needs and wants.
- No data was available across the markets on the total personal premium spend (across all product lines) by women on insurance, so insurance spending as a percentage of total consumer spending was identified as the most representative variable for each market. Note that insurance spend as percentage of total consumer spend is for 2013 is not gender-specific (i.e., it is assumed that in 2013, men and women spend the same percentage of their income on insurance); however, women are projected to spend a higher percentage of income on insurance in 2030.
- Limited information was available on the percentage of women who hold insurance in each country, so projections were made based on financial inclusion reports and select insurers' portfolios.
- Extrapolating the global insurance premium market size for women required averaging the values across many different markets, so care should be taken when making direct comparisons between the focus market and the global market.

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Annex E: Endnotes

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