

PRESS RELEASE: November 7, 2017, Lima, Peru

52.1 MILLION PEOPLE IN LATIN AMERICA PROTECTED BY MICROINSURANCE

In the aftermath of recent natural disasters in the region, a new study on the landscape of microinsurance sheds light on its potential for building resilience amongst the poor

November 7: **More than 8.2%** of the population in Latin America and the Caribbean had at least one microinsurance policy as of December 2016, with **52.1 million people** insured corresponding to **USD 420 million¹** in **Gross Written Premiums**, estimates a new study on The Landscape of Microinsurance in Latin America and the Caribbean (LAC) 2017 – Preliminary briefing note, published by the Microinsurance Network and Munich Re Foundation.

The preliminary findings of the study are being released today, as the **13th International Microinsurance Conference** “Inclusive insurance for the mass market” opens in Lima, Peru. The event, which will run through to Thursday November 9, will bring together over 400 experts from around the world to look at ways to accelerate the growth and economic viability of the microinsurance sector. “The LAC region has shown substantial growth in microinsurance outreach. However, recent events such as the floods in Peru, as well as the earthquakes and hurricanes across the region, have demonstrated that there is still not enough protection for people in the low-income market,” said **Dirk Reinhard**, Vice Chairman of the **Munich Re Foundation** who co-published the study. “Increasing governmental support and implementation of mobile technologies are important steps to develop the market, facilitating fast pay-outs when disaster strikes,” added Reinhard.

“Governments across the region are recognising the important role that microinsurance can and does fulfil in helping people to cope with catastrophic and daily risks. Many governments have started improving their regulatory frameworks for microinsurance, with studies on the needs and potential demand for microinsurance underway in several countries,” affirmed **Eduardo Morón Pastor**, Executive President of the Peruvian Association of Insurance Companies (APESEG) and **Chair of the 13th IMC**.

Regulators within the LAC region reported **significant increases in premiums** between 2013 and 2016 with a 1,799% premium increase reported for **Brazil**,² 284% for **Nicaragua**,³ and 95% for **Peru**.⁴ In **Mexico**, the regulator reported that premiums have increased by 36% per year on average between 2007 and 2017.⁵ At the same time, preliminary results indicate that **commissions have been declining** since 2014, with the average commission falling from 20% to 12%⁶, and **loss ratios have remained relatively low** at an average of 46%, with 69% of products at loss ratios below 41%. Further, the study found **strong growth in agricultural insurance** with the number of clients increasing from 35,000 in 2014 to 80,000 in 2016, based

¹ It is worth noting that data reported to the regulators is systematically lower than data that is self-reported by companies.

² Reported by Superintendencia de Seguros Privados (SUSEP), Brazil.

³ Reported by the Superintendencia de Bancos y de Otras Instituciones Financieras, Nicaragua.

⁴ Reported by Superintendencia de Banca y Seguros, Peru.

⁵ A2ii interview with Comisión Nacional de Seguros y Fianzas, Mexico.

⁶ Based on analysis of products representing 37% of the total products reported in 2017 versus total market reporting in 2014.

on comparable data.⁷ In terms of **distribution**, **MFIs** and other **Financial Institutions** appear to have acted as the distribution channels for 77% of the 2016 lives covered identified.

“The recent disasters that have struck the LAC region serve as a reminder of the need to leverage insurance that is both effective and inclusive, and to develop risk mitigation strategies to help people – particularly the poor – become more resilient and less vulnerable. Our intent is to help develop their capacity to recover and rebuild, and avoid falling back into the spiral of poverty,” explained **Katharine Pulvermacher**, Executive Director of the **Microinsurance Network**, the international multi-stakeholder platform for inclusive insurance that promotes the development and delivery of effective insurance services for the underserved across the world.

The LAC microinsurance landscape study is part of the **World Map of Microinsurance**, an initiative that **maps global data on microinsurance** dating back to 2006. Through this strategic programme, the Microinsurance Network, supported by the Munich Re Foundation and other partners, collect data needed to identify and monitor growth trends in the field of microinsurance.

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Press conference:

A press conference is held on November 7 at **11am** at the **13th International Microinsurance Conference**. Location: **Nazca I room** at the **Swissotel**, Lima, Av. Santo Toribio 173, Via Central 150, Centro Empresarial Real, San Isidro, 15073, Peru, Tel +511 421 4400. To attend, journalists need to be registered to the conference and receive press accreditation at [this link](#). Registration is free of charge for journalists with Press ID.

About the International Microinsurance Conference

Initiated and organised by the Munich Re Foundation in collaboration with the Microinsurance Network, the conference is the world’s largest international platform where experts share information, knowledge and experience in microinsurance in order to overcome existing challenges. The Asociación Peruana de Empresas de Seguros (APESEG) is the host organisation of the 2017 conference.

www.microinsuranceconference.org; #13thIMC

⁷ Based upon comparable data for 3.7% of companies reporting data in 2017.

About the Microinsurance Network

The Microinsurance Network is the global multi-stakeholder platform for professionals and organisations that are committed to making insurance inclusive. Membership-based, it brings together diverse stakeholders from across the value chain who share a vision for a world where people of all income levels are more resilient and less vulnerable to daily and catastrophic risks. The Network encourages peer-to-peer exchange and learning, facilitates the generation of knowledge and research, and acts as an advocate, promoting the role that effective risk management tools, including insurance, play in supporting the broader development agenda.

www.microinsurancenetwork.org    @NetworkFlash

About the Munich Re Foundation

The Munich Re Foundation seeks to provide answers to overarching questions from a variety of perspectives in order to find sustainable solutions in the area of risk prevention. Questions concerning development are linked to risk management and poverty reduction.
www.munichre-foundation.org

About the Asociación Peruana de Empresas de Seguros (APESEG)

The Peruvian Association of Insurance Companies (APESEG), founded in 1904, groups insurance and reinsurance companies operating in the country. Among its objectives is to promote knowledge of insurance and access to them so that families and companies protect their income and continue to contribute to the development of the country.

<https://www.apeseg.org.pe/>

About the World Map of Microinsurance

The World Map of Microinsurance (WMM) is an interactive map that enables insurers and microinsurance practitioners to gain a bird's-eye view on the landscape of microinsurance worldwide, to search and extract sector-specific data by region, in order to gain insights into trends in microinsurance, and to foster better decision-making at an operational and policy level. A series of tri-annual regional landscape studies provide the data underpinning the map. The data from the 2017 study on microinsurance in Latin America and the Caribbean will be integrated into the map by April 2018.

www.worldmapofmicroinsurance.org