“Increasingly, supervisors are facilitating an “inclusive” insurance market that also works effectively for low-income populations, thereby reducing vulnerability. Our joint MIF-A2ii / A2ii project supports supervisors and regulators with addressing the challenges and leveraging opportunities around enhancing access to insurance-based on globally accepted principles and best practices.”

MARIKE BRADY
A2ii Acting Executive Director

BASIC PROJECT INFORMATION:
- **Name:** Implementation of Regulatory and Supervisory Standards for Access to Insurance in Latin America and the Caribbean
- **Funding period:** 2012-2015
- **Location:** Colombia, Jamaica and Peru
- **Executing Agency:** Access to Insurance Initiative (A2ii), implementation arm of the International Association of Insurance Supervisors (IAIS)
- **FOMIN contribution:** $1,565,000
- **Total project amount:** $2,532,561

**Challenge**
Access to insurance as part of a financial inclusion strategy is a new concept in Latin America and the Caribbean. Insurance laws and policies in the region have not yet been adapted to the low-income market segment. This situation has a dual impact: impeding insurers from increasing their involvement in the market and leaving low-income consumers unprotected.

**Objective**
Develop a policy and regulatory environment that promotes sustainable access to insurance in the region.

**Strategy**
Formulate policy recommendations and strengthen the capacity of regulatory bodies and supervisory agencies to properly implement an enabling environment for access to insurance, while promoting public-private dialogue in the project countries toward this objective.

**Background**
The interest of supervisory authorities to adapt their regulatory frameworks to new market initiatives directed toward low-income population is an important issue in the regional agenda. In 2007, an initial country policy diagnostic was conducted in Colombia and the country is now interested in developing a microinsurance supervisory and regulatory framework. In Peru currently, the Superintendency of Banks, Insurance and Pension Fund Administrators is introducing changes to its...
supervisory and regulatory framework to better adapt it to market dynamics. Finally, Jamaica’s Financial Services Commission has expressed interest in joining this movement towards more favorable environments to promote access to insurance. Now each of these countries looks to adapt their policies to new market segments, and train their supervisory agencies to adopt and supervise these new policies.

AN ENVIRONMENT THAT PROMOTES SUSTAINABLE ACCESS TO INSURANCE EXPANSION IN THE REGION

As the “implementation arm” of the IAIS, the global standard-setter of the industry, A2ii uses global tools developed and tested by the insurance supervisory community. The project team is working with public and private sector stakeholders to define the current situation of access to insurance in each country, to reach public-private consensus on regulatory obstacles, barriers and challenges for access to insurance and to look at future options. Based on this consensus as well as international standards, a policy and regulatory roadmap will be developed and implemented in each country that includes training and capacity building activities to ensure that the policy recommendations are appropriately implemented.

Ultimately, the project looks to adapt regulatory and supervisory frameworks to ensure a level playing field in the market and to protect customers as well as insurer viability.

Key results

ANTICIPATED RESULTS AT PROJECT COMPLETION

- Develop and implement roadmaps for improving the insurance regulatory environments in Colombia, Jamaica and Peru so as to enhance access to insurance.
- Translate into Spanish the IAIS/A2ii training module and the self-assessment on financial inclusion.
- Increase awareness in the region on access to insurance through the Association of Latin American Insurance Supervisors, using the regulatory experiences of the project countries as case studies.

Next steps

- Complete country diagnostics for Peru, Colombia and Jamaica.
- Set up a work plan for regional dissemination activities and training events.

Multilateral Investment Fund
Contact:
Carmen Mosquera
Tel +(51) 12157819
carmenmo@iadb.org
www.fomin.org
www.facebook.com/fominbid
www.twitter.com/fominbid

Access to Insurance Initiative
Contact:
Patricia Inga
Tel +(51) 12644746
patricia.inga@giz.de
www.access-to-insurance.org