

## Frontiers of Inclusive Insurance – English Transcript

*(Note: This transcript was AI-generated using [NoteGPT](#). Transcripts may include inconsistencies or errors and some sentences have been condensed.)*

00:16

Hey everyone! Insurance has been around for ages and is super important for helping people deal with risks. But even though it plays a big part in building resilience against economic shocks, a lot of folks in emerging markets, especially low-income families and small entrepreneurs, still don't use it. Research from LSC shows that in Asia and Africa, only 3.5% of households have health insurance. It's even tougher because there's not much data available.

00:51

We're talking about the challenges people face in accessing and using insurance products. At Accion, we've noticed a new trend in insurance offerings that we think can really help improve financial inclusion. Tackling risks in creative ways isn't easy and needs support from different players in the ecosystem. That's why we're lucky to be chatting about these new inclusive insurance models with various stakeholders in the industry today.

01:25

"Today, I'm thrilled to introduce an amazing panel of speakers, including Felipe Cunha, the CEO and founder of ToGarantido, an award-winning social impact insurtech. Felipe has spent his career changing the insurance scene for Brazil's low and middle-income gig workers, drawing on over ten years of experience in international finance, venture capital, and infrastructure development."

02:02

ToGarantido has successfully established itself as a top provider of embedded insurance solutions in Brazil. We also have Quentin Gisserot, who heads Partnerships and Innovation at AXA EssentiALL, a business that helps provide inclusive insurance to 14 million low-income and mass market customers across 12 emerging markets. Quentin is also working on developing inclusive insurance solutions for vulnerable groups in Europe, especially focusing on micro-entrepreneurs. Joining us shortly will be Shelly Habecker.

02:39

Shelly, who leads life and health sustainability at Swiss Re, is all about helping their reinsurance partners boost sales with a social impact. She's working on making life and

health insurance more accessible for underserved communities. Shelly joined Swiss Re in 2016 and has held various innovation roles, using her anthropology background to dig into market research and really get to know customer needs for business development. Today, I'll be moderating a discussion to dive into what's working at the cutting edge.

03:11

Let's talk about inclusive insurance—what it is and how we can team up to boost insurance adoption rates. First up, let's dive into embedded insurance. This model slaps insurance services right into the digital platforms people are already using, making it super easy for them to get insurance as part of their daily routines. Plus, insurance companies can tap into the cool data from these platforms to tighten up their offerings.

03:43

"I've seen this model take off globally and draw in a lot of investment in various markets. Felipe, I'm really looking forward to our chat today about this model. Let's kick things off with you. As an entrepreneur in this field, can you tell us more about your business model and what made you decide to start an embedded insurance company? Thanks for the intro, Sebastian! I'm excited to be here. I'm Felipe Aun, co-founder and COO of..."

04:12

ToGarantido which is a social impact insurtech that aims to provide insurance solutions for Brazil's low and middle-income folks. We've mainly focused on gig workers, especially delivery drivers working with major digital food delivery platforms. Initially, we didn't start as an embedded insurance model; we began as a marketplace to offer insurance options for low and middle-income people in Brazil, since it has one of the largest digital user bases.

04:52

We looked at countries around the world and noticed that in Brazil, especially among low to middle-income folks, there's a ton of engagement with digital media like YouTube, Google, and WhatsApp. So, we thought it would be a good idea to set up a marketplace for insurance products aimed at those income groups. Then in 2021, we won a bid for iFood, which is one of the biggest food delivery platforms in Latin America and one of the largest in the world too.

05:30

We're the insurtech that's been picked to digitally distribute insurance products to gig workers in the iFood ecosystem. When we switched our model to embedded insurance, we

quickly realized how much better our conversion rates and engagement became. This shift allowed us to sell a lot more insurance on the platform. It was clear that moving to the embedded insurance model made a significant difference for us.

06:13

The first time we looked at it, we immediately doubled the conversion rate because we figured out how to present the right insurance offer at the right price, especially with the right acceptance rates. That was a huge issue we faced. We can really transform the way people buy insurance online, and since then, we've seen great success with high conversion rates, helping protect hundreds of thousands of gig workers in Brazil. Awesome! Thanks for sharing that, Philippe. I'm really excited about it!

06:50

"Let's dig a bit deeper into this model, especially with someone who's in the spotlight. Quentin, I'd love to hear your take as an insurer. Does AX currently offer solutions in the embedded finance space? And if so, what do you find exciting about this business model? Thanks, Sebastian, for inviting me, and thanks to Felipe for your comments—I totally agree. Interestingly, what Felipe didn't mention is that he's taking his success from Brazil to France, which is pretty impressive."

07:26

"Hey, it's really interesting and exciting! There are a lot of gig workers here, and they face some tough challenges with social protection. Embedded insurance could really help out in this situation. To be honest, Sebastian, when it comes to your question about embedded insurance, I think if you're focusing on inclusive insurance, it's all about getting social protection and insurance to those underserved populations—people who really need it."

07:57

"There's a ton of experience with insurance; it's pretty much where the industry kicked off. I'm not sure if it was called embedded insurance back then or maybe credit insurance, or even something to do with microfinance institutions, which is where a lot of micro insurance originated. I know Shelly has a lot of expertise in that area, so I'll let her share more. The bottom line is, insurance has always been around because people don't just wake up and decide, 'Hey, I'm going to buy insurance today.'"

08:28

An insurance policy is something that, if people have never had insurance before, they probably won't check out your website. A lot of customers in emerging markets work in the

informal sector; they're self-employed, so they don't have insurance through a job because there's no official work contract. To reach customers at the last mile, you really need to integrate insurance into their everyday lives, combining it with services, products, and brands they already use.

08:56

"They're using and trusting it, and I think that's where embedded insurance really makes sense. So, digital has definitely taken things up a notch, right, Sebastian? But there have been a few waves of this. Just before this panel, I was chatting with a telecom operator in Africa that also runs a payment service, and we were having the same conversation about how to embed insurance."

09:28

Both of you know about their telecom and mobile payments business and the challenges they face. So, my answer is that it's definitely important and has probably always been, but it's not that straightforward. Sometimes we think, "Let's bundle things together, it'll be awesome." We've tried partnering with money transfer companies, thinking, "People send money home; why not let them send a little bit of this too?"

09:58

"Getting insurance back home, whether it's from Africa to the US or from the US to Mexico, can be tricky. Not all organizations realize that insurance should be part of their business model. You really have to find the right moment in a customer's life to make it work. Thanks for sharing that insight! I totally get what you're saying—there's a lot of potential out there, but there are definitely challenges too."

10:29

It's not as obvious as it might seem at first glance. I'm really curious about your thoughts on the potential of embedded finance. Can you share a bit more about how you're operating in this space? Sure! First, can everyone hear me okay? Great! I had some trouble with firewalls that made it hard for me to join, so I'm on my phone. But I'm really happy to be here! To kick things off...

11:05

If you're not really sure what reinsurance is, let me break it down for you. Basically, reinsurance is just a way for insurance companies and government institutions to manage and share risk. This way, if something huge like a pandemic or a natural disaster happens, no single entity is stuck with all the risk. So, the question is, why would a reinsurance

company care about embedded insurance and inclusive finance? Well, we've got a financial angle to consider.

11:46

We're looking to expand insurance coverage, but we also get that a lot of folks don't really have the risk protection they need. They struggle to manage their risks and don't have enough coverage, which we refer to as a protection gap. In talks about financial inclusion, it's usually those who are financially included that have more chances to get insurance. Most traditional insurance is sold through agents.

12:25

They get commissions, so they're motivated to sell big policies to wealthier clients. What's really exciting about embedded insurance is that it creates a whole new way to reach customers. Instead of going through agents, you're partnering with institutions that already deal with lower-income folks. They've already earned the trust of these customers, and you can smoothly integrate insurance into their transactions without it being a hassle.

13:01

It really stings when you have to pay the premium because it feels like just another financial deal you're getting into. For a clear example, a lot of embedded insurance products are being reinsured worldwide. One that I found really interesting was my trip to Nigeria earlier this year. In that case, we teamed up with a bank, an insurance company, and Women's World Banking, which is a nonprofit focused on financial inclusion.

13:42

Micro insurance is available for women entrepreneurs, giving them a way to replace lost income. So, picture this: you're working at a market selling your goods, and then you get hospitalized or have a child or spouse in the hospital. That means you can't work for a while. This insurance kicks in and pays out if you stay overnight in the hospital, and it even covers maternity benefits. So, these women are really supported when they need it.

14:24

Getting this product through their loans at the bank is all part of the deal. So, when they're paying back the loan, they're also paying a small extra fee to get this benefit. We developed this product with AXA in Egypt, and it's been pretty successful in reaching women. I just want to quickly point out four key things that I think are really important for making these kinds of embedded insurance opportunities work well.

14:57

"We talked about this in more detail in a Swiss report called The Life and Health Inclusion Radar, which those on the call might want to check out. But the first thing I want to highlight is that it's really important to start with research to understand what your target customers need. Insurance companies haven't really worked with lower-income communities in the past, so we lack data on who these people are. This means we could be making a lot of incorrect assumptions."

15:35

It's really important to start by listening to what customers need and figuring out what they value. A lot of the time, they have their own traditional ways of handling risk, so there are opportunities to support and enhance that. The other thing that's crucial is building strategic partnerships. I really appreciate the mix of voices on this call because these are the partners we collaborate with all the time. We have entrepreneurs creating digital pathways to connect with customers.

16:10

We need distribution partners, like telecom companies and banks, because they have the customers. Then we also need carriers, like Quinton who represents AXA, and behind them are companies like Swiss Re that help share the risk and provide underwriting and pricing support. That's the strategic partnership part. The third thing is that the products need to be simple. If they're complicated, they just won't work, so we need a lot of innovation in that area.

16:46

"Let's put it this way: having a conversation with regulators is super important. They need to be part of this discussion too because their job is to protect consumers, which is crucial. But we also need to find a balance when it comes to trying out new and innovative ideas. It's really key to keep those lines of communication open with regulators to ensure these new models can actually work. And Sebastian, if you don't mind, I'd like to add..."

17:20

You mentioned simplicity, and I wanted to talk about the product in Egypt. It's kinda similar to the one in Nigeria, which is linked to a microfinance institution that supports women entrepreneurs. The key difference with this product is that it covers hospitalization risks for women borrowers. It's probably the only insurance product in Egypt, and maybe even more widely, that doesn't have any exclusions.

17:50

We're not asking about anything specific with the product. We're not going to question if you went to the hospital for an accident, illness, or pregnancy-related issues. We cover everything—every hospital, no questions asked. This is how you build trust with customers, and it's also how you make sure the business model works. Because if you're running a policy that only costs a dollar a month, you need to make it work somehow.

18:18

You don't want to deal with a ton of work just to get a claim paid; it needs to be done quickly. I totally agree with you on the simplicity of it. I really appreciate you sharing your thoughts—it's exciting to see how these models have worked out in places like Brazil, Egypt, and Nigeria. Also, one thing we've all mentioned is how unique embedded insurance is.

18:52

"Can you explain what's so exciting about distributing through these partners? Like, how does it help tackle some of the challenges with direct insurance? Also, what lessons have you learned about what kinds of partnerships work and which ones don't? Anyone want to chime in on this?"

19:30

Sure, I can give it a shot if you want. So, I think the main issues are the barriers and challenges, like physical access to agents and brokers, which you mentioned. There are also concerns about understanding and trust, as you pointed out, Felipe. We need to find ways to connect with a big enough customer base that can manage risks together and achieve economies of scale. It sounds straightforward, but it's really not that simple.

20:05

It's pretty straightforward. You need to use trusted channels. When you top up your phone, it works, and when you send money, it actually gets there, right? So that promise is kept. You're relying on the trust these brands have built. I mean, I doubt many of our customers in Egypt knew about AXA before this product, but they definitely knew the microfinance institution, so there's that trust factor.

20:34

One aspect that we might overlook but is really important is that this channel needs to let you handle financial transactions easily. You're collecting premiums and paying out claims, and it's got to be fast, smooth, and inexpensive. There's no way to make it work if you're dealing with 50-cent or \$1 policies in cash and it costs you to collect that cash, or if you're

mailing a check halfway across the country. So, I'd say those are the three key things to focus on.

21:09

"Yeah, I'd say it's really important to have a digital underwriting process in the embedded insurance model, especially for more complex products. At iFood, we made it easier to distribute motorcycle insurance to gig workers on our platform. Basically, we created a benefits club for gig workers, where they could access motorcycle insurance through an automated chatbot."

21:50

We're offering a complete digital underwriting process, along with digital inspections, to allow gig workers to buy insurance products that typically require a more complicated underwriting process, all in just four minutes. We'll provide clear explanations of the products and coverages online and digitally. It's really crucial to have a lot of technology involved, and there's also a challenge in figuring out how to integrate everything smoothly.

22:34

A platform that handles insurance purchases and digital underwriting through online distribution partners. It's great when you can mix both strategies, especially when you have a partner who makes their audience aware that they have this product available at a special, affordable price for their clients or ecosystem partners.

23:14

"They offer a super smooth way to buy insurance right in their app, which is an awesome tool for making insurance accessible. Most of our clients, like Guarantee, I Food, and Xeria, are using it for the first time ever, so we can handle the entire underwriting process online. The best part is that they really trust the platform."

23:54

People often say, "Oh, this is the insurance from iFood," when they're talking about their coverage, but they don't even know which company is actually behind it. They just think it's a good policy because it's from iFood. Plus, the process is super smooth and easy. When they need to access their insurance to file a claim, it has to be quick, especially since these companies are all connected and communicate with each other all the time.

24:26



If someone doesn't get a claim sorted out quickly and for reasons that aren't really clear, they'll probably start chatting in their WhatsApp groups, saying things like, "This insurance company's product doesn't work," or "They're not giving us the protection they promised." It spreads fast, so you really need to have a strong digital approach to offer these insurance products and meet the needs of these underserved clients.

25:07

"To get insurance products noticed and accepted by users quickly, and really make a difference, I love how Felipe's case illustrates this. It shows how everything fits together. But when you're starting something, it's super important to find the right partners who share the same goals. One challenge I've noticed is that you might find someone..."

25:47

A distribution partner could really help you reach millions of customers, but the big question is why they need insurance. What's in it for them? Is this going to be a long-term strategy to add value to their deals by including insurance, or is it just a quick marketing stunt? If it's just a short-term campaign, it probably won't work out because there are different interests at play.

26:20

I guess the last thing I want to mention is how important profitability is. Usually, it's about three or four companies teaming up, and the business case has to make sense for all of them to keep it going. We're dealing with small policies here, so having the right scale is crucial for these embedded insurance models to really succeed. Thank you all for sharing your thoughts—it's really exciting to hear how this is all playing out on the ground. And I totally agree with you, Shelly!

26:57

"As investors, we've noticed time and again that what really sets apart the companies that succeed and grow from those that struggle is the quality of their partnerships and how well they find the right product-market fit. Now, shifting gears a bit, we've been having a great discussion about embedded insurance, and we've been getting a lot of questions in the Q&A section that we'll address towards the end of the panel. So, listeners, feel free to drop your questions in the chat. But for now, I'd like to..."

27:30

We want to highlight the second model we've found that's pretty interesting. One of the models we're looking at is parametric insurance solutions. In this model, payouts are linked

to set triggers, like rainfall levels, which means claims can be automatically resolved. This is super intriguing, especially as extreme weather events like heatwaves, floods, and droughts are becoming big global issues. Parametric insurance models have popped up as a smart way to guard against climate risks, and actually, they've even made their first-ever payout.

28:07

In 2024, parametric heat insurance really changed the game for this innovation. Now, switching gears to discuss this other model, Shelly, I'd love to hear your thoughts. What do you think are the main benefits of parametric insurance models, especially when it comes to handling climate risks? How do they stack up against traditional insurance, and how do they help us be more resilient to events like floods and droughts? Honestly, parametric insurance is really fascinating, I think.

28:44

The main difference is that it's not a claims-based approach but a data-based one for insurance. Basically, a claim gets paid when a specific event happens. This means you can skip the long, drawn-out process of assessing losses, which is how traditional insurance works. Instead of sending an examiner out to evaluate everything, this method is straightforward, easy to manage, and makes claims simpler to handle.

29:23

The payout is really fast, which is one of the benefits of this approach. It was actually a parametric insurance product that got me interested in the insurance industry eight years ago. A friend of mine mentioned this reinsurance company, Swiss Re, that's all about making the world more resilient, and that really grabbed my attention. I mean, how do you even make the world more resilient? She told me about a parametric product that Swiss Re and its partners developed in Kenya to help with drought.

29:59

"Yeah, so there was this protection for farmers, right? The index was linked to satellite images, and these farmers were part of an agricultural program. If there was a certain drop in rainfall, they would automatically get money sent to their phone or their e-wallet. I was really amazed by this because, until then, I'd only been thinking about sustainable development in terms of making money and having access to credit and savings."

30:35

Insurance is basically a way to guard against risks. When I think about resilience, I picture someone who can bounce back after tough times. Like a farmer who faces a bad harvest: they get a payout that lets them replant for the next season, keep their kids in school, and feed their families. That's what resilience is all about. So, I learned about this and thought, if there's a company that can help with that, I want to work for them and do even more.

31:09

With all this new data coming in, we've got some fresh ways to handle the rising climate risks. You brought up the payout for the extreme heat product, which is super exciting because Swisser has supported it in India. It's actually helped over 40,000 women this year. The index was based on hitting 100 degrees Fahrenheit or 37 degrees Celsius for a specific number of days.

31:51

Women got a payment that helps cover their income for the days it was too hot to work. Plus, since they're not at work, they're dodging all those health issues that come from working in the heat. I think this is a really cool way to offer protection against risks that are tough to manage otherwise. It also opens the door for some interesting new models.

32:32

That can be funded through public-private partnerships since governments have a responsibility to help the most vulnerable people. Switzerland has some really cool public-private partnerships that let us offer this kind of support and help vulnerable communities become more resilient. I really appreciate you sharing that experience! It's great to hear how you got interested in this because for us at Aion, it was pretty similar.

33:04

"We started noticing all these cool parametric insurance models and got super excited. So, Quenton, I'm curious—what have you seen in terms of the main innovations in parametric insurance? I'm especially interested in how they can help people who don't usually get served by traditional insurance. By the way, I hope you can't hear the rain pouring down around me; maybe I should invest in a rain index!"

33:45

"Insurance? Yeah, so I think you mentioned the keyword, and I was just scrolling through the questions while you were talking. There was also a question about subsidies and how important they are for this to work. It's interesting because I think the most successful

large-scale examples of parametric insurance, especially when you look at it—because, as you pointed out, parametric insurance isn't just for smallholder farmers."

34:15

"It's all about crops, and we need to come up with new ideas like this heat product. There's a big need in society for resilience, especially for smallholder farmers who are feeding their countries and making sure we have food security. So, I wanted to take a step back and talk about a place that's really close to my heart, India, where I've done a lot of work."

34:45

They've been working on index insurance and agricultural insurance for over 30 years. They've learned a lot and made improvements along the way. I think the public-private partnership has really figured it out in a unique way. Right now, there are two main programs in India: the big one is called the Prime Minister's Crop Insurance Scheme, and then there's another one for specific crops, like horticulture and such, which is completely different.

35:17

The index insurance scheme mainly works by using a yield index. Basically, at the end of each season, you check the actual yield of a specific crop in a certain area. A government official conducts a crop cutting experiment to determine what the yield was, and if it meets a certain threshold, it activates the index. If the yield is good, then it doesn't trigger the insurance. I think it might sound a bit complicated.

35:51

"It might sound a bit outdated and heavy, not completely tech-driven or automated, but there's a reason it's the most successful program out there. It combines a personal touch with the technology. Index insurance is a pretty complicated idea. You explained it well, but for a smallholder farmer in a rural area, hearing that there's going to be an index can be confusing."

36:20

There's going to be data coming in, and the idea might not be super relatable. But in India, they've managed to make it work really well. The proof is in their crop insurance scheme, which covers just as many farmers who have loans. Usually, when you get farm supplies, you take out a loan for seeds and stuff, and the bank often requires you to get crop insurance. But there are just as many farmers involved.

36:51

Farmers who signed up even without credit did so because they saw the value over several years, not just right after an event. This brings me to the topic of subsidies in India; crop insurance can be subsidized by the state up to 90%. Honestly, I don't think it always needs to be that high; that seems a bit excessive.

37:21

It's often ambitious, but it's a crucial part of being successful. When you compare agricultural insurance in France and the US, the subsidy levels are pretty similar. Last year in France, they upped the subsidy from 60% to 70%. It's hard to picture a small-scale farmer in Burkina Faso or similar countries being able to afford it on their own. Farmers here don't even pay the full price, you know?

37:52

Saying you know farming is a high-margin business in France isn't really true. There's a societal reason for that. You need subsidies, which can come from the state or, initially, from donors to get things moving and prove the concept. There's a lot of great work being done by organizations like the WFP and the Global Shield, as well as the Insur Resilience Solutions Fund with the German government. So, there's a lot of public interest in this.

38:21

"Well, sometimes I'm not sure if there are folks listening who work in corporate agriculture, but you can totally tie this into the theme of our panel. For example, we're working in Burkina Faso with some sources for shea butter from women farmers. They're actually offering index insurance and health insurance for those farmers, and that's all part of their sourcing strategy."

38:50

"Support it financially because I really believe it can work. Oh, and one more thing that got me excited last week—we were down in the Southwest of France chatting with a guy who's involved in both the wine and insurance industries, which I think says a lot about his credibility. He mentioned that we've just launched the first index insurance for farmers in France."

39:22

The index created by Airbus basically tracks how much grass is going to grow in the Prairies and how much yield you can expect. It's pretty new—definitely more recent than what we've seen in Kenya or India. There are definitely some inspirations here too! I really enjoy

hearing about how this field has changed over the last eight years, from when you first got excited about it to just last week.

39:54

"When you're discussing a new product and thinking about the future, Felipe, you're in a key position. I'm really interested in what it takes to bring these products to market. Do you think these kinds of products could appeal to your target customers? Typically, when people think of parametric insurance, they think of agricultural insurance or index insurance related to farming. But when you start looking at climate risks, it opens up a whole new perspective."

40:30

There's a lot of potential to create parametric insurance for certain populations, like in Uruguay. We haven't rolled out any parametric insurance yet. In Brazil, we haven't really focused on this kind of risk because it wasn't seen as a country prone to catastrophic climate events. But recently, we've experienced some major extreme weather events, especially in Rio Grande do Sul.

41:13

In a Brazilian state in the south, we faced severe flooding, impacting over 9,000 gig workers and more than 20,000 restaurants in the food network. It really highlighted how unprepared we are for situations like this. There just weren't enough insurance options or risk protection for these kinds of clients, and it's something we need to seriously address moving forward.

41:53

To get these products out there, we really need a different way of underwriting because there's tons of data available. It's not just about pricing the risk; we can also set up proactive measures to act ahead of time. Through the digital platforms that your distribution partners use, we can send messages and advise customers on how to protect themselves when these events are likely to happen. There's a lot of room for product innovation, not just in...

42:33

The agricultural sector is facing challenges, but so are big cities when it comes to climate risks. Just last week in São Paulo, extreme storms left over 1.4 million people without power. Many small restaurants were hit hard because they lost all the food they had stored

to serve their customers. It was a huge loss for them, and everyone involved had to deal with the fallout.

43:20

People are trying to figure out how to come up with solutions to make these ecosystems more resilient. I think there's a ton of potential for this kind of parametric insurance in urban areas, especially when it comes to climate risks. There's a lot of data out there that can help us create new products. We really need to get more insurers and reinsurers involved in this discussion because there are some great opportunities. That's awesome! Thanks for sharing, and I totally agree with a lot of what you said.

43:56

I'm really excited about the future! As investors, we're always on the lookout for the next big thing or new opportunities that we believe can grow. We're taking a close look at this phase. As we start wrapping things up, I'd like to take a step back. We've been diving into specific business models and opportunities, but as we mentioned, we have some valuable insights on this panel. So, let's take a moment to share a bit more about that.

44:30

"Let's talk about how we can collaborate to really support inclusive insurance. Shelly, I'd love to hear from you first. Can you share how rearers are backing innovative business models and promoting financial inclusion on a larger scale? Sure! I think we help create these ecosystems by bringing together partnerships—that's a big part of what we do. We build these ecosystems, and we also have access to..."

45:09

We've got a ton of data and solid expertise in underwriting, pricing, and product design. This lets us collaborate with partners in the ecosystem to help develop new products and business models. Another thing we can offer as global reinsurers is our experience across various regions. It's pretty uncommon to just copy and paste a successful business from one place to another.

45:47

You may not be able to move a model directly from one place to another, but what you can do is take ideas and lessons learned from one area and apply them in a new context. That's where the real magic happens and innovation kicks in. I think global reinsurers like Swiss Re excel at this. Also, the public-private partnership aspect is a crucial way that

reinsurance helps to broaden access to inclusive and embedded insurance. Fantastic—thank you!

46:28

Thanks for sharing! I totally agree—I've noticed that reinsurance companies are really taking the lead in supporting entrepreneurs and pushing new ideas forward, especially from a tech standpoint. And Quinton, I'm really curious about your thoughts on this too. A lot of entrepreneurs tend to partner with local insurance carriers or work directly with insurance companies. From your viewpoint, what should startups consider when picking a partner?

47:03

When you're picking partners for launching innovative products, what's the most important thing on your mind? That's the million-dollar question! It really matters. I think it all comes down to what you're actually looking for. In this value chain, one key aspect is how to connect with customers. So, are you thinking about a partner who can help you get your products out there and reach a lot of customers?

47:39

We shared some examples of what makes for success, like payments, trust, and access. Those things are definitely important, but they're not enough on their own. There are a couple of reasons for that. First off, let's be real—it's a tough business. Inclusive insurance is challenging. I'm not saying that any kind of financial inclusion is a walk in the park, because it's not. But the reality is, you won't have customers coming to you asking for your product all the time. Sometimes, it just doesn't happen.

48:17

Credit can happen, especially since this is a new product for a lot of people. You really need a partner who's resilient and has the long-term vision to make it work. If you're dealing with someone who you know might not stick around in six months, or whose goals are all about the short term, then you might miss out on the value of that moment. Unfortunately, that often happens before you can achieve success, and that's just how it goes.

48:50

I get that it's a change in behavior, and it's new for the partner. If the partner works with an agency like Force, you have to train that agency. They need to get familiar with insurance and the customers. Once that happens, things can really take off. Plus, going digital doesn't always happen overnight, right? So there's some resilience needed. But I think the



most important thing is the motivation behind it. You're not just doing this for the business, and you put that really well.

49:23

You're doing this because you want to make the world a safer place, right? So, you need to have partners. I'm not saying you need to team up with Mother Teresa or anything like that, but you should work with people who genuinely care about their customers. It's pretty easy to tell during a conversation if your partner is focused on that, especially if you're talking to someone in Partnerships or in leadership. You can usually pick up on it pretty quickly.

49:52

If they've ever talked to one of their customers, that's usually a good sign. Have they been in focus groups? Have they done their own interviews and customer testing? And are they ready to include that feedback in their strategy? Because you often won't get it right on the first try. Every year, we go through this in our activities. I noticed that was one of the questions in the chat too—how do you make sure everything's fair and transparent? Well, it's important.

50:21

When it comes to travel insurance, it can be pretty confusing and not always the easiest to understand. At AA Essential, we've designed our products with a bunch of important factors in mind, like making them accessible, affordable, and transparent. But the truth is, you only really figure out how effective they are after people buy them. You have to let customers try it out and then get their feedback through surveys, focus groups, and impact studies. So that's often what we do.

50:53

I work with a company called 60 DCB, which you might know. I see Sebastian here, so I'm not surprised. They have a method that lets you conduct phone interviews with your customers, which is really important. We recently did this with a microfinance institution in Colombia called Bank Mundo. The product is pretty new and it covers your needs.

51:27

"People need to know about this for things like death and cancer, you know? It really highlighted the good sides of the product. Like, 72% of people said they wouldn't have been able to handle the risks if it weren't for this, especially since they didn't have much saved up. Plus, three-quarters of them had no other way to get insurance like this. The feedback showed it was pretty effective, but we also found some areas to improve."

51:58

You know, 16% of your customers couldn't really explain what their coverage was, and that shows there's still work to be done. That's a significant number when you're talking about a few hundred thousand customers. They're paying for insurance, so they need to understand what they're getting. It's easier said than done, but it's important. You need people who genuinely care about the customers. What you said, Quentin, really nails it.

52:30

Inclusive insurance is a tough business. It's really challenging to distribute, and finding the right partners to grow this business is also really hard. One of the biggest hurdles is getting access to capital to develop inclusive insurance solutions for low-income people. We all know that insurance requires a lot of capital, so it's super important.

53:08

We need to focus on tech to scale up our efforts in developing and distributing more inclusive insurance products. It's a process that requires some time, so we need investors who are patient. Also, forming partnerships in the industry is crucial because we need insurers and reinsurers to help create innovative insurance solutions that genuinely address the protection needs of low- and middle-income clients.

53:49

There are things that need to be insured, but traditional insurance companies are already making a lot of money off their usual products. When we try to develop new underwriting models or find new ways to assess and price risk, it takes a long time to get a product ready and bring it to market. Sometimes, as you mentioned, a startup or insurtech just doesn't have the time to wait around to test things out.

54:23

"Rely on the product provided by a carrier, not just on your own expertise in distribution. I'd also say you need to focus on policy advocacy because to really innovate and provide insurance solutions that meet the protection needs of low- to middle-income populations, we often hit regulatory barriers that can be really tough. For example, here in Brazil, we're trying to develop a product that offers life and health coverage."

55:08

An insurance product that covers medical expenses is hard to find because no insurance company wants to take it on. They're worried about being regulated by a different set of rules, which is ANS, not SUSEP. In Brazil, if you're promoting health insurance or health

plans, you're not under SUSEP regulations, but you're required to provide all the necessary coverage.

55:52

It's a traditional health plan, but it doesn't just cover specific diseases. I see three main ways we can work together: improving access to capital, building strong partnerships in the industry, and collaborating closely with insurance and reinsurance companies. We also need to engage with distribution platforms that can provide valuable data to develop better products. Plus, we should join forces to create more effective policies.

56:30

"To create more innovative insurance products, I really appreciate that insight, Philip. Thanks for sharing! As we're nearing the end, we've got about four minutes left, so I want to dive into some questions from the audience. To save time, I'll group a few together. Some folks are asking about how we can truly grasp the risks faced by vulnerable populations. These groups often deal with a lot of risks, so how do we tackle that?"

57:04

We design products to really protect people while also being fair and non-discriminatory. I'm not sure if anyone wants to chime in on how to approach product design for these groups. I can kick things off—this is a big challenge. I've been in a lot of meetings with our pricing actuaries, and when we look at a specific group of customers, there's just no data. We haven't had any interaction with them, so we don't know what the risks are.

57:42

Usually, the actuaries want to play it super safe, while the Business Development folks want to keep things as flexible as possible. You've got to talk it out and find a balance that everyone's okay with. I think it's really smart to start with pilot programs to test things out, gather some data, and figure out what's working so you can tweak your assumptions along the way. Also, it helps to think outside the box about new data sources.

58:17

Working with your distribution partner to figure out what data they have and how you can use it is important. There are worries about things like proxy discrimination that need to be considered. This is where the idea that insurance is inclusive but also tough comes into play. It's a challenge, but it's also an opportunity for creativity and problem-solving.

58:50

I think we can tackle this together, step by step, through trial and error, learning as we go. The simplest way to really help your customers is just to ask them what they need. Take the example from Burkina Faso: they were buying shea nuts from farmers, and we wanted to create an index insurance for that. We figured it made sense to cover the shea production since it's so crucial.

59:23

When we actually went out and talked to these women in the cooperatives, they said it's not as risky as we thought in terms of the crops. They mentioned they also grow maize, which is a food crop for their families, and that's really important since they're quite vulnerable. So, we ended up providing subsidies for maize crop insurance, something we never would have imagined without having people on the ground to help us understand.

59:54

I love that! Go ahead, please! I just wanted to say I'm a huge fan. I'm an anthropologist by training and background, and the more you can engage with customers and incorporate their feedback into your product design and distribution planning, the better. Talking to customers is essential. When we started ToGarantido a few years back, the first thing we did was bring in the insurance companies and actuaries.

01:00:33

We worked with low-income neighborhoods to develop insurance products that really fit their needs. We wanted to hear what people wanted and understand their concerns about protection. That initial feedback was super helpful, even though we couldn't do everything right away. It gave us a clear direction to go in. With the rise of new underwriting technologies and data, it's become a lot easier to make this happen.

01:01:11

"Listen to customers and work together with them to create products that meet their needs. It's crucial to understand the risks they face every day. This is the best way to improve our products because we often start with assumptions that can change a lot. It's really important to stay connected and get a grasp on the challenges that low-income and middle-income customers deal with. Thanks, everyone! I think that's a great note to end on, and I'm excited to hear more about these different ideas."

01:01:49

"Thanks for sharing your experiences, Felipe, Quenton, and Shelly! It's been amazing. I really appreciate it; it was great to be in the same room with such awesome people. Bye!"