

The Women's Market for Insurance: An Emerging Business Opportunity

As the appetite of women worldwide for formal risk mitigation solutions continues to grow, a strong business case is emerging for insurance companies and banks to deliver tailored insurance solutions to the Women's Market. Understanding the financial needs of their Women's Market customers, several Global Banking Alliance for Women (GBA) members are already integrating insurance as part of their holistic value propositions for women. This **InBrief** explores the experiences of 12 GBA members and partners who participated in the GBA Women's Market for Insurance Working Group to assess the business opportunity and share best practices over an eight-month period in 2017. The MicroInsurance Centre at Milliman provided expertise and facilitated the Working Group.

THE OPPORTUNITY: INSURANCE FOR THE WOMEN'S MARKET

Women will control an estimated 75 percent of discretionary spending worldwide by 2028 on the strength of increasing levels of education, labor force participation and income.¹ Women's risk mitigation needs have already evolved dramatically: Women tend to inherit wealth twice – from both their spouses and their families – and they are more likely to be heads of households than ever before. These trends reflect the increasing need among women to protect themselves, their assets and their families.

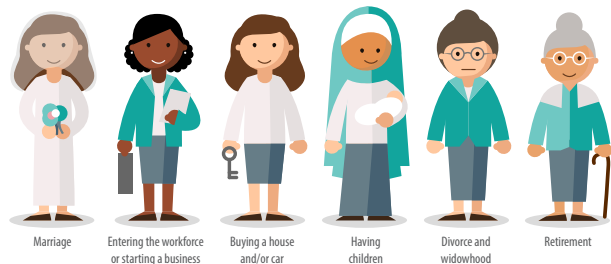
The Women's Market for retail insurance is already US\$770 billion and is expected to grow to US\$1.7 trillion by 2030 – representing between 19 and 22 percent of the premium volume worldwide.² A 2016 GBA member survey revealed that although 80 percent of member banks recognize this opportunity and 63 percent have already conducted specific demand research, only a handful have actually implemented insurance solutions that are tailored for women. Among insurance companies specifically, it is still extremely rare to find one that is aware of the Women's Market opportunity or is implementing tailored products and services for that market.

The business opportunity is significant, and GBA member financial institutions are at the vanguard of tapping it, demonstrating the business case for insurance for the Women's Market and modeling the value created when banks and insurers collaborate to target this under-served and un-served market.

WHAT WOMEN WANT FROM INSURANCE PROVIDERS

For women, the potential value of insurance is much more than financial compensation for loss. Experience across the GBA's Insurance Working Group shows that women desire long-term stability and the peace of mind that comes with not having to worry about current and future risks. Women also tend to be more alert to risks that confront them, their children and their parents, and are more likely to invest in insurance that provides value not only to them but to their families.³ Women value the information and direction trusted advisors can provide around preventing and managing direct risks.

Insights from the GBA Working Group reveal that risk management needs and solution preferences vary by Women's Market segment. These findings are consistent with those of the 2015 "SHEforSHIELD" study by AXA, IFC and Accenture, which demonstrated that women's risk profiles and needs vary with each stage of their lives, mainly: marriage, entering the workforce or starting a business, buying a house and/or car, having children, divorce and widowhood, and retirement.⁵



The often intertwined personal and business lives of many women business owners provides an opportunity for tailored, cross-cutting insurance and risk prevention solutions that meet their every need. For example, a woman with an at-home business risks immense loss to both her business and household in the case of fire or robbery. Fully insuring her requires seamless and continuing coverage of the assets and people that are crucial to her business growth and household livelihood.

GBA Insights: Women's Unique Characteristics⁶

1. **Women tend to be more risk aware than men.** They strive for a balance between risk and reward, considering both financial and emotional return on investment. They focus more on longer-term, non-monetary goals rather than impulses, and they are calculated risk takers.
2. **Knowledge is core to women's decision making and,** accordingly, they are avid consumers of information and advice – often valuing this more than actual products.
3. **Women have a unique relationship with time.** On one hand, they are time sensitive and highly aware of time wasters; on the other hand, they have an acute sense of when they are being rushed. Purchasing decisions occur in the middle.

BUSINESS IMPERATIVE: WHAT BANKS CAN GAIN

Delivering insurance solutions tailored to the Women's Market can provide banks with a number of benefits, including attracting and retaining customers and stabilizing a bank's portfolio. Results from GBA Working Group members reveal proof points that support the long-term profitability of insurance for the Women's Market. A distinction is made between insurance solutions that are tailored – meaning that aspects of the product, the delivery and/or servicing are designed to meet the unique needs of the Women's Market – versus non-tailored, or gender-neutral, asserting that tailored solutions drive additional value for the Women's Market.

1. GROWING THE CUSTOMER AND REVENUE

BASE: Data from the GBA Working Group showed that an insurance value proposition for women can result in growth in bank customers as well as increased revenue when offered as part of a holistic customer value proposition (CVP).

Growing the client base. Offering insurance solutions tailored to the Women's Market creates a competitive advantage for banks that often results in an increase in new clients. In certain markets, women might not be exposed to insurance or might not have considered purchasing coverage for their own risks. In other markets, the insurance offering can be a deciding factor for clients choosing between similar financial products from competing providers. Banco BHD León, for example, saw that insurance is the main driver for new customers of its Women's Market offering: A survey with new women customers revealed that insurance was the most valued element of the CVP, which included credit and savings products as well. Specifically, health-related and educational coverages were highly valued.

Increasing Revenues. Banks typically receive commissions from their partner insurance companies that are calculated based on gross premiums received. These commissions translate to direct income for the bank, helping to offset the additional administrative costs of offering insurance. An insurance CVP can also expand revenue potential across other bank products. For example, Banco BHD León found that women with insurance are 2.3x more profitable customers than women without insurance. This higher profitability is likely driven by the bank's successful cross-selling to women customers across multiple touch points as well as the increase in customer engagement seen with its tailored insurance offering for the Women's Market.

2. STABILIZING THE PORTFOLIO: An insurance proposition can offer opportunities for clients to stabilize their cash flow. These clients can then absorb shocks more effectively, avoiding an impact on loan transactions. Insurance offerings may also impact the bank's savings portfolio.

2.3x

profitability of women customers with insurance at Banco BHD León vs. those without

66%

lower rate of NPLs for women customers with insurance vs. those without

Business Opportunity Data: A Note on the Process and Insights. The GBA aimed to better understand the business opportunity for insurance for the Women's Market by working closely with member banks to analyze and compare women with tailored and non-tailored insurance to women without insurance across product performance metrics and the Women's Market program key performance indicators. Results presented from Banco BHD León, Banco Pichincha and BancoEstado are preliminary proof points of the business opportunity for insurance tailored to the Women's Market. While causality cannot be assumed from this analysis due to the many underlying factors, business leaders at the profiled banks are confident that the data accurately depicts the business opportunity.

Strengthening portfolio quality. Insurance protects women and their families in the case of financial shocks by providing them a claim payment that can be used to make loan repayments or to maintain cash flow and liquidity. Because of this, shocks are less likely to result in delayed loan repayments, and non-performing loans (NPLs) are likely to be reduced. For example, data from Banco Pichincha reveals that NPLs (> 30 days) for women without insurance are 12 percent compared to just 4 percent for female clients with insurance. At BancoEstado, women with Women's Market tailored insurance coverage represent even less risk than women with non-tailored insurance: NPLs (> 1 day) are just 1 percent for women with tailored insurance, compared to 4 percent for women with non-tailored insurance and 12 percent for uninsured women. While there are likely other underlying factors at play, the correlation between insurance and lower NPLs builds the case that protecting clients against risk can indirectly protect banks' portfolios.

Impacting the savings portfolio. As women are often the financial managers for their households, paying for expenses related to loss may disproportionately be their responsibility. Insuring these risks may result in a decrease in the demand for savings withdrawals. Data from Banco BHD León and Banco Pichincha reveal this correlation. The average savings balance for women with insurance is 87 percent higher than that of women without insurance, and women with insurance from Banco Pichincha save on average 38 percent more than women without insurance. It should be noted that the reverse may also be true: If their risks are insured, women may feel less pressure to amass savings in their accounts, trusting that insurance coverage will support them.

3. INCREASING ENGAGEMENT: An insurance value proposition that provides comprehensive solutions can also help banks deepen their relationships with existing clients, resulting in an increase in products per customer (PPC). The data also shows a correlation between a customer's uptake of Women's Market insurance offerings and an increase in loan amounts.

1.9x

product uptake of women with insurance at Banco BHD León vs. women without insurance

Improving customer engagement and retention. Providing insurance solutions that deliver tangible value is a way to further deepen the level of loyalty and engagement with women customers. At Banco BHD León, the average number of PPC for women with insurance is almost double that of women without insurance (3.75 compared to 1.93). At BancoEstado, women with tailored insurance have on average 51 percent more PPC than women without insurance. Providing insurance solutions for the Women's Market may also result in improved customer retention. For example, the average customer lifetime of women with Banco Pichincha's insurance offering is 35 percent longer than that of its uninsured women customers.

Growing the loan portfolio. Insurance coverage that sufficiently protects women's assets and covers their risks may enable an increase in the amount that women are either able or willing to borrow from the bank. Data from GBA banks supports this hypothesis: Women with insurance have, on average, 2x greater loan balances than women without insurance at BancoEstado, 2.3x more at Banco BHD León and 2.6 times more at Banco Pichincha. Furthermore, women with tailored insurance from BancoEstado on average borrow almost 4x more than women without insurance. While wealth and other underlying factors are important context to interpret this data, the difference suggests there is a relationship between coverage of a woman's risks and the amount she borrows from the bank.

35%

longer retention of women with insurance at Banco Pichincha vs. women without insurance

The Case for Tailoring Insurance. It is certainly clear that providing women clients with any type of insurance can result in a strong benefit to the client and the financial institution. However, experience from the GBA Working Group suggests there are significant benefits to explicitly tailoring insurance solutions to women. For example, data from BancoEstado – which offers both tailored and non-tailored products to the Women's Market – shows that women with tailored insurance have 75 percent lower NPLs, 2x higher loan balances, 9 percent greater PPC and 14 percent longer retention than women with non-tailored insurance. These findings suggest the need and business opportunity for insurance solutions that are tailored to the unique requirements of the Women's Market.

HOW BANKS CAN TARGET THE MARKET:

DELIVERY AND SERVICING OF INSURANCE FOR WOMEN

Providing a holistic insurance value proposition requires focusing both on what is offered to women as well as how it is offered. Partner banks and insurance companies should align early on to: design product solutions that deliver value to women customers, market and sell the offerings as solutions, manage an efficient claims process and customer support system, and monitor the customer experience and performance of the insurance offering.

Developing Products that Add Value

Truly understanding women's needs is not common in the insurance sector. Banks with a footprint in the Women's Market can build a competitive advantage by developing insurance offerings that improve upon existing risk-management solutions, leveraging what they already know about women customers and deepening the understanding by actively researching the risks women and their families face, the coping mechanisms they deploy, and the coverage gaps. Understanding how these play out across different Women's Market customer segments will help financial services providers to design products that address women's risk needs and preferences effectively.

Delivering valuable solutions to women requires an understanding that their business and personal lives are often intertwined and that their needs will inevitably change as they cycle through life. Banks and insurance companies can meet the risk management needs that women customers face throughout their lives by creating solutions that provide continuous coverage. For example, AXA is piloting innovative insurance products for women that evolve without the policyholder having to change the underlying policy or plan.

Beyond providing coverages that are sufficient to compensate for financial loss at a manageable premium, banks and insurance companies are able to build trust and deepen the relationship with women customers by providing prevention support and tailored wrap-around services that deliver further value to clients. For example, Centenary Bank in Uganda provides legal services to insured women customers, recognizing that women often lose legal battles when their husbands file for divorce due to a lack of funds and access to legal information. Insurance products with wrap-around services that are designed to deliver value to women customers can lead to increased customer loyalty and can support the bank to differentiate itself in the market.

GBA members focus on three key insurance solutions as critical to meeting the needs of women worldwide:

Life



The Need: Women, on average, live 3.8 years longer than men, yet generally have lower retirement savings.

The Solution: Life insurance solutions that accommodate women's longer lifespans and that support them to build retirement savings.

Health



The Need: Women have unique health needs, and they require inclusive coverage. Women are also often responsible for the health care of their children, spouses and parents.

The Solution: Health insurance policies that cover everything women may encounter in life (including maternity, gynecological procedures and women-specific cancers) with few or no conditions or exclusions. Family plans that extend coverage to loved ones are particularly valuable to women.

Business



The Need: Women own one-third of all businesses; yet women business owners seldom have insurance coverage for their assets and employees.

The Solution: Bundled offerings, including: property and casualty insurance for the workspace; general liability insurance to protect women and their businesses; auto insurance for vehicles and drivers; health, disability and life insurance for employees; and risk mitigation solutions like legal and tax assistance.

Transforming AXA's Customer Centricity and Sales Approach

AXA entered the Women's Market globally in 2016 after conducting a study with IFC and Accenture, "SHEforSHIELD." Insights from the study revealed that women did not connect with financial services, and they believed the field to be male dominated. Based on these insights, AXA decided to develop comprehensive value propositions for women by customizing existing offers and adding innovative services, developing specific value propositions for key life moments (e.g. pregnancy, marriage, divorce) and humanizing its brand image. After repackaging the existing Life & Savings, Health, Assistance and Property & Casualty products to better communicate the benefits to women customers, AXA directed its global efforts to above-the-line marketing and salesforce training. The company launched global and regional campaigns showcasing its commitment to customer service. Gender sensitization training helped address salesforce approaches that were likely to break trust with women clients, and specific programs like AXA France's small gatherings of women clients created avenues to engage with customers beyond the product lifecycle.



Marketing and Selling Insurance Solutions

Bundling insurance coverage with other financial services and positioning the offerings as solutions to specific problems that women face is often an effective way to communicate to women. In order to build demand, marketing and sales efforts may need to first educate women on the risks they and their families are exposed to and/or to address negative perceptions of insurance that women may have.

Women greatly value strong customer service. Training sales staff to listen to women and to cross-sell in a timely manner with targeted information will allow the bank to maximize its competitive advantage as a one-stop shop for insurance and other financial solutions. It may be beneficial to use female salespeople and also to enable conversations to take place in confidential settings – this allows sensitive topics around risk and loss to be addressed in a manner that is genuine and comfortable for women.

Incorporating Insurance into Women's Market Solutions



Banco **BHD León**

Banco BHD León launched its Mujer Mujer program in 2015 to become the bank of choice for women in the Dominican Republic. It partnered with sibling insurers MAPFRE BHD Seguros and ARS Palic to offer tailored insurance solutions as part of a holistic value proposition for women customers focused on key areas, including health, business and education. Credit card health benefits bundled with insurance solutions ensure coverage of women's health needs – from medical visits to cervical and breast cancer coverage. Wrap-around services for women entrepreneurs offer them the legal and business counsel they need and value. The bank also helps women prioritize their children's education by allowing them to tailor the term of life insurance products to the child's education timeline and directly transfer tuition payments to the education provider. Banco BHD León understands that delivering value to women policyholders requires ensuring that women understand the products and how to avail of their benefits. To that end, the bank focuses on training branch and call center staff; equipping them with effective marketing resources; and furthering the client relationship via emails and SMS messages featuring information about existing coverage, pending premium payments and benefits.

Managing Efficient Claims and Responsive Customer Support

Insurance is fundamentally based on trust: trust that the policyholder will consistently pay premiums and trust that the insurer will provide the promised benefit should the agreed risk befall the insured. Banks and insurers are able to build trust with women via clear, efficient and transparent claims processes. These processes should be structured to get beneficiaries paid as fast as possible and using a method that is easy for them to access – whether by transfer, cash or check.

Due to the wealth of information regarding product benefits, payments, term coverage, claims processes, complaint mechanisms, and other details, customer service approaches should be informative yet straightforward. The goal for banks and insurance companies is to communicate specific information at appropriate and relevant touch points to women policyholders and their beneficiaries throughout the life of the coverage. Digital channels such as online platforms and smartphone applications are often effective ways to allow women to access information on benefits and processes, and to efficiently process claims and communicate updates throughout the management of the claim.

Mitigating Health Costs in Chile



BancoEstado

Motivated by an increase in cancer diagnoses among women customers and a desire to support them against this risk, BancoEstado in Chile launched health insurance for the Women's Market in 2015 with support from its subsidiary insurance broker, BancoEstado Corredores. Its processes for managing payments, claims and customer service for the bank's Oncological with Accidental Death and Hospitalization product are responsive and reflective of the needs of its target women customers. The scheduled date and payment method of the monthly product premiums can be adjusted based on the client's preference. The claims process is simple and transparent, with only a medical exam proving the cancer diagnosis required in order to receive the benefit of a lump sum payout. Information on the claims process is provided upfront with the policy document, and responsive customer service is available through different modalities. Customers with ongoing inquiries, questions or complaints are made aware of the responsiveness of the bank's call centers, web portal and branches.

Building off the success of its initial insurance, BancoEstado Corredores designed an insurance product to cover severe diseases/illnesses that are not provided for under the public health care system. The product provides value-add wrap-around services like nutritional support and therapy, even for those not suffering from illness. A digital claims process allows for more convenient and transparent submission and tracking of claims – something women, in particular, value.

Monitoring the Customer Experience and Product Performance

Continuous tracking and monitoring of sex-disaggregated data are required by both banks and insurance companies to ensure that objectives are met and that the product actually delivers value to women customers.

There are specific insurance product indicators that an implementing bank will need to track to quantify the direct benefit of the insurance offering for the Women's Market. Oftentimes these metrics are owned by the insurance company, so a regular performance tracking process should be established to ensure data is shared and analyzed by both parties. In addition to these insurance metrics, banks are encouraged to use the GBA scorecard to understand the indirect benefits of insurance tailored to the Women's Market.⁷ Measuring the success of a program by looking at women with tailored and/or non-tailored insurance compared to women without insurance may reveal interesting insights as well as proof points that support the business case.

Insurance Product Performance Indicators	
Indicator	Description
Number of policies	Calculating these metrics as a percent of women clients reveals penetration of the insurance product
Number of insured	
Commissions	Quantifying fees received from the insurer shows the direct revenue generated from the insurance product
Insurance expenses	Direct and indirect costs to the bank of selling and servicing insurance – when combined with commission – will provide an understanding of the direct product profit
Renewals	Keeping track of the proportion of eligible clients that maintain their coverage after the coverage term will provide insights on loyalty and engagement
Time to pay claims (days)	Monitoring the number of days between when a client submits claims documentation and receives the claims payment will be indicative of how well the product is delivering on its main value

GBA's Women's Market Performance Scorecard – Key Measurement Areas, by Sex and Insurance Coverage				
Area	Definition	Indicator	Women with (tailored) insurance	Women without insurance
Access	The reach of the program, program uptake and customer acquisition across time	# of customers		
		# of accounts		
Usage	The actual credit, savings, insurance and other product uptake by customers	Loan portfolio value		
		Average loan balance		
		Savings portfolio value		
		Average savings balance		
		Loan to deposit ratio		
Profitability	The revenue and profit generated by customers	Gross revenues (including insurance income)		
		Net profits (net of insurance expenses & others)		
Risk	The rate of non-performing loans among customers	Non-performing loans (% of segment portfolio)		
Engagement	Customers' level of loyalty, brand awareness and/or engagement with the bank	# products per customer		
		# of years with bank		
		Net Promoter Score		



The Win-Win-Win Opportunity: Partnerships for Insurance for the Women's Market

Developing partnerships between banks and insurers can benefit both parties and the end clients they serve. Banks are able to add breadth to their product offering, receive an additional income stream, and benefit from more stable and loyal clients, while sharing financial risk with the insurer. Insurers benefit by reaching a growing un- and under-served customer segment that is difficult to access without a trustworthy customer-centric partner that already delivers to the Women's Market. Women clients benefit from easier access to affordable, responsive products that help reduce their risk.

There are two models of bancassurance, the partnership between a bank and an insurance company to provide insurance products for bank customers. With the first, the "partner-agent" model, banks identify risk management needs within their client base, and/or within their own portfolio, and then approach insurers for offerings to cover the identified risks. In some cases, the insurers will actively market their products to the banks. With the second model, an "ownership" model, banks offer products to their clients by partnering with an insurance company that is within the same corporate family – either the bank and the insurer are owned by the same holding company, the bank owns the insurer, or the insurer owns the bank.

With the ownership model, it may be easier to align goals and strategy, share knowledge and resources, and develop a more unified, tailored solution for a given target market. On the other hand, restrictions may be imposed on what the bank can offer based on the interest of the insurer, which may even lead to a monopolist situation where the insurer recognizes it has no competition for the bank's business. With the partner-agent model, competition for the business can provide greater flexibility in the products offered and can also allow for more attentive servicing and product management. Challenges of this model include the possibility of misalignment of strategy and a weaker link to the insurer. Under both models, banks provide a relatively easy conduit to clients that insurers might not have been able to reach.

Regardless of the model, the responsibilities tend to be consistent. Insurance companies carry the risk; manufacture, price and underwrite the product; work with reinsurers

and regulators as necessary; and manage all back-office accounting and claims processing. Banks have existing relationships with their women customers and tend to have strong market research and strategic marketing capabilities with sensitized salesforces. As such, they are an integral part of the ongoing sales and servicing of the insurance solutions.

Bancassurance has the potential to provide many benefits to the insurance company, the bank and the client. Despite this, many partnerships fail. While there is no one-size-fits-all approach, there are a few general success factors:

- **Ensure** that both the insurance company and bank have an aligned approach and complementary interests in the Women's Market, from senior-level executives to the salesforce. Similar values and culture and a genuine dedication to the Women's Market are crucial for success, as is transparency, honesty and respect between the two partners.
- **Clearly define** the relationship and the division of roles between the insurer and the bank. Allocation of roles should consider relative strengths and weaknesses of each institution, efficiency, and effectiveness to provide value to women clients.
- **Prioritize** efficiency and proper integration in order to keep costs down and provide women with accessible insurance solutions. Compatible IT systems and staff with proper capacity and know-how will ensure the processes run as efficiently as possible.
- **Be flexible** and innovative, and work together to continuously evolve and adapt processes and products based on insights from monitoring the customer experience and product performance.
- **Patiently track** product performance, and be willing to incur higher costs in the beginning (during pilot and initial implementation) before adjusting premiums or cost-sharing. When necessary, reaffirm commitment to realizing a long-term win-win-win value proposition that benefits all partners in the value chain.

in
brief

The Women's Market for Insurance: An Emerging Business Opportunity

The Women's Market for insurance is huge and largely untapped. Women's unique needs and preferences offer enormous opportunities for banks and insurance companies to partner and deliver insurance solutions that are tailored specifically to women. As demonstrated by GBA members, successfully implementing and servicing insurance for the Women's Market results in real value creation for banks, insurance companies and customers alike. GBA will continue to highlight best practices from our members and develop more knowledge in the sector to support companies to engage with the untapped insurance market.

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1 German Corporation Deutsche Zusammenarbeit (GIZ), Mainstreaming Gender and Targeting Women in Inclusive Insurance: Perspectives and Emerging Lessons, (2017); 2 AXA Group, Accenture, & IFC, SHEforSHIELD: Insure Women to Better Protect All, (2015); 3 Phil Borges, Women Empowered: Inspiring Change in the Emerging World. (2007); 4 AXA Group, Accenture, & IFC., SHEforSHIELD: Insure Women to Better Protect All, (2015); 5 AXA Group, Accenture, & IFC. SHEforSHIELD: Insure Women to Better Protect All. (2015); 6 GBA. The Paradox of Gender Neutral Banking. (2016); 7 GBA. The Power of Women's Market Data: A How-to-Guide. (2015).

GBA is a peer learning organization of financial services providers that target the Women's Market with the holistic value proposition they need to succeed: access to financial products, information, education, networks and recognition. GBA welcomes insurance companies interested in implementing programs for the Women's Market as members.

For information on joining the Global Banking Alliance for Women, please visit gbaforwomen.org



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