

## Cape Town Declaration on Inclusive Insurance

### Overarching ambition of the Declaration

The ambition of the **A2ii Cape Town Declaration on Inclusive Insurance** (“the Declaration”) is to increase economic and societal resilience by strengthening access to and usage of insurance for vulnerable and underserved populations.

The Declaration is a voluntary commitment made by insurance supervisors to foster mutual learning, cooperation, and peer-exchange on evolving supervisory challenges and opportunities to enhance access and inclusion. The implementation of the Declaration will be an ongoing, demand-driven and participatory process to push the frontiers of knowledge with and for supervisors.

This document sets out the five high-level goals that supervisors could pursue in support of the Declaration. It consists of a menu of options rather than a prescriptive roadmap. Each supervisor will choose what is most relevant for their context and what to prioritize.

A2ii, convened by CGAP, is facilitating peer learning on specific themes and will document learning from supervisory efforts to meet the high-level goals to inform and improve supervisory practices.

High Level Goals and potential supervisory interventions:



**HLG1:** Regulatory and supervisory frameworks that foster innovation and respond to evolving market dynamics



**HLG 2:** National data on outreach, performance, usage and impact of inclusive insurance is available and used by supervisors



**HLG 3:** Inclusive insurance strategies are aligned with other national development goals



**HLG 4:** Constructive engagement between public and private sector actors is established



**HLG 5:** Experiences and learnings in inclusive insurance are shared with the broader national, regional and global community



## HLG 1: Regulatory and supervisory frameworks that foster innovation and respond to evolving market dynamics

**Narrative:** Supervisors develop and implement proportionate regulatory frameworks and adapted supervisory practices that foster outreach and innovation in inclusive insurance. At the same time, these frameworks ensure consumer protection, product value for the target market and sustainable business practices. This enables supervisors to address new technologies (e.g., mobile money, crypto, AI), emerging risks (e.g., cyber threats, fraud, money laundering), shifting markets (e.g., digital banks, cross-border services, mergers), global crises (e.g., pandemics, financial shocks, war, climate shocks) and societal changes (e.g., demand for gender equality, data privacy, migration or funds for aging population).

### Potential supervisory interventions may include:

1.1 Conduct a national innovation gap assessment to document the current state of innovation and identify regulatory and supervisory barriers to innovation

1.2 Define strategies & tools to encourage innovation; these may include:

- Flexibility to test innovations, e.g. introducing regulatory sandboxes, innovation hubs, piloting, test-and-learn-approach
- Proportionate regulatory treatment of micro-insurers (tiered licensing)
- Streamline supervisory processes, e.g. fast-track approval processes
- Build capacity within the supervisory authority

1.3 Establish an innovation unit within the supervisory authority and train staff on emerging trends.

**Example:** BimaLab insurtech accelerator program - supervisors participating in a regional innovation programme financed by a donor agency

An idea born in the first A2ii Inclusive Insurance Innovation Lab (iii-lab) and launched in 2020 in Kenya by FSD Africa. The goal of the BimaLab is to create an insurtech innovation ecosystem that supports the growth of insurtechs reaching underserved markets, communities and households. By participating in the Lab, supervisors commit to design enabling regulatory environments and to improve customer value.

Participating start-ups are expected to support improved resilience by insuring a total of around 200 000 people. Start-ups enjoy access to a structured learning environment, mentorship, funding connections, and a network of like-minded entrepreneurs, financiers, tech companies and regulators that can help them grow their businesses. After the successful roll-out in Kenya, the BimaLab was brought to other countries like Ghana and Nigeria.



## **HLG 2: National data on outreach, performance, usage and impact of inclusive insurance is available and used by supervisors**

**Narrative:** Supervisors design, in consultation with the insurance industry, well-functioning data collection systems including standardized measurements/metrics and apply analysis strategies in inclusive insurance to design evidence-based and adequate regulatory and supervisory frameworks and policy interventions.

### **Possible supervisory interventions may include:**

- 2.1 Identify gaps in inclusive insurance data and adjust reporting templates in collaboration with the industry. Define metrics for data collection and require insurers to submit data.
- 2.2 Train supervisory staff on how to analyze and interpret data to develop actionable insights.
- 2.3 Publish data on inclusive insurance regularly.

### **Example: A2ii's FemaMeter**

While data collection on inclusive insurance numbers is a challenge overall, efforts made should aim to disaggregate by gender, from the get-go. A major barrier to advancing women's access to insurance is the lack of sex-disaggregated data. We know that globally, women form the majority of the uninsured population. But the reality is, we don't know by how much.

The FeMa-Meter was developed by the A2ii with support from the Swiss Agency for Development and Cooperation to help bridge the gender data gap in insurance. It is an Excel-based tool that enables supervisors—or insurers themselves—to collect and compare sex-disaggregated data across 13 key indicators. These cover two main areas: market access and usage, and governance. The data is immediately processed within the

tool and provides simple visual comparisons between men and women on indicators like product uptake, claims, and boardroom representation.

In 2023, the Nepal Insurance Authority became the first supervisory authority worldwide to deploy the FeMa-Meter. The data revealed that women were significantly less likely to file insurance claims than men—especially in non-life insurance—and when they did, the average payout was lower. This suggests not only access issues but also possible barriers to claim processing or differences in coverage quality. NIA, the Nepalese insurance regulator drafted a high-level action plan to address the key areas of priority for greater gender equity and inclusivity in the Nepalese Insurance markets based on the results of the FeMa-Meter.



### **HLG 3: Inclusive insurance strategies are aligned with other national development goals**

**Narrative:** Supervisors foster dialogue and cooperation with other public sector authorities such as central banks, ministries of finance, agriculture, disaster, social protection etc. to position insurance and leverage its contribution to broader national development policies aiming at increasing economic and societal resilience.

#### **Potential supervisory interventions may include:**

3.1 Liaise with and train staff of other public-sector authorities (e.g. Ministry of Agriculture) to increase awareness and understanding of insurance being integrated into national development policies such as NatCat plans, Financial Inclusion Strategies, Agricultural Development Plans, etc.

3.2 Strengthen strategic cross-sectoral partnerships to create a regulatory and policy environment conducive to the development of inclusive insurance (e.g. to share data on weather risks, discuss potential subsidies or regulate innovative business partnerships).

3.3 Increase insurance literacy of the public on the benefits of insurance and collaborate with other public authorities like the ministry of education e.g. develop national insurance awareness campaigns, include financial literacy in school curricula or train local champions as catalysts.

**Example:** Fu-Turismo, supervisor cooperating with the Ministry of Tourism and the insurance industry to increase resilience against climate risks

Costa Rica participated in the third round of the Inclusive Insurance Innovation Lab (iii-lab) and co-created Fu-Turismo, an open-access climate risk web platform for micro, small, and medium enterprises in the tourism sector. The Ministry of Tourism, together with the Supervisory Authority and various insurance companies, joined hands to make the tourism sector, one of the most important sectors in the country, more resilient against climate risks through the use of insurance and other tools to minimize risks.

Fu-Turismo helps businesses understand the climate hazards they face, assess their specific vulnerabilities based on geographic and operational data, and identify actions to strengthen resilience. These actions include improved risk management practices and access to appropriate insurance products. Fu-Turismo was selected as one of three national projects to receive support under the Global Risk Management Alliance, integrating national flood risk data to inform long-term financial resilience planning.



#### **HLG 4: Constructive engagement between public and private sector actors is established**

**Narrative:** Supervisors pursue a structured and transparent engagement with the insurance industry to improve the provision of inclusive insurance.

#### **Potential supervisory interventions:**

- 4.1 Participate in PPPs and pilots organised by the industry.
- 4.2 Promote an open-door policy to allow the industry clear and speedy feedback.
- 4.3 Establish regular dialogue forums with the industry (e.g. sector working group)

**Example:** Mejorconseguros & Superadoras is a joint initiative of public and private sector players to increase access to insurance for low-income women.

*Mejorconseguros* is a social media campaign launched in Argentina as a result from the participation in the second Inclusive Insurance Innovation Lab (iii-lab). It is a joint effort by the public and private sector to address the great challenge of low awareness and access to insurance in the country. The multi-stakeholder campaign focuses on the importance of insurance for low-income women and explains what type of products are available. By using simple language, basic concepts of insurance are explained, and quizzes involving humor are used to engage with followers.

After the lab ended, a subgroup of the Argentina team (the supervisor and five insurance companies) chose to tackle the second barrier to inclusive insurance market development identified by the team: the lack of appropriate products for low-income women.

**Superadoras** are insurance products developed specifically for female entrepreneurs to make them more resilient against financial shocks. The products are offered through an online platform and at affordable prices. The way that the insurance sector (including a wide range of insurance companies and broker representatives) has teamed up with the supervisor and their continued collaboration to date is an innovation in the Argentinian market and continues to shape interactions in the sector.



### **HLG 5: Experiences and learnings in inclusive insurance are shared with the broader national, regional and global communities**

**Narrative:** Supervisors support the sharing of lessons and effective initiatives to leverage the rich set of knowledge within their national ambit and with fellow supervisors among different jurisdictions.

#### **Potential supervisory interventions:**

5.1 Supervisors exchange experiences, lessons-learned concerning inclusive insurance policy formulation, regulatory approaches, and implementation strategies.

5.2 Participation in and contribution to regional supervisory seminars and other supervisory events to share best practices.

5.3 Contribution to seminars of regional industry associations.

**Example:** Fostering peer exchange and support through the Inclusive Insurance Innovation Lab (iii-lab)

A key aspect of the iii-lab is learning from the experience of peers in other countries. After their participation in the first iii-lab, the Ghanaian Insurance Commissioner visited his counterpart in Kenya. The agenda was largely shaped by discussions that took place between the Ghanaian and Kenyan supervisors during the iii-lab meetings. But not only supervisors continued learning from each other after the end of the iii-lab; some insurance companies from Kenya learned from Ghana's funeral insurance market and started picking up these products to better serve the low-income population in their country.