



MALAYAN INSURANCE, PHILIPPINES – THE CASE FOR INSURING WOMEN FOR A BETTER TOMORROW

1. INTRODUCTION

Established in the Philippines in 1930, Malayan Insurance Company (known as MICO), which is part of the Yuchengco Group, is the country's largest non-life insurer. In 2018, the company partnered with the International Finance Corporation (IFC), with support from the Women Entrepreneurs Finance Initiative (We-Fi), to develop a strategy for becoming the non-life insurer of choice for Filipino women.

In 2019, this partnership created the WeWomen Program, which designed the Stela Solutions, an innovative suite of women's personal accident, property, business, and vehicle insurance solutions, with value added services, tailored for women's needs. To promote, sell, and handle claims for the Stela Solutions, WeWomen has a website, which also provides articles and programs on insurance,

Box 1. MICO AT A GLANCE

- Based on MICO's gross written premiums (GWP), which totalled approximately \$296 million in 2020, the company is the largest non-life insurer in the Philippines.
- In 2020, women comprised 52 percent of MICO's workforce, 33 percent of its senior management, and approximately one third of its board of directors, which is chaired by a woman.
- As of December 2020, women comprised approximately 43 percent of MICO's retail GWP, and 56 percent of its agency workforce.
- In 2021, MICO's Vice Chairperson, Yvonne S. Yuchengco, was named "Woman Leader of the Year" at the Asia Insurance Industry Awards. Also, in 2021, the Global Banking & Finance Review (GBFR) recognized MICO's Gender Sensitivity Training as the Best Insurance Training and Learning in the Philippines, and honored MICO too for providing the country's Best Non-Life Insurance and the Best Travel Insurance.

Sources: MICO documents released in 2020 and 2021.

IN PARTNERSHIP WITH



and other relevant topics. In addition to collaborating on programs with organizations empowering Filipino women, in 2021, to offer insurance to low-income women, MICO partnered with 1CISP^a—the largest network of cooperatives in the Philippines. Through creating innovative solutions for women, MICO prides itself on being at the forefront of the Philippines’ insurance industry.

2. CHOOSING THE WOMEN’S MARKET IN THE PHILIPPINES

2.1 THE BUSINESS CASE FOR WOMEN’S INSURANCE IN THE PHILIPPINES

Despite having a low penetration rate (only 2.05 percent of gross domestic product in the second quarter of 2021),¹ the Philippines’ insurance industry has been making strides in becoming more inclusive. As of September 2020, despite the economic hardships triggered by COVID-19, nearly 40 million Filipinos were covered by microinsurance.² To enable Filipinos to remain insured during the pandemic, MICO, like many insurers, granted “payment holidays”. These waivers have supported the government’s goal of enrolling 50 million Filipinos in microinsurance by 2022.



^a 1 Cooperative Insurance System of the Philippines Life and General Insurance (1CISP), which was set up in 1974 to provide life and non-life insurance policies for small farmers and other low-income people, serves the largest network of cooperatives in the Philippines.



The Women Entrepreneurs Finance Initiative (We-Fi) supports women entrepreneurs by scaling up access to financial products and services, building capacity, expanding networks, offering mentors, and providing opportunities to link with domestic and global markets. To learn more, visit www.we-fi.org.

The pandemic has had a significant impact on Filipino insurers as claims have increased substantially, especially those for medical care and death. In the first half of 2021, when COVID-19 infections spiked, insurers’ pay outs rose by about \$86 million, an increase of approximately 47 percent over the same period in 2020.³ Once the pandemic ends, and the economy recovers, protecting the most vulnerable Filipinos—people on low incomes, and especially women—must continue to be a priority.

By 2030, women are expected to be a \$1.7 trillion market for the global insurance industry,⁴ with half of this potential in just 10 emerging market countries.^b The fact that few Filipino women hold any type of insurance, and they are increasingly important as household income earners, business and asset owners, makes women an especially promising market in the Philippines. In 2020, according to the World Economic Forum’s *Global Gender Gap Report*, the Philippines had a comparatively small gender gap (ranking 16th out of 152 countries). This assessment took a number of factors into account—women’s level of literacy, secondary education, and life expectancy, as well as the percentage of women professionals, legislators, and senior managers. In all of these categories, Filipino women ranked at the top, globally,⁵ and the number of women leaders and entrepreneurs was particularly significant. In 2020, 57 percent of the country’s business leaders, and 27 percent of its business owners were women,⁶ which makes women a key market for the risk mitigation tools that protect businesses so that they can grow.

^b Markets: Brazil, China, Colombia, India, Indonesia, Mexico, Morocco, Nigeria, Thailand, and Turkey.



Box 2.
SPOTLIGHT ON MICO'S RESPONSE TO COVID-19

To support Filipinos during the COVID-19 pandemic, MICO responded with the following actions:

- To ease customers' concerns about losing insurance cover due to financial hardship, MICO instituted a "payment holiday" to give customers more time to pay.
- MICO created a new insurance solution, Vital Cover, which is a 5-in-1 cash assistance product that provides cover for loss of life and hospitalization due to COVID-19. In addition, it provides insurance protection against accidents, as well as hospitalization for dengue and chikungunya. Vital Cover is also a Stela Solutions add-on.
- MICO updated its travel policy, Travel Master, to include optional COVID-19 coverage for Filipinos who need to travel during the pandemic.

2.2 THE SCOPE OF WOMEN'S RISK PROTECTION NEEDS

As the Philippines is prone to natural disasters (typhoons, floods, landslides, earthquakes, volcanic eruptions, and tidal waves), concern about disasters is high at all economic levels, and especially so in more remote areas where evacuation is difficult and medical care is limited. In addition to the threats of natural disasters, fire, and theft, businesses face disruption if their employees fall ill and have to take leave. Research

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shows that when disaster strikes, micro, small, and medium enterprises (MSMEs) tend to be the most vulnerable because their owners lack the finances to recover from a disaster. This is particularly the case with women-owned or led MSMEs (WSMEs) as owners are not aware that insurance could help their business recover from a disaster. This factor makes women business owners a high-risk group who would benefit from disaster insurance, and a promising market for insurers.⁷

Women in the Philippines place a high priority on providing for their family, and ensuring family health and safety, as well as their own. The pandemic has placed great strain on Filipino women who are often juggling caretaking along with a job or running a business. In addition to worries about how pandemic lockdowns will impact the operation and sales of their company, WSME owners are concerned about the health and well-being of their employees. For these reasons, insurers need to design solutions specifically for women, taking into account all of women's possible roles—earning income, providing child and elder care, and running a business.

If Filipino women live in a city, their accident risks are greater because cities in the Philippines have higher traffic accident rates. These not only threaten women's safety and well-being, but also their productivity. In recent years, traffic accidents have risen steeply in Philippine cities. For example, in Metro Manila, the accident rate nearly doubled between 2007 and 2018,⁸ and approximately one third of all traffic accident fatalities are women.⁹ According to a 2019 Asian Development Bank study,¹⁰ Manila is the most congested city in Asia, which means that travel during peak hours takes 50 percent longer than in off-peak hours. Also, the city has a high level of air pollution—80 percent of which is caused by motor vehicles.¹¹ Manila's long commute times takes a toll on women's physical and emotional health, as well as reducing the time they have for exercise and eating well. If women travel to and from work on a motorbike, their risk of an accident, and of illness due to air pollution is even higher. However, if women have personal accident and motor vehicle insurance, they will be

better protected if an accident happens, and they and their families will have financial protection.

In addition to financial protection for traffic accidents, Filipino women need travel insurance. Statistics show that Filipino women consistently travel more frequently for work, leisure, and education than men. According to the Philippines Statistics Authority, women comprise 52 percent of domestic travelers and 56 percent of international travelers.¹² Women's primary reasons for travel are vacations and visits to family and friends. Thus, providing women with easy-to-obtain, comprehensive coverage for local and international travel is an opportunity for insurers.

Despite Filipino women's higher business, commuting, and travel risks, and their importance as family wage earners, caretakers, and business owners, very few women have any type of insurance. MICO's market research shows that not only are women unfamiliar with the benefits of insurance, their trust in the insurance industry is low too. This means that when marketing insurance to women, it is crucial to reach them through the channels they trust, and to communicate in language that is easy to understand.

3. THE WEWOMEN PROGRAM

In 2018, MICO partnered with the IFC Women's Insurance Program to become the first non-life insurer in the Philippines to offer solutions for the risks women face that could negatively impact them, their families, and their businesses. The goal of this partnership is to: address women's risk mitigation needs by improving their understanding about risks, and how insurance can mitigate these risks; provide women with insurance solutions tailored to their needs; improve women's perceptions of the insurance industry; and increase MICO's number of women customers. Using the Human Centered Design methodology,^c MICO held strategy and customer value proposition workshops to create a women's insurance program that is tailored to the personal and business risks that Filipino women face.

The WeWomen Program, which MICO launched in September 2019, developed Simply the Easiest Life Assistant (Stela) Solutions: a suite of five insurance products that provide women with easy-to-understand, comprehensive coverage to mitigate risks at different stages of their lives. In addition to

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offering the Stela Solutions, the WeWomen Program educates women about their risks, and the innovative insurance products MICO provides to address these. In doing so, the WeWomen Program helps Filipino women to attain healthier, more secure, and less stressful lives.

To complement MICO's risk awareness and insurance content for women, IFC conducted Gender Sensitivity Training (GST) in collaboration with MICO. This course combats unconscious bias of insurance company agents and staff which negatively impacts their views about women's capabilities, roles, and risks, and explains how to sell insurance to women.

Between 2019 and 2021, 135 MICO female and male sales advisors, senior managers, and staff, as well as the WeWomen team participated in the GST. As a result of taking this course, MICO's assessments show measurable improvements in participants' gender bias, which has increased their understanding about women's issues, their respect for women's roles, and their willingness and ability to sell insurance to women. IFC also trained 31 MICO staff to conduct the GST in all of MICO's offices across the Philippines.

^c Human-Centered Design, also known as Design Thinking, involves a combination of hands-on, individual and group activities that are designed to generate ideas, and mobilize the expertise of cross-functional teams to achieve faster innovation and more meaningful outcomes (On-Off Group. 2021. *Off-On Group Website*. <https://www.onoffgroup.com/design-thinking-workshop-training-vuja-de>).

4. HOW MICO INCREASES FILIPINO WOMEN'S RISK AWARENESS AND PROTECTION

4.1 OFFERING INSURANCE SOLUTIONS THAT ADDRESS WOMEN'S DAILY STRESSORS

As revealed by MICO's market research, Filipino women worry about a range of risks in daily life that threaten their safety and well-being and that of their families. As noted above, if women own an MSME, they are concerned not only about the risks to their business operations and sales, but also the health and well-being of their employees. To help women reduce the risks to themselves and what they value, and also improve their daily lives, the Stela Solutions target the risks that are most relevant to women and help them to select the offerings that best suit their needs.

Each Stela Solution is markedly different from traditional insurance coverage because it offers additional benefits that specifically meet women's needs. For example, *Stela Shield* is personal accident coverage that goes beyond the typical pay outs for injury, hospitalization, death, and burial, to include maternity benefits; a 24/7 medical consultation hotline; and coverage for theft of a handbag, wallet, or money withdrawn from an ATM, and robbery and assault in a car park. *Stela Biz* is a fire, property, personal accident, and general liability policy for women MSME owners that can be extended to cover employees and their families. This policy enables a woman to protect herself, her business and her staff, and also to access valuable information and experts who can help her to improve her life, her career, and her business. Thus, the Stela Solutions have been thoughtfully designed with women's most important risks at the heart of each offering.



- Stela Shield—Personal accident insurance for women
- Stela Home—Home protection, including arranging plumbing, electrical, & other repairs
- Stela Family—Personal accident insurance for women & their families
- Stela Wheels—Road accident coverage & emergency assistance
- Stela Biz (Red, Silver, and Gold)—Business & employee protection

In addition to insurance protection, each of the Stela Solutions provides women with unlimited access to Medimate—a 24-hour, 7-day-a-week service that provides unlimited emergency assistance, as well as medical consultation and referrals. In addition, each of the Stela Solutions can add on coverage that pays for a nanny's services when the insured woman is ill or injured and needs childcare. Also, for no extra charge, Stela Solutions provides access to a 24/7 concierge service that offers support following an accident or a fire, including replacing a lost driver's license, and car registration. The service will even make restaurant and hotel reservations. Medimate and the Stela concierge service aim to enrich a woman's quality of life and help her to develop her business by improving her peace of mind and sense of security. These services also demonstrate that MICO is strongly committed to meeting and exceeding women's expectations.

To increase access to quality insurance for women at all levels of income, MICO partnered with one of the largest and most respected cooperative networks in the Philippines, 1CISP, to create insurance solutions for thousands of women cooperative members. Along with helping women to mitigate their risks, this new women's insurance program, 1Koop4HER, promotes holistic learning and entrepreneurship. The new policies, which are sold under the Juana brand, offer similar coverage as the Stela Solutions, including access to the 24/7 Medimate service, but at a lower cost.



4.2 RAISING WOMEN'S AWARENESS ABOUT THE RISKS THEY FACE

As noted above, in addition to increasing the insurance solutions available to women and providing a number of value-added options, the WeWomen Program uses a multi-pronged approach to address women's low level of awareness about the risks they face, the types of insurance available to mitigate these risks, and the trustworthiness of the insurance industry.

The WeWomen website:

The website informs women about the risks they face, the Stela Solutions to address these risks, and allows women to sign up for coverage and submit claims. In addition, the website features articles on a wide range of topics, including career advice; launching and running a business; personal finance; leisure, health, and wellness activities; and news and events of interest to women. In 2022, this website will be converted to a fully standalone e-commerce site that allows a seamless customer experience, and is free from the insurance jargon that lowers women's confidence when they are shopping for insurance.



Workshops and events: Knowing that a website would not be enough on its own to build rapport and trust with women, the WeWomen Program has partnered with well-respected experts and influencers who lead workshops and events on topics related to women's risks. Due to the COVID-19 lockdowns, the WeWomen team began using digital platforms such as Facebook and Zoom to conduct its programs. Some examples include: "Calm in Crisis: A Webinar About Women's Mental Health and State of Mind During the Pandemic"; "The Facts and the Curious: A Handy Webinar for all Woman Drivers"; and "From Hobbies to Monies: A Practical Women's Guide to Starting Small Businesses at Home".

Social media: The WeWomen Program also uses social media to promote the Stela Solutions, explain the solutions that best suit particular needs, as well as provide content to improve women's risk awareness and lives. The webinars and social media engagement allow MICO to interact with current and potential women customers, while also informing them about how insurance could reduce their stress.

4.3 BUILDING INTERNAL CAPACITY TO BETTER UNDERSTAND WOMEN AS CUSTOMERS

In addition to offering customized Gender Sensitivity Training to help MICO's sales agents and management better understand women's preferences throughout the sales process, the company is implementing organization-wide initiatives to raise employees' awareness of the importance of the women's market. The first initiative was creating an interdisciplinary team of nine WeWomen Ambassadors who were chosen from MICO's marketing, human resources, information technology, sales, claims, and finance department. Along with promoting the WeWomen Program and the Stela Solutions, the Ambassadors mobilize resources to move the program forward. As part of their onboarding, the Ambassadors attended a GST course, and, to further embed the values of respect, gender equity, and an inclusive, safe workplace for all genders, the Ambassadors, and staff from MICO's Learning and Development Department (LDD) attended IFC's Respectful Workplaces Program. To ensure that the GST and the Respectful Workplaces training continue, they are now on the LDD's calendar of regularly scheduled trainings.



To continue raising MICO employees' awareness about the women's market, the WeWomen Program uses a range of platforms to generate "buzz". To help spread the word across MICO about the WeWomen Program and the Stela Solutions, WeWomen activities have included weekly "WeWomen Wednesday" e-mails, as well as a podcast in the virtual "Malayan Learning Stadium". The program has also invited employees to take a stand on women's equality and advancement through events such as the "16 Days of Activism Against Gender-Based Violence" that took place across the world in 2020, and a contest in 2021 to participate in the International Women's Day campaign "#ChoosetoChallenge". Through all these initiatives, MICO demonstrates its commitment to the well-being of women customers, employees, and Filipino citizens.

DATA AND FINANCIAL RESULTS OF MICO'S COMMITMENT TO WOMEN



57% INCREASE

In MICO's women policy holders from December 2017 to June 2021



9 NEW INSURANCE SOLUTIONS

Launched by MICO to target women (5 for Stela and 4 for Juana)



ALMOST 5,000 WOMEN

Participated in WeWomen's face-to-face and virtual workshops and events between January 2020 and June 2021

5. LESSONS LEARNED

Don't be afraid to break the mold: Insurance solutions that address the needs and demands of women's lives require innovative thinking and creativity. The Medimate telephone concierge, and the other value-added services included with the Stela Solutions demonstrate the wide range of offerings that insurers can provide to help women reduce the pain points and stressors in their daily lives.

Change comes from within: The WeWomen Program would not have been possible without a strong internal team leading the initiative; the GST course for sales agents and management; the WeWomen Ambassadors who promote the program and the Stela Solutions, and many others in MICO who are working hard to make gender equality a core value in MICO, as well as in the Philippines insurance industry.

Women need to understand risk before they can understand insurance: The WeWomen Program does not sell insurance to women by simply rebranding existing products and trying to convince women that insurers are trustworthy. Instead, WeWomen first educates women about the risks they face in daily life, and then offers them an insurance solution to mitigate each of these risks. Without a multifaceted approach to educating women effectively before engaging in the sales process, MICO's efforts to sell insurance to women would not yield such impressive results.

ENDNOTES

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ABOUT IFC

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IFC Gender and Economic Inclusion Group

For more information on the IFC Women's Insurance Program, visit:
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