

# Key Performance Indicator Reporting (KPI) Toolkit for Insurance Supervisors

HANDBOOK FOR SUB-SAHARAN AFRICAN INSURANCE SUPERVISORS

PILLAR IV:  
SUSTAINABLE DEVELOPMENT





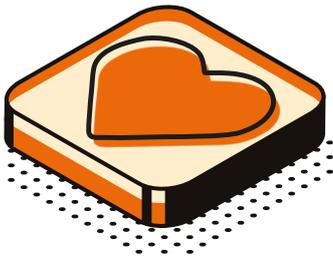
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# KEY PERFORMANCE INDICATOR REPORTING (KPI) TOOLKIT FOR INSURANCE SUPERVISORS

HANDBOOK FOR SUB-SAHARAN AFRICAN INSURANCE SUPERVISORS

**PILLAR IV: SUSTAINABLE DEVELOPMENT**



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## Contents

<b>LIST OF ACRONYMS</b> .....	4
<b>ACKNOWLEDGEMENTS</b> .....	5
<b>1. INTRODUCTION</b> .....	6
1.1. About the KPI reporting project. ....	6
<b>2. FRAMEWORK</b> .....	11
<b>3. STEPS FOR IMPLEMENTING KPIS IN MARKET DEVELOPMENT</b> .....	16
3.1. Laying the groundwork. ....	17
3.2. How to select fit-for-purpose KPIS? .....	18
3.3. How to go about tracking the selected KPIS? .....	27
3.4. How to approach analysis? .....	34
3.5. How to act on the insights? .....	38
<b>4. TOWARDS A HARMONISED APPROACH FOR SSA</b> .....	40
<b>5. BIBLIOGRAPHY</b> .....	41
<b>ANNEX A: WHY INSURANCE IS IMPORTANT TO THE NINE SDGS</b> .....	42
<b>ANNEX B: EASY ENTRY KPIS</b> .....	45

## Tables and Figures

Table 1: Example indicators .....	14
Table 2: Indicative prioritisation framework for SDG 1 and SDG 5 .....	25
<hr/>	
Figure 1: The Supervisory KPI Toolkit .....	6
Figure 2: SDG framework .....	11
Figure 3: SDGs directly addressed by insurance. ....	12
Figure 4: Framework for SDG KPIS .....	12
Figure 5: Process framework for SDGs KPI implementation .....	16



## List of acronyms

<b>A2ii</b>	Access to Insurance Initiative
<b>CIMA</b>	Conférence interafricaine des marchés d'assurance
<b>CSR</b>	Corporate social responsibility
<b>ESG</b>	Environment and Social Governance
<b>Fis</b>	Financial institutions
<b>FSB</b>	Financial Stability Board
<b>FSC</b>	Financial Services Commission
<b>FSCA</b>	Financial Sector Conduct Authority
<b>GDP</b>	Gross Domestic Product
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit
<b>IAIS</b>	International Association of Insurance Supervisors
<b>ICP</b>	Insurance Core Principles
<b>ICT</b>	Information and Communication Technology
<b>IMF</b>	International Monetary Fund
<b>IRA</b>	Insurance Regulatory Authority
<b>IT</b>	Information Technology
<b>KPIs</b>	Key performance indicators
<b>MFI</b>	Microfinance institution
<b>NGOs</b>	Non-governmental organisations
<b>NIC</b>	National Insurance Commission
<b>PSI</b>	Principles for Sustainable Insurance
<b>RBM</b>	Reserve Bank of Malawi
<b>SDGs</b>	Sustainable Development Goals
<b>SIF</b>	Sustainable Insurance Forum
<b>SSA</b>	Sub-Saharan Africa
<b>SSE</b>	Sustainable Stock Exchanges
<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>UNEP</b>	United Nations Environment Programme
<b>US</b>	United States



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The sustainable development KPI handbook was developed by Nichola Beyers, Christine Hougaard and Karien Scribante (Cenfri) based on the experiences of the steering group member jurisdictions. The project was led by Hui Lin Chiew and Carolyn Barsulai from the A2ii.

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# 1. INTRODUCTION

## 1.1. About the KPI reporting project

This handbook is one part of a Supervisory Key Performance Indicator (KPI) Toolkit comprising three components and spanning four ‘pillars’ of supervisory mandates or objectives, namely prudential, market conduct, insurance market development (including inclusive insurance) and insurance for sustainable development (Figure 1). Together, these manuals and other tools will support supervisors as they consider what relevant metrics to monitor for their context and mandates.

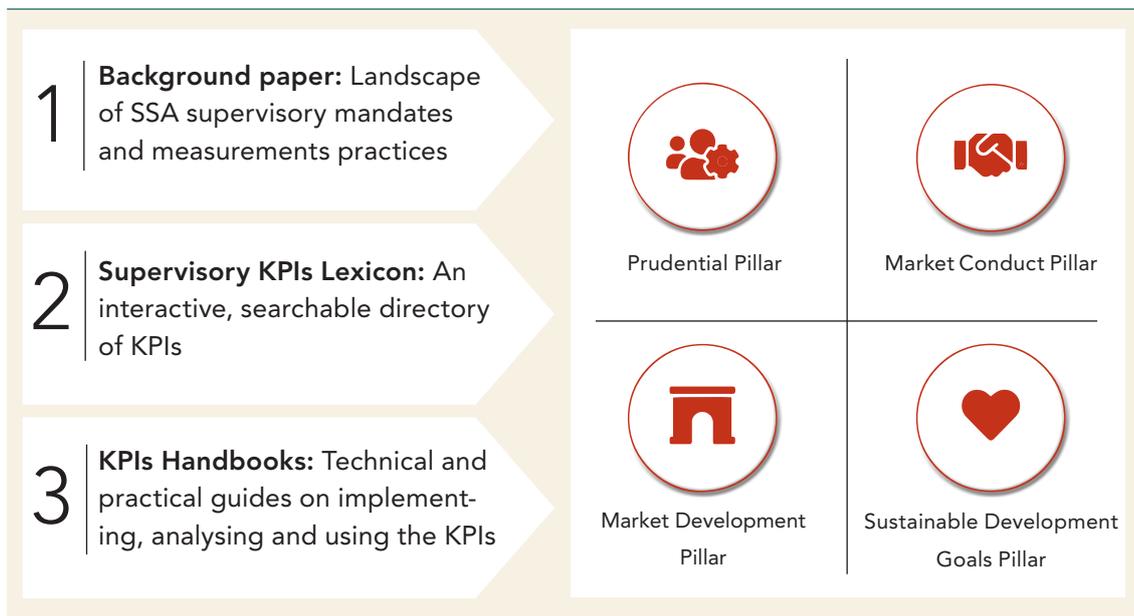


Figure 1: The Supervisory KPI Toolkit

Each handbook is tailored to the established global and regional practice for the particular pillar. For the prudential pillar, this handbook focuses on prioritising and applying the KPIs in a risk-based manner in the context of SSA. The CARAMELS framework, technical guidance on the prudential indicators, as well as global supervisory practices are already widely harmonised and well-documented (see reference materials). The market conduct KPI handbook is anchored on Insurance Core Principle (ICP) 19 but, in comparison to prudential, goes in-depth into basic conduct concepts and each KPI as this information is, at the time of writing, not widely available or globally harmonised among supervisors. Finally, the last two pillars are the most nascent. The handbooks are dedicated more to fundamental thinking and concepts: helping supervisors pull together a suitable conceptual framework for assessing market development and sustainable development based on their local context and priorities and providing practical guidance on implementing new data frameworks. This market development handbook draws on desktop research, interviews as well as survey data gathered from the seven Steering Group members, namely the CIMA region, Ghana, Kenya, Malawi, Mauritius, South Africa and Uganda.



### Why assess KPIs on the link between insurance and sustainable development?

**Insurance contributes to sustainable development.** Insurance policy and regulation form part of the broader policy landscape of national development for each country. Although insurance is mentioned explicitly in only one of the Sustainable Development Goals (SDGs), namely *SDG 8 Decent work and Economic Growth*, there is an important link between insurance and at least nine SDGs. The insurance sector contributes to meeting the SDGs through three mechanisms: as an instrument supporting resilience in individuals and households, building resilience and productivity in businesses as well as developing capital demand and supply, including through the investment/sustainable financing role that the insurance industry can play. The results of these mechanisms include communities that are more resilient against natural disasters, greater access to education, health and other important services as well as better access to economic opportunities for women (Thom, et al., 2019).

**Insurance industry vulnerable to sustainable development-linked risks.** The insurance industry itself is also exposed to risks related to the SDGs, as its core business is risk and investments. Climate risks constitute just one category of such SDG-related risks. Insurers must identify, adapt to and mitigate these risks if they are to remain viable<sup>1</sup> – be it in their corporate governance, risk management, investments, supervisory reporting or disclosures (IAIS, 2021). Environment, Social and Governance (ESG) reporting and the framework developed by the Task Force on Climate-Related Financial Disclosures (TCFD) are some of the measurement frameworks that are gaining increasing traction globally and can be leveraged for sustainable development reporting purposes.

**Supervisors increasingly attuned.** Insurance supervisors are increasingly engaging with sustainable development topics. This is partly because of more emphasis on sustainable development at the IAIS level, and partly because local realities such as climate change, economic developments and the pandemic necessitate it. However, supervisory roles still vary widely. Some work within the ambit of core mandates, for example considering climate risk management within prudential frameworks; others adopt supplementary thematic goals such as gender equality. Some conduct light-touch initiatives such as convening discussions and conferences, but without yet translating sustainable development into a key supervisory objective.

#### BOX 1:

##### Towards sustainable development measurement in Sub-Saharan Africa (SSA)

There is an increasing push for sustainable development considerations at the global level – the International Association of Insurance Supervisors (IAIS) is a founder and key partner of the Sustainable Insurance Forum (SIF), a global platform for supervisors interested in sustainability issues and addressing this in their markets (SIF, 2021), and

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<sup>1</sup> Climate risks include, among others, transition risks (risks that are created by the shift to a low-carbon economy, such as a decline in coal asset prices, which will impact insurers' investment assets) and physical risks (risks that result from natural disasters and changing weather patterns and that expose insurers to damages and losses) (IAIS, 2021).



has been working to embed a stronger focus on sustainability, particularly climate risk at this time, among the insurance supervisory community.

In SSA, consultations with supervisory authorities show that supervisors recognise the importance of insurance for sustainable development and engage to some extent on SDG-related work. For example by factoring in climate risk as part of their prudential risk frameworks, advising government on macro-level initiatives, or through inclusive insurance initiatives that contribute to the SDGs (see [Box 4 of the Background paper](#) for South Africa's work on sustainability in the insurance sector, also Kenya's latest National Insurance Policy<sup>2</sup> and consider the collaborative effort by stakeholders in Malawi to introduce agricultural insurance<sup>3</sup>). However, few supervisors currently approach measurement of the link between insurance and SDGs in a structured way.

A potential way for SSA supervisors to kickstart work in this area is by conducting a stocktake that maps existing insurance products and solutions to the different SDGs. This could be a useful gap analysis showcasing how more can be done as a region.

**Need for dedicated measurement focus.** Evidence and concrete data are key to assessing gaps, formulating solutions, measuring baselines, setting targets or simply driving dialogue. This calls for specific KPIs that reflect the interplay between insurance and the corresponding SDG. Doing so allows supervisors to bring the link of insurance to sustainable development down from the abstract and equips supervisors to have more solutions and outcome-oriented dialogues with stakeholders (see [use-cases in Box 2](#)).

### BOX 2:

#### Example use cases for insights from SDG KPIs

The insights gleaned from tracking SDG pillar KPIs can be used for the following purposes:

- Feed sustainable development considerations and risks into supervisors' own decision-making, including implications on core supervisory areas.
- Encourage insurance sector contribution to the SDGs by aligning vision, setting out concrete supervisory expectations and enabling peer benchmarking.
- Advocate among policymakers and government bodies for insurance to be included in development plans, by illustrating role of insurance and facilitating goal and target-setting.

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<sup>2</sup> At the time of writing, the latest draft for discussion had been published in March 2021. It is available here: <https://www.ira.go.ke/images/docs/2021/Draft-National-Insurance-Policy-Final.pdf>.

<sup>3</sup> These efforts culminated in farmers in Malawi receiving USD2.4 million in crop index insurance pay-outs in November 2021, 'one of the largest... ever on the African continent' (OCHA, 2021).



- Provide information to consumers on availability of products that align with broader sustainable development objectives<sup>4</sup>.
- Shape discourse by driving development of practical solutions or highlighting gaps in data and development thinking.
- Showcase sustainable development in international circles (for example as part of the A2ii and IAIS community).

### How to use this work

**Audience.** This handbook is targeted at SSA supervisors who wish to track or drive the progress of sustainable development initiatives in their insurance markets, supervisors who are collaborating with policymakers on thematic development issues, as well as supervisors who wish to advocate to policymakers on the importance of insurance for national development goals.

**A reference and tool.** Compared to prudential data analysis, fixed benchmarks are less useful in the SDG pillar. Similar to market development, decisions around the prioritisation of indicators and how to track progress over time need to be taken within the local policy context. More so than other pillars, SDG-related work needs to be consciously aligned with policymaker priorities. This handbook sets out the specific considerations for this pillar. It is intended as a reference and a working tool for supervisors in SSA countries. The handbook is supplementary to the Lexicon, to help supervisors to identify which SDGs and indicators out of the full Supervisory KPIs lexicon would be relevant to their policy context, and how to go about tracking and utilising the data. It provides a framework for measurement by (i) putting forth practical considerations on how to select relevant KPIs from the Supervisory KPIs Lexicon that are both fit-for-purpose as well as local context-dependent; (ii) outlining how these selected KPIs should be tracked, including how current data sources can be leveraged; and (iii) providing considerations for analysis, as well as how the findings could feed into further supervisory decisions.

**Structure.** The remainder of the handbook first provides a framework for assessing the contribution to sustainable development of the insurance industry, before outlining implementation guidance on five fronts:

- Defining the measurement role with regard to SDGs
- Selecting fit-for-purpose KPIs
- Tracking the selected KPIs
- Analysing the KPIs to derive insights
- Acting on the insights derived

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<sup>4</sup> See the example of the Californian insurance supervisor's [Climate Smart Insurance database](#).

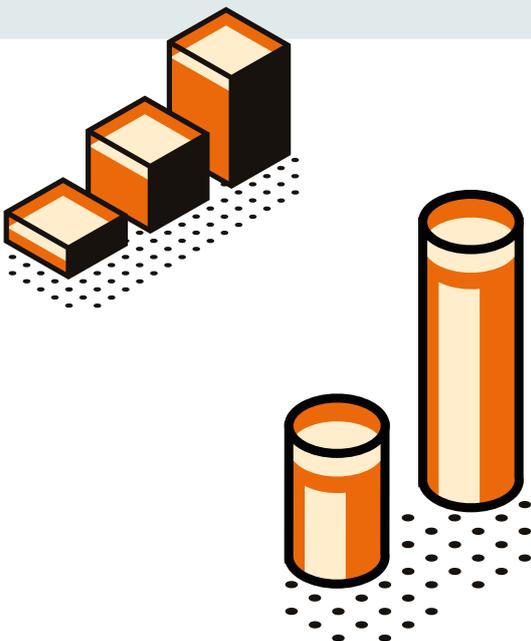


TIP

REFERENCE MATERIALS FOR THE MARKET DEVELOPMENT FRAMEWORK

The following documents are relevant to use together with the information in this handbook, to help to understand the link between insurance and the SDGs:

- A2ii Policy Note: *Insurance and the SDGs: Why it matters and how data can help*, 2021
- GIZ. *Inclusive Insurance and the Sustainable Development Goals*, 2017
- The University of Cambridge Institute for Sustainability Leadership. *Insurance regulation for sustainable development*. 2015
- UNEP/PSI. *Harnessing Insurance for Sustainable Development*. 2015
- UNEP/PSI. *Underwriting environmental, social and governance risks in non-life insurance business*. 2019
- A2ii. *The Role of Insurance Supervisors in Boosting Women's Access to Insurance*. 2021
- AFI. *Guideline Note on Sex-Disaggregated Data Report Templates*. 2020
- IAIS. *Application Paper on the Supervision of Climate-related Risks in the Insurance Sector*. May 2021
- Swiss Re. *Insurance: adding value to development in emerging markets*. 2017





## 2. FRAMEWORK

The SDGs are globally accepted as the most cross-cutting and comprehensive sustainable development framework, adopted in 2015 by all the member states of the UN (UN, n.d.). The SDG framework consists of 17 goals spanning a wide range of policy and development areas (Figure 2). This handbook uses the SDGs as the overarching framework for tracking progress on the contribution of insurance to sustainable development.



Figure 2: SDG framework

**Nine selected SDGs.** Insurance contributes to the SDGs directly and indirectly. A literature review highlighted nine SDGs where there is strong potential for insurance to make an impact; this handbook will focus on these nine SDGs, captured in Figure 3, as a starting point for supervisors wishing to incorporate insurance for sustainable development into their supervisory activities. The link between insurance and these nine SDGs (described in Annex A) is based on a literature review and discussions with stakeholders active in the space<sup>5</sup>. Supervisors interested in this work should however keep up-to-date with new research and information as they emerge. The UNEP FI Principles for Sustainable Insurance (PSI) initiative is currently

<sup>5</sup> GIZ 2017, Sigma 2017, UNEP/PSI 2015 and CSIL 2015



developing a set of 'Insurance Sustainable Development Goals' (iSDGs), which could provide the much-needed clarity and alignment on where the insurance sector can support the SDGs<sup>6</sup>.



Figure 3: SDGs directly addressed by insurance

**Insurance linked to SDGs on three levels.** Insurance’s contribution to each SDG can be classified according to the type of effect, namely: Impact story, Product and Corporate citizen (Figure 4). The KPIs in the Supervisory KPIs Lexicon and this handbook are organised based on these three categories.

IMPACT STORY

Data illustrating impact of insurance on the SDG. Supervisors can use these to support engagement with policymakers. These KPIs can also be used as starting points for research where the evidence is lacking. These KPIs illustrate:

- ➔ Which segments and how many people are exposed to risk preventing them from achieving SDGs?
- ➔ What are the risks they face that are insurable but are under- or not being insured?
- ➔ How large is the need in human or financial terms? What is the protection gap?
- ➔ What evidence is there that insurance can help them cope?

PRODUCT

KPIs measuring to what extent insurers are contributing to SDGs via relevant insurance products and services. Supervisors can use these to measure the state of play and set aspirations jointly with the industry. Industry practitioners can also refer to the list as a base for generating ideas for potential solutions. These KPIs illustrate:

- ➔ Which target groups and product types are relevant to the SDG
- ➔ Uptake, value, affordability, quality and accessibility of the product concerned

<sup>6</sup> The iSDGs will comprise ‘a roadmap at the global insurance industry level (“industry roadmap”) and targets at the insurance company level (“company targets”)...’with the aim to increase the penetration of existing SDG-supporting insurance products and solutions, and develop new SDG-supporting products and solutions that are needed’ (UNEP PSI, 2021). <https://www.unepfi.org/psi/africa-market-event-2021/>



### CORPORATE CITIZEN



KPIs measuring to what extent insurers are contributing to SDGs beyond product provision and underwriting i.e. as an investor, employer, economic agent, risk expert, convener and a business overall. Similar to Product KPIs, supervisors can use these to measure the state of play and set aspirations jointly with the industry. Industry practitioners can also refer to the list as a base for generating ideas for potential initiatives.

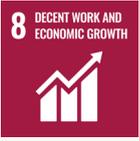
**Figure 4:** Framework for SDG KPIs. Source: [A2ii Policy Note: Insurance and the SDGs: Why it matters and how data can help \(2021\)](#)

**Flexible and modular.** Across the nine focus SDGs, the Lexicon covers over 100 indicators for the insurance for sustainable development pillar. The KPI list is intentionally exhaustive, so that it can support supervisors in their various roles and fulfil diverse use cases with respect to the SDGs. Supervisors can use this tool in a modular way, i.e. for a single SDG theme, or multiple SDG themes. Supervisors can add new indicators as new evidence emerges or based on local contexts, as the current indicators are based on what is mainstream in insurance markets today. To illustrate, [Table 1](#) below picks out example indicators across each of the three levels for all of the nine SDGs.

**Link to other mandates.** Note that, per [Table 1](#), and as will be discussed in [Section 3](#) below, many of the SDGs also closely align with the core mandates of supervisors (i.e. the other KPI pillars). All SDGs that address the offering of insurance to excluded and underserved groups, such as SDG 1, 2, 5, 8 and 13, support inclusive insurance market development objectives. SDG 13 reinforces prudential objectives. SDG 8, 9, 11 and 13, by addressing the contribution of insurance to economic development in different ways, are in line with insurance market development goals.



## 2. FRAMEWORK

SAMPLE INDICATORS			
SDG	Impact story	Product	Corporate citizen
	<p>Insurance coverage ratio (Insured population / Target population)</p> <p>Proportion of low-income groups that have insurance compared to higher-income groups</p>	<p>Microinsurance products or key inclusive insurance products</p> <p>▶  <b>Market development</b> (Inclusive insurance)</p>	<p>[Qualitative]</p> <p>Description of financial and insurance education initiatives carried out by industry</p>
	<p>Proportion of food consumption in a country that is provided for by smallholder or family farming, and the protection gap</p>	<p>Agricultural insurance for smallholder farmers</p> <p>Meso-level products protecting organisations that provide key services to farmers, such as MFIs, farmer cooperatives, credit unions</p> <p>▶  <b>Market development</b> (Inclusive Insurance)</p>	<p>Number of insurers who include this SDG in strategy, sustainability reporting or ESG frameworks</p>
	<p>Proportion of people not covered by public or private health insurance</p>	<p>Products that address gaps in local healthcare system</p> <p>▶  <b>Market development</b> (Inclusive Insurance)</p>	<p>[Qualitative] Instances where the industry support in other ways e.g. contributing expertise to healthcare policy formulation</p>
	<p>Which occupational groups employ the most women and the risks associated with these occupations</p>	<p>Products designed to address gender-specific risks / occupational groups associated with women</p> <p>▶  <b>Market development</b> (Inclusive Insurance)</p>	<p>Gender composition of insurer Boards of Directors, insurance work force and key leadership positions</p> <p>▶  <b>Prudential and Market conduct</b> (Governance)</p>
	<p>Proportion and number of people in the jurisdiction considered financially vulnerable or excluded from insurance</p> <p>▶  <b>Market development</b></p>	<p>Products designed to protect MSMEs, informal workers</p> <p>▶  <b>Market development</b></p>	<p>Contribution of insurance sector to GDP and employment</p>



## 2. FRAMEWORK

<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Cyber risk protection gap: Amount of cyber insurance that is economically beneficial - amount of cyber risk coverage actually purchased</p> <p>▶  Market development,  Prudential</p>	<p>Commercial insurance products that mitigate the risk of innovation and enable productive risk-taking by businesses and industry (e.g. cyber insurance)</p>	<p>Amount of investment by insurers in R&amp;D, digitalisation and own cyber resilience</p> <p>▶  Market development,  Prudential</p>
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>Human and economic impact of road safety issues, quantified by no. of people, no. of working days lost, income lost.</p>	<p>Number and types of products that encourage road safety for property and vehicle owners</p>	<p>Number of insurers with internal sustainability policies for their own offices</p>
<p><b>13</b> CLIMATE ACTION</p> 	<p>[Qualitative] Identification of key climate-related risk types and exposures in the jurisdiction and which ones can be financed via insurance mechanisms (macro, meso or micro level)</p>	<p>Products for households, businesses and properties in disaster-prone areas or areas affected by climate change</p> <p>Products supporting conservation of natural ecosystems and biodiversity</p> <p>▶  Market development (Inclusive Insurance)</p>	<p>Number of insurers adopting sound climate risk management frameworks and practices</p> <p>Number of insurers adopting TCFD reporting frameworks</p> <p>▶  Prudential</p>
<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p> 	<p>[Qualitative] The extent to which the industry organises and participate in dialogues, cross-sectoral or public-private working groups on SDG initiatives</p>	<p>Schemes based on private/public cooperation e.g. risk-sharing and pools</p>	<p>[Qualitative] Description of initiatives where insurers partner with supervisor and government to advance sustainability goals</p>

▶ Link to other pillars

**Table 1: Example indicators<sup>8</sup>**



<sup>7</sup> SDG 17 is not a development goal in itself, but rather a manner of working: it encourages stakeholders to coordinate and partner in pursuing development goals.

<sup>8</sup> For the full list and an interactive table of KPIs see the [Supervisory KPIs Lexicon](#)



### 3. STEPS FOR IMPLEMENTING THE SDG KPI PILLAR

This section sets out the implementation guidance steps for applying the SDG framework in a fit-for-context way. The following diagram summarises the steps as set out in each of the sub-sections to follow:

<b>Laying the groundwork</b> 	Formulate mandate and role as it relates to the SDG framework	Balance with core mandates	Build relationships with policymakers	
<b>Selecting KPIs</b> 	Define sustainable development objectives in context	Check Lexicon: Take stock of what is currently tracked	Consider feasibility of tracking new data items	Prioritise indicators to incorporate
<b>Tracking KPIs</b> 	Repurpose existing data and indicators	Map remaining KPIs to various data sources	Decide what to collect through new reporting requirements	Consider sequencing
<b>Analysing KPIs</b> 	Ensure data is good quality, is reliable and accurate	Define analytical framework	Extract meaningful insights by defining benchmarks in context	Tailor analysis to data systems
<b>Acting on insights</b> 	Relate data to core use cases	Integrate into internal policy and regulatory deliberations	Integrate into internal policy and regulatory deliberations	Communicate outwards

Figure 5: Process framework for SDGs KPI implementation



## 3.1. Laying the groundwork

**Formulate mandate and role in relation to the SDGs.** The first step is for the supervisor to establish the scope of its role with regard to SDG measurement and ambitions. Sustainable development is not explicitly laid out in supervisors' mandates across SSA. However, sustainable development does relate to various objectives within supervisors' prudential, market conduct and market development mandates. For example, the prudential soundness of regulated entities is at risk of being negatively impacted by sustainability issues such as increased natural disasters and, therefore, certain supervisors consider sustainable development as integral to their prudential mandates. Financial inclusion, in turn, is a key component of SDG 8 on decent work and economic growth, and arguably SDG 1 and 10. Moreover, some supervisors have been explicitly tasked by government to drive climate risk solutions relevant to SDG 13. Even where there is no direct link to the supervisor's core mandate, the authority may still wish to engage with sustainable development, for example by engaging in stakeholder advocacy and convening dialogue. Roles may differ for different SDGs. For example, a supervisor may be actively involved in driving insurance solutions for climate resilience but simply monitor the presence of gender-based insurance offerings.

To design a relevant and realistically implementable KPI framework, supervisors should articulate how sustainable development is housed in their specific mandates and/or what role they want to fulfil as part of a country's broader policy dialogue, and then communicate this role with staff within the supervisor as well as outward with the industry. Clarity on their role will lay the groundwork for incorporating sustainable development into their activities – in other words, to *institutionalise* SDGs as a KPI pillar.

### BOX 3:

#### Is sustainable development a priority? – Feedback from the Steering Group interviews

Steering Group members across the board reported that sustainable development is important and that it relates to their mandates, even when this link is simply ensuring the prudential soundness of the market and considering how SDG-related risks, such as climate risks, can impact overall market soundness and stability. Steering Group members also stated that beginning to implement this KPI pillar will help policymakers see how insurance and sustainable development are linked, noting it is important that supervisors align their activities with the relevant policymaker's strategies for national policy coherence.

Some members already work on initiatives directly contributing to the SDGs, although they do not necessarily frame these initiatives in this way, for example, by engaging in corporate social responsibility (CSR) activities, supporting internal women leadership development and focusing on inclusive insurance.



**Balancing with core mandates.** Supervisors may find that their sustainable development workstreams mutually reinforce, are at tension with or are dependent on areas under their core mandates. For example, the industry may not be able to offer climate resilience solutions without a good climate risk management framework, underwriting capacity or being adequately capitalised (prudential issues). If the insurers have poor product development and suitability approaches (conduct issues), supervisors may wish to first address this rather than roll out products that do not meet needs of target groups under the SDGs. Thus it is important to coordinate closely with prudential and conduct supervisory teams. If it is the same teams responsible, supervisors will need to build internal skill and capacity to 'multiple-hat' to ensure that no mandates are neglected.

**Building relationships with policymakers.** In defining their role, it is important that supervisors align their activities with the relevant policymaker's strategies. Relevant policymakers to consider include the division responsible for coordinating the country's overall monitoring or the local voluntary reviews (VNRs) of the SDG indicators, and the sectoral policymaker relevant to the SDG. Active coordination and buy-in from the sectoral policymaker will be needed to mobilise macro-level schemes and public-private partnerships such as disaster risk pools and national-level insurance programmes, or to obtain data. Being included in cross-cutting policy deliberations will help integrate insurance better in national policy plans.

## 3.2. How to select fit-for-purpose KPIs?

Once supervisors are clear on their role, the question is **which indicators**, out of the full list in the lexicon, to prioritise to support their role. This sub-section describes the steps to selecting fit-for-purpose KPIs.

### 3.2.1. Define sustainable development objectives in context

The starting point for prioritising specific KPIs to track is to determine the key sustainable development objectives that the KPIs should speak to, given the local policy, development and market context. Four key parameters can help supervisors narrow their focus:

- **The local market context.** The specific country context is key in shaping which SDGs to focus on. For example, some supervisors operate in largely agriculture-based or subsistence farming economies; thus, a key focus for the insurance industry could be to offer insurance products to farmers that protect them from extreme weather events, addressing SDG 1 No Poverty, SDG 2 Zero Hunger and SDG 13 Climate Action. Further, oil-reliant economies that are highly vulnerable to disaster risks (such as Nigeria) should ideally require that specific climate- and environment-related considerations be prioritised, addressing SDG 8 Decent Work and Economic Growth and SDG 13 Climate Action.



#### BOX 4:

##### Examples of guiding questions on SDG priorities

When discussing what sustainable development should look like in their market context, questions supervisors could consider include:

- Under SDG 3 Good Health and Well-Being, what is the role of private insurance vis-à-vis their local public health insurance system? What types of health insurance in the market serve to extend access to healthcare for underserved households? In South Africa, some private health insurance products are offered to well-served customer segments as an overlay to other existing private health insurance products, rather than extend cover to underserved households.
- Under SDG 5 Gender Equality, is the concern more with equality within the insurance workforce or in their product provision? If products, what counts as gender-sensitive products and genuinely impactful financial inclusion for women? Asking this question may prevent entities from merely using marketing ploys to demarcate 'products for women' that have no true benefits for this demographic. Supervisors can leverage market conduct supervision, particularly information on insurers' product development approaches, to assist with defining this area.
- Under SDG 13 Climate Action, what is the role of insurers vis-à-vis the national climate adaptation strategy? If it is in product provision, then what constitutes green insurance? Which product lines are recognised as climate-relevant? Defining this will not only assist the supervisor to track these products but will also provide a framework for entities interested in offering such products.

- **Broader government priorities.** The specific national strategies or objectives of the policymaker can guide the supervisor's focus. As part of their role, supervisors may already have been directed by policymakers to focus on particular areas of sustainable development, such as to drive insurance solutions for climate resilience<sup>9</sup>.
- **Linkages to other core mandates.** Supervisors should consider which SDGs support or are supported by existing prudential, conduct or market development mandates. For example, initiatives addressing access to insurance for women will also relate to SDG 5 Gender Equality.
- **Sustainable development focus of industry.** Supervisors should consider the focus of their insurance markets. Insurers, especially global companies, are under increasing investor and public pressure to focus on sustainability goals. Therefore, supervisors should consider existing industry initiatives and potential areas to build on when considering which KPIs and areas of the SDG framework to prioritise. Further, supervi-

<sup>9</sup> See a press release by the European Insurance and Occupational Pensions Authority (EIOPA) welcoming the Solvency II proposals of the European Commission to give mandates to EIOPA for further action on sustainable finance: [https://www.eiopa.europa.eu/media/news/eiopa-welcomes-solvency-ii-proposals-european-commission-sustainability\\_en](https://www.eiopa.europa.eu/media/news/eiopa-welcomes-solvency-ii-proposals-european-commission-sustainability_en)



sors should include the industry when defining sustainable development objectives. A pre-discussion with the industry might be helpful, as supervisors need to communicate their vision for sustainability to the industry and ensure the industry is onboard. Such public-private discussions create joint reflection on what type of insurance contributions actually matter and help pave the way to a joint vision and concrete solutions. They are also avenues for feedback to allow industry to input on what areas of sustainability they are interested in engaging in. This will encourage onboarding of sustainability by regulated entities and reduce the risk of greenwashing. Furthermore, the experience of global or 'best-in-class' companies who are active in the area in other markets can be helpful to inform the supervisor or facilitate the transfer of best practices.

#### BOX 5:

##### Examples of sustainable development prioritisation among Steering Group members

Aside from supervisory workstreams, certain Steering Group members are currently addressing sustainable development priorities through their CSR work and internal policies.

- In Uganda, the Insurance Regulatory Authority (IRA) focuses its CSR activities 'on areas of healthcare and reducing child mortality, education, environment conservation, road safety, community development and response to natural calamities' (IRA Uganda, 2019).
- The IRA in Kenya has a CSR policy focusing on four priority areas: health, education, environment, response to national emergencies and disasters. The authority is also supporting the government's goal of increasing tree cover in Kenya by entering into a partnership with the Kenya Forest Service to support its afforestation and environmental restoration activities (IRA Kenya, 2020).
- Gender equality has been a key priority of the Mauritian Government at least since the mid-70's, with the appointment of a minister overseeing women's affairs. This is reflected in Financial Services Commission's (FSC) approach to their internal policies as well as supervisory initiatives. Internally, within the non-banking section of the FSC, 61 per cent of staff are female and 67 per cent of female staff are in managerial roles. FSC actively supports equal opportunities and training programmes for women internally. They note, however, that women are under-represented in management roles in the insurance sector (50 per cent less than men) and overrepresented in technical and support roles (twice compared to men). In terms of supervisory initiatives, women empowerment centres have also been set up around Mauritius which are being leveraged for financial literacy programmes and outreach<sup>10</sup>.

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<sup>10</sup> [https://www.youtube.com/watch?v=\\_ChPGGIEjw0&t=2196s](https://www.youtube.com/watch?v=_ChPGGIEjw0&t=2196s)



**Filter indicators for the priority focus areas.** After identifying the priority SDGs to focus on, supervisors should go through the sustainable development pillar in the Lexicon and conduct a first round of filtering to identify which KPIs are relevant to the specific objectives.

#### 3.2.2. Check Lexicon: take stock of what is already tracked

**Consider which indicators are already tracked.** The next step is to ascertain which indicators are already available as part of, for example, a supervisory authority's prudential and market conduct monitoring activities, inclusive insurance data on target groups or where they form part of sustainability-related frameworks, such as ESG.<sup>11</sup> It may also be that some indicators are tracked in a slightly different manner (e.g. in raw data form) to how they are specified in the Lexicon, which means that supervisors may find that they are already partially tracking certain indicators. What is already tracked can then be compared to the identified list of KPIs to determine which additional KPIs to incorporate.

**Product category data is especially accessible.** Numerous indicators involve tabulating the number of products that are designed in a certain manner (for example, products addressing gender-specific risks). Insurance supervisors will likely already have access to this information in jurisdictions where a product approval or product notification process is in place. Further, each priority SDG in the pillar includes an indicator that measures how many insurers include sustainable development in their business strategies. As insurers typically submit business plans and strategies to supervisors (e.g. annual basis), supervisors should have this information already. Annex B lists the more readily available indicators that emerged from the Steering Group survey. These indicators could act as an entry point for supervisors.

#### BOX 6:

##### Extent to which sustainable development KPIs are already tracked across Steering Group members

The sustainable development pillar is still extremely nascent and is only tracked to a limited degree by the Steering Group members. Most track no more than 11 out of the 113 indicators. One member tracks no sustainable development indicators and another member tracks only one indicator<sup>12</sup> in a different manner as to how it is put forward in the Lexicon.

One member, however, tracks 89 out of the 113 indicators through leveraging alternative sources of information. For 19 indicators, at least one member stated that they did not track this indicator due to data gathering or design challenges. However, seven of these 19 indicators are tracked by other members via other sources. Alternative sources

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<sup>11</sup> See IAIS papers Application paper on the supervision of climate-related risks in the insurance sector (IAIS, 2021) and Issues paper on climate change risks to the insurance sector (IAIS, 2018)

<sup>12</sup> SDG 9 Industry, Innovation and Infrastructure: Amount of investment in infrastructure projects that support economic development, industrialisation and human well-being



of information is therefore a key way for supervisors to gather numerous sustainable development indicators.

Steering Group members indicate that numerous of the tracked indicators are incidentally tracked, i.e. already tracked for prudential, market conduct or market development purposes but so far not analysed from an SDG perspective.

#### 3.2.3. Consider feasibility of tracking new data items

The next step, after filtering for priority SDGs and indicators that are already tracked, is to consider which of the remaining indicators would be feasible to start tracking.

**Feasibility considerations should inform prioritisation.** Adding any new indicators to track has capacity implications for supervisors and industry alike (see Box 7 and Box 8). It is therefore important to consider whether the identified indicators are feasible to collect in the immediate term. Prudential, market conduct and market development work will likely be top priority, unless there is explicit government push. Introducing new SDG KPIs is likely deemed as a medium to longer-term undertaking for both supervisors and the industry. If immediate term, supervisors should be open to 'starting small', even reporting a few KPIs in the annual report.

Supervisors do not need a fully-fledged feasibility assessment at this point<sup>13</sup>, but they should have a grasp of which KPIs would be more or less feasible at the outset. Constraints to weigh up include:

- Whether there is available internal capacity for developing, implementing and analysing additional data requirements on an ongoing basis. For the supervisor, this includes setting up and implementing industry reporting requirements, as well as additional desktop research and coordinating with third parties such as policymakers and statistical bureaus.
- Industry's capacity to accommodate additional reporting requirements. Supervisors need to balance their requirement for additional information with the need not to overburden industry players. Requiring data that the industry is not ready to offer could simply result in poor-quality data or poor reporting compliance, which would render the data unusable. It may also lead to total non-reporting.
- Time and processes needed to make the required data available, as this will inform the sequencing and timing of integrating the new indicators. Supervisors must consider mandated processes for and institutional restrictions to the amendment or creation of reporting requirements.

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<sup>13</sup> Such a feasibility assessment can be done through consultation with the industry and other internal departments once an initial KPI list is ready



#### BOX 7:

##### **Steering Group member capacity considerations**

Several Steering Group members stipulated that the bulk of their capacity is dedicated to prudential and, particularly in twin peak jurisdictions, conduct supervision. Steering Group members are currently implementing market conduct to various degrees. Although market development forms part of some of their mandates explicitly, the extent to which it is holistically tracked is very minimal. Their departments tend to be small and there is limited scope to introduce additional activities to their staff's current workload. One member stated that it is currently introducing and phasing in a dedicated market conduct return, an activity which will occupy its capacity for the next two years. As such, this supervisor does not plan to request additional indicators from its industry at this point in time.

#### BOX 8:

##### **Potential industry capacity considerations**

Where industry capacity is concerned, several Steering Group members highlighted that some regulated entities in their jurisdictions are still not submitting complete or high-quality returns even on existing requirements, due to capacity constraints. This suggests that it may not be feasible to introduce lengthy or complex new reporting requirements.

Currently, the type of reporting done by insurers in many SSA jurisdictions is limited to prudential and conduct reporting. Adding SDG parameters and KPIs into the templates will require adjustments. A key reason for this is that insurers in SSA have largely not yet embedded SDG and ESG considerations into their business strategies, public disclosure and reporting. The banking sector is currently more advanced in this respect. Insurers may not have the data infrastructure required for generating development-oriented KPIs.

An example is detailed customer-segmented data. Many insurers in SSA still have limited actuarial and underwriting capacity, both in terms of skill as well as infrastructure (e.g. underwriting software). In many cases, pricing is still done on a uniform rather than individual underwriting basis and therefore insurers do not collect detailed or complex customer segment data. Any consumer data is collected at the point of sale: For instance, the FSCA has minimum data requirements that insurers need to adhere to. However this may be limited, particularly in jurisdictions where conduct requirements are less advanced.



Due to capacity limitations, there is a strong likelihood that insurance supervisors will encounter resistance to implementation. Dialogues with the industry will be important to obtain buy-in and address issues of reporting fatigue. Insurance associations could potentially benefit from interacting more with international organisations to truly appreciate sustainable development as a global movement.

Feasibility will differ according to the maturity of the market. For instance, insurtechs are increasingly coming up with software that is capable of processing granular underwriting data, but not all insurers have the capacity to invest in this new technology. Multinational insurers and small local outfits will have different capacities.

#### 3.2.4. Prioritise indicators to incorporate

**Prioritisation follows from preceding steps.** Once an insurance supervisor has articulated how insurance should interplay with the SDGs in its market, what KPIs correspond to these goals, which KPIs are already tracked as well as potential constraints to the measurement of new indicators, it is able to decide which indicators to prioritise to incorporate into a dedicated SDGs indicator framework.

**Organise KPIs along a framework.** The following table provides an example of a simple template that can be used to select priority KPIs for a supervisor focused on SDG 1 and SDG 5, drawing on indicative example indicators. The shortlist of KPIs should be carefully considered and fit-for-purpose so that no indicator is tracked simply for the sake of tracking it.



Priority SDGs in local context	Check use case: Purpose of KPI	Check Lexicon: KPIs listed per SDG	Shortlist of KPIs to prioritise given feasibility considerations
	<p>Advocate for the importance of insurance in national strategies to eradicate poverty (SDG 1) in working groups with policymakers.</p>	<p><b>Already tracked</b></p> <ul style="list-style-type: none"> <li>• Insurance coverage ratio among low-income households</li> <li>• Proportion of low-income groups that have insurance compared to higher-income groups</li> <li>• Number and types of micro-insurance products or key inclusive insurance products</li> </ul> <p><b>Not yet tracked</b></p> <ul style="list-style-type: none"> <li>• Protection gap and risks faced for low-income/ financially vulnerable households</li> <li>• Comparison between insured vs uninsured low-income people in coping with the aftermath of a financial shock</li> <li>• Insurable risks faced by low-income population</li> <li>• Number of insurers who include this SDG as an element of business strategy, sustainability reporting/targets or have active ESG frameworks addressing this SDG</li> </ul>	<p><b>Compile existing</b></p> <ul style="list-style-type: none"> <li>• Insurance coverage ratio among low-income households</li> <li>• Proportion of low-income groups that have insurance compared to higher-income groups</li> <li>• Number and types of micro-insurance products or key inclusive insurance products</li> </ul> <p><b>New to add</b></p> <ul style="list-style-type: none"> <li>• Protection gap and risks faced for low-income/ financially vulnerable households</li> </ul> <p><b>Keep in view: research to commission in future</b></p> <ul style="list-style-type: none"> <li>• Comparison between insured vs uninsured low-income people in coping with the aftermath of a financial shock</li> </ul>



### 3. STEPS FOR IMPLEMENTING THE SDG KPI PILLAR

Priority SDGs in local context	Check use case: Purpose of KPI	Check Lexicon: KPIs listed per SDG	Shortlist of KPIs to prioritise given feasibility considerations
	<p>Prompt industry to design gender-targeted products and distribution strategies.</p>	<p><b>Already tracked</b></p> <ul style="list-style-type: none"> <li>• Number and types of products designed to address gender-specific risks and products</li> <li>• Number and types of distribution models designed to suit women and support women's independence and equal participation in economic life</li> <li>• Number and types of products targeting employment sectors that often mostly employ women e.g., mothers and caregivers, MSMEs, care workers, domestic helpers</li> </ul> <p><b>Not yet tracked</b></p> <ul style="list-style-type: none"> <li>• Gender aggregated data on uptake of key insurance product lines e.g. life, health, income protection</li> <li>• Description of insurable risks faced by women where insurance products are not available</li> <li>• Description of initiatives and extent to which the insurance industry engages directly with women to gather information about the risks that they face, their needs and potential insurance solutions that could provide value</li> </ul>	<p><b>Compile existing</b></p> <ul style="list-style-type: none"> <li>• Number and types of products designed to address gender-specific risks and products</li> <li>• Number and types of distribution models designed to suit women and support women's independence and equal participation in economic life</li> <li>• Number and types of products targeting employment sectors that often mostly employ women e.g., mothers and caregivers, MSMEs, care workers, domestic helpers</li> </ul> <p><b>New to add</b></p> <ul style="list-style-type: none"> <li>• Gender-aggregated data on uptake of key insurance product lines e.g. life, health, income protection</li> <li>• Description of initiatives and extent to which the insurance industry engages directly with women to gather information about needs/ risks that they face</li> </ul> <p><b>Keep in view: research to commission in future</b></p> <ul style="list-style-type: none"> <li>• Description of insurable risks faced by women where insurance products are not available</li> </ul>

**Table 2:** Indicative prioritisation framework for SDG 1 and SDG 5



### 3.3. How to go about tracking the selected KPIs?

**Considerations for tracking.** As part of the prioritisation process as summarised in [Table 2](#), supervisors would have identified existing indicators that could be drawn on, either from internal or external sources, plus additional priority indicators to be created. A related step is to think through how these KPIs will be tracked: what data is needed to populate each indicator, and how can it be sourced? Thinking through the data sources will already be needed to inform the prioritisation as set out above. Once the focus KPIs have been determined, further work is then needed to compile the data collection and collation plan to action the measurement of such KPIs. The discussion below sets out the key steps to track or populate the selected SDG KPIs.

#### 3.3.1. Repurpose existing data and indicators

**Determine which KPIs can be extracted or generated from prudential, market conduct or market development information.** The first step is to tap into existing data held by the supervisor for other purposes. Many of the Product indicators can be populated using raw product-level data that the supervisor already holds, such as:

- the product register, which should include an exhaustive list of insurance products being offered in the market compiled through product approval or notification processes
- premiums and policy number by product
- market conduct data by product

**However, judgment and internal criteria needed.** Supervisors need to ascertain which products qualify, or 'count' towards which SDGs. For this, supervisors should ideally be guided by evidence and research from the Impact Story category. As an alternative, supervisors can request for the insurer to self-report which products they consider as meeting an SDG goal, the supervisor will then have to make sure to define the data carefully to ensure they do not 'greenwash' their reporting. For example, supervisors may want to define SDG 5-products as products that cover 'gender-specific risks' as opposed to 'products that are targeted or marketed at women'. This however may require additional reporting.

#### 3.3.2. Map remaining KPIs to various potential data sources

**Differentiate between industry data reporting items and other sources.** Where KPIs cannot be drawn from repurposing existing supervisory data, the next step is to consider which other existing data sources may speak to such KPIs. Much more so than the other pillars, SDG KPIs are not typical data the industry is accustomed to compiling. Many of the indicators are also subjective, therefore requiring clear definitions and discussion with the supervisor beforehand. Generally, SDG related data can be split into three 'streams', each of which will be discussed in turn below:



- 1. Industry data:** Data typically generated or tracked by insurers in their usual course of business, such as financial or market conduct data, data on their products and services, organisational data such as human resource, competencies and CSR activity records, and other voluntary reporting frameworks such as ESG.
- 

**Take stock of range of sources already used to collect data from industry.** Not all industry data has to come from dedicated reporting templates. Supervisors already collect or have easy access to information through other means. However, where KPIs are not provided as readily calculated ratios from the industry but rather raw data, the supervisor needs to ensure they have enough team capacity, or the data analysis tools to perform these calculations. Some supervisors in fact prefer to calculate the ratios themselves to ensure reliability and consistency. Sources of data include:

- Standardised reporting templates for quantitative financial information and qualitative information in the form of simple 'yes/no' questions with brief explanations
- Other documents submitted to the supervisor such as actuaries' reports, investment policies, business plans, product notification/approval
- Published annual reports and audited financial statements
- Industry reports, press reports, financial analysts' and credit rating reports

**Take stock of data that industry already reports for other purposes.** Regulated entities may also already be identifying and measuring certain indicators that they can relay to supervisors. For example, insurers that are subsidiaries of international insurance groups may have additional operational requirements. A regulated entity may also be required to have certain sustainability policies in place and report on these to the partners with which the entity is working. Regulated entities that are listed on stock exchanges may also be required to report on their sustainable development or ESG impact already as part of their listing requirements. Both the Johannesburg Stock Exchange and the Nairobi Securities Exchange release annual sustainability reports and require ESG reporting as a listing rule (SSE initiative, 2019). As a first step, supervisors should ascertain whether its regulated entities are collecting sustainable development information already and if so, what this information is made up of. Going forward, as supervisors build their capacity to track sustainable development, supervisors can consider collecting and analysing this information. If the findings are already being published, supervisors can shortcut measuring this data by leveraging the analyses already done. This can also help the industry to avoid overlapping reporting frameworks.

#### BOX 9:

##### Leveraging TCFD Recommendations for SDG 13 reporting

Some sustainability initiatives, such as under SDG 13, tend to be initiated in a global and cross-sectoral manner, rather than driven individually by national supervisors. Where



there are global standards and frameworks, supervisors can leverage this for tracking purposes such as ‘the number of insurers who are aligned/are planning to align with such frameworks’. An example of this is the TCFD Recommendations, a global voluntary framework for public disclosure of climate-related risks and opportunities in mainstream financial filings, developed by the Financial Stability Board (FSB) TCFD. It is backed by IAIS, SIF and now by the G7 countries. Pressure from investors and other stakeholders on insurers, especially global companies, for increased transparency on climate matters will only grow.

Supervisors can track the number of insurers in their market who align with TCFD recommendations, are planning to, are currently disclosing ‘climate-relevant information’ or even are currently collecting climate-relevant information, depending on the current level of progress in the local sector. This data can be tracked annually, and it can be presented and discussed in bilateral or industrywide dialogues. This can in turn help encourage and accelerate adoption of climate disclosures, by signalling the regulator's expectations, enable the industry to alert supervisors on challenges in fulfilling those expectations, and therefore enable supervisors to provide the guidance needed.

The 2020 IAIS Issues Paper on TCFD noted that the majority of insurers surveyed for the paper (76%) reported that they already disclose some type of information relevant to climate change and its impacts; though comparing between jurisdictions, the percentage of insurers that currently disclose ‘climate-relevant’ information vary significantly. There are also major differences between insurers with respect to the scope of information that may be considered ‘climate-relevant’, reflecting differences in insurance business areas, investments, and the range of climate risks that may be material. This points to a need for framework standardization for purposes of disclosure, and industry respondents expressed the need for refined guidance on climate disclosures.

The data can be obtained via surveys tacked on to existing workstreams. For instance: the South African Prudential Authority surveyed both the insurance and banking sector in 2019 on the implementation of the TCFD recommendations. If supervisors prefer to first sweep existing sources, the IAIS Issues Paper also notes that insurers use a range of channels to disclose climate-related information, including:

- Annual financial reports;
- Sustainability reports and consolidated non-financial statements;
- Position statements and policies (e.g. statements of investment policies);
- Other external communications, including investor presentations;
- Reporting to data vehicles (e.g. Carbon Disclosure Project), indices (e.g. Dow Jones Sustainability Indices (DJSI)) or coalitions (e.g. Principles for Responsible Investment (PRI), ClimateWise), which may or may not be public; and
- Non-public channels, such as supervisory reporting.



#### **2. Internally contextualised data:** Data that is defined based on judgement from the supervisor

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Rather than via additional reporting requirements, it may be more effective for supervisors to infer insights/make judgments on certain indicators from industry engagements and workshops, or as gleaned from information reported elsewhere. Both the Product and Corporate Citizen categories largely rely on contextualised data. Examples in the Product category are the number of insurance products considered 'green insurance' or catering for women's needs, initiatives enhancing the resilience of communities and cities, the number of companies complying with climate risk management frameworks. These rely on supervisors' judgment or internal criteria on which products qualify, or 'count' towards which SDGs.

Furthermore, some indicators are based on qualitative information such as descriptions of the insurers' sustainability approach or the various initiatives being undertaken such as in the Corporate Citizen category. Such indicators would also require supervisory judgment to assess and can hence also be classified as internally contextualised data. 33 out of the 113 indicators in the SDGs pillar are qualitative in nature.

#### **BOX 10:**

##### **Steering Group data collection methods**

Many Steering Group members reported that they collect qualitative information during onsite inspections. However, due to the Covid-19 pandemic, these supervisors had to suspend their onsite inspections. Certain supervisors are conducting virtual inspections instead, although there are limitations to the information that the regulator can collect and review online. Steering Group members increased engagement with their industries during the pandemic through alternative means, such as surveys, as supervisors had to ascertain the impact of Covid-19 and the subsequent social distancing measures on their industries. This has opened up an opportunity for Steering Group members to maintain this level and type of engagement with their industries as the new norm.

#### **3. Third party information:** Information from outside the regulator and insurance sector

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Most of the Impact Story KPIs will fall into this category. The industry need not be, and often are not able to be, responsible to shoulder the entirety of the burden of supervisors' information sourcing needs. Around a third of the indicators in the SDGs pillar rely on information that does not originate directly from insurers' day-to-day business to begin with. Potential data sources include:

- Information published by national statistical bureaus individual ministries, e.g. statistics on number of MSMEs and vulnerable occupations such as informal, gig economy workers, women workers



- Information on risk protection needs, protection gap or uninsured losses captured in consumer surveys or third-party research by industry, NGOs and development organisations
- Published research on the proportion and number of people in the jurisdiction that can be classified as financially vulnerable/part of the low-income population by government or think tanks
- Published financial market assessments
- Academic studies on climate vulnerability

#### BOX 11:

##### **FinScope Consumer Surveys**

FinScope Consumer Surveys are regularly conducted in some of the Steering Group member countries and Steering Group members indicated that they already track selected indicators through these surveys. This includes, for example, the SDG 1 qualitative indicator describing industry initiatives supporting research and understanding of low-income communities (such as demand and needs surveys and protection gap research). Overall, research such as the FinScope surveys will provide supervisors with product-level insights, however the Impact Story would need to be inferred from the insights. For example, FinScope tracks the growth of using insurance for healthcare expenses, but supervisors would still need to infer the resulting implication for health outcomes from the data.

#### BOX 12:

##### **IRA Uganda's external data collection practices**

The Research and Market Development Department within the IRA Uganda draws on a range of alternative data sources and incorporates research findings from relevant publications into their daily activities. The supervisor reported that it leverages FinScope surveys, for example, to access information that it does not track and that it feeds these findings into its own actions, as well as into its reporting to the government. On the basis of FinScope survey findings, the IRA has conducted its own surveys and research to understand specific trends better. FinScope survey findings indicating low adult insurance literacy led to the IRA conducting financial education campaigns. The IRA also draws on other data sources, such as the national bureau of statistics.



**Potential gaps.** Studies on the impact of insurance on sustainable development are a nascent area of research. Supervisors may find that much of the country-specific Impact Story data needed is not available, in which case supervisors may need to leverage global and regional research or studies on comparable countries. Examples are provided in the Lexicon. This is also an opportunity to commission new research, if the funding and implementation organisations are available.

### 3.3.3. Decide what needs to be collected through new reporting requirements

Once supervisors have mapped the priority KPIs across the various potential data sources that may already speak to such indicators, the next step is to determine where the gaps are that explicitly require additional reporting from industry. More than a third of the indicators in this pillar still require information that needs to be deliberately collected from industry. Supervisors can send out periodic ad-hoc requests for information, though should aim to minimise the frequency of such requests, as these put a strain on resources.

**Amending and creating reporting templates.** Supervisors have set processes to amend current industry reporting requirements or introduce new ones. Certain supervisors must go through their jurisdiction's legislative body, such as parliament, to modify their reporting requirements. Some supervisors have powers to request ad-hoc information from the industry, thus allowing more flexibility. Supervisors may also operate in a hybrid system of the two, where to some degree, the supervisor can make changes at will but past a certain level of intervention, the change must be approved by the legislative body. Further, supervisors often consult and have training sessions with industry before making changes to the reporting requirements. Some Steering Group members need not (strictly, per legislation) engage industry when making changes, but most still consult the industry as best practice.

#### BOX 13:

##### Steering Group processes for amending/creating reporting templates

*Malawi:* Standard reporting returns are captured in a regulatory directive. Therefore, if the supervisor wants to add additional requirements to the report, the directive must be changed. It takes the supervisor around six to seven months to implement reporting changes (a process that includes consulting with industry). After this process has been completed, the amended reports must be gazetted by the government, the timing of which could be rapid or drawn out, depending on the Ministry. From there, industry members can indicate to the supervisor that they need a year or two to implement these new requirements in their reporting. The supervisor does not have broad powers to request additional adhoc information.

*CIMA:* The supervisor is given the authority in regulation to ask for whatever it wants from industry. In practice, however, it consults with its Council of Ministers and with industry members before doing so. Moving forward, the regulator is considering whether to continue with this practice of consulting industry or whether to move to a process in which additional information is requested from industry at the supervisor's discretion.



### 3.3.4. Consider how to sequence the steps

After having taken stock of all the data sources, the final step is to consider how to sequence the development of the information collection system to match supervisors' internal and industry's capacity – which data sources to draw on in the short-term and what can be introduced in the medium or longer term.

Unlike with core mandates, supervisors have more flexibility to implement SDG KPI reporting in a modular or thematic manner, as they are likely not required to obtain a holistic state of sustainable development but rather examine one or a few SDGs at a time. Generally speaking, in the:

- **Short term:** Supervisors could leverage the information that they already track and hold in-house discussions to ascertain the extent to which their industries are contributing to sustainable development.
- **Medium term:** Supervisors could look to add or enhance existing indicators in line with the priority SDGs or use their industry engagements to further integrate sustainable development considerations into insurer activities. This could mean sending out a few ad-hoc requests or surveys for information or holding light engagements with the industry. At this stage, supervisors will also need to prepare for starting to track additional KPIs in the long-term.
- **Long term:** Over the longer-term, supervisors could aim to introduce more structured reporting requirements/onboard priority KPIs for the purpose of sustainable development.
  - For industry data, supervisors should ideally onboard the industry such as by sending clarifying circular letters, holding workshops and engagements. This is also so that the information that the supervisor receives from industry is of good quality and usable. Regulated entities may find this pillar to be harder to grasp or buy in to than the market development pillar and therefore, could need additional support and encouragement from the regulator.
  - If third-party, particularly policymaker, data is needed, and the data is not public, supervisors need to set up the relationships and data-sharing arrangements accordingly.
  - Supervisors may also look to commission thematic research, whether by themselves or by collaborating with international organisations, industry associations and NGOs.



## 3.4. How to approach analysis?

**Analysis enables action.** The way KPIs are analysed determines whether supervisors can make sense of the information, generate insights and act.

**Good quality, accurate, reliable data precedes analysis.** Before supervisors can start analysing the tracked indicators, it is important that they clean the data to make sure that it is accurate and of a high quality, so that one can have confidence in the insights from the analysis.



### TIP

#### CHARACTERISTICS OF GOOD-QUALITY DATA<sup>14</sup>

- **Relevant and meaningful**, providing useful information to assess the performance of the insurance market.
- **Reliable, accurate and complete**, and free from errors and missing values.
- **Sufficiently detailed** – providing information at a detailed level such as product-level data, number of policyholders to enable meaningful assessment. The supervisor may also need to gather information that is commercially sensitive to fully assess the market and will therefore need to ensure that the confidentiality of this information is protected.
- **Consistent across different insurers**, across time and different data sources. Consistency of data allows for comparison of experience across insurers in the market, for the analysis of trends in experience over time and for cross-industry conclusions to be drawn. If there are differences in the way certain financial indicators are measured this should be clearly explained
- **Timely and up to date**, so that data reflects the recent experience allowing for early intervention in the event of deteriorating performance.
- **Readily available and easy to use and analyse.** It is good to rely on data that is used for internal monitoring and prepared for accounting purposes by the insurer. This will reduce the costs to insurers of preparing data. The presentation and format of the data that is submitted to the supervisor should support efficient analysis of the information.

**Define analytical framework.** Supervisors must be clear about what the insights are that they want to derive from the indicators, across what fields of analysis, linking back to the original

<sup>14</sup> Adapted from: <https://quizlet.com/29315267/10-characteristics-of-data-quality-flash-cards/>



goals identified. The SDG pillar's indicator categories (impact story, product and corporate citizen) can assist supervisors to establish the needed fields for this analysis. The analytical framework determines how the key insights derived from the analysis process will be added up and forms the basis for ongoing monitoring of the contribution of the insurance sector to the SDGs. The table below provides an indicative example of a potential analytical framework, with one priority SDG populated hypothetically.

#### BOX 14:



#### Illustration of analysing SDG 13 Climate Action KPIs for a hypothetical jurisdiction

Jurisdiction B is an agriculture-driven economy with 66% of the population being small-holder farmers who live in disaster-prone areas exposed to drought, storms and flooding. The supervisor of jurisdiction B has decided to push for greater alignment of the insurance sector with the national strategy for climate adaptation. The supervisor has started early work on developing a climate risk management regulatory framework for insurers and consultations with the industry are ongoing. Strengthening/developing inclusive insurance is also already a core mandate of the supervisor. As such, the team assigned to develop the supervisor's workstreams on SDG 13 has decided to prioritise tracking contributions related to a) 'green' product offerings and b) closing the climate protection gap, while coordinating with prudential supervisors on the prudential enhancements. The supervisor has hence pulled together an initial set of five high-level KPIs to take stock of the state of play. **The table on the next page** outlines the analysis plan and provides a framework for how to integrate the results and derive insights and implications relevant to the supervisor's priorities for selected KPIs relating to SDG 13.

As can be seen from the insights column, methodically analysing KPIs on an SDG not only helps supervisors to track progress, but also highlights where there are gaps in information and thinking. In the example above, it is clear that while the supervisor can show that there is a climate protection gap, it is perhaps less clear what the impact of insurance is/would be and therefore what risks would be most relevant to smallholder farmers. Secondly, it highlights the need for joint vision of what 'green insurance' means in jurisdiction B's context. A third key benefit is that tracking KPIs in this manner supports concrete dialogue with the industry on what the gaps are, to what extent they are able to support the SDG, what the challenges that they face are and, therefore, what the supervisor needs to do.



### 3. STEPS FOR IMPLEMENTING THE SDG KPI PILLAR

Use case(s)	Priority KPIs	Data sources	Results	Insights and implications
<ul style="list-style-type: none"> <li>• Support national climate initiatives</li> <li>• Advocate for the role of the insurance sector</li> <li>• Hold insurers accountable for impact</li> </ul>	<ul style="list-style-type: none"> <li>• Protection gap relating to climate related risks for smallholder farmers</li> <li>• #/types of products protecting smallholder agriculture sector from climate risks (initially defined as weather, disaster, business interruption risks covering assets or yield loss)</li> <li>• #/types of products considered 'green insurance'</li> <li>• # insurers who include this SDG as an element of business strategy, sustainability reporting/targets or have active ESG frameworks addressing this SDG</li> <li>• # insurers who have adopted climate risk management frameworks</li> </ul>	<ul style="list-style-type: none"> <li>• FinScope survey results</li> <li>• Supervisor contextualised data (product registry)</li> <li>• Product approval data; industry reports</li> </ul>	<ul style="list-style-type: none"> <li>• 68% of farmers flag disaster/ climate-related risks as relevant to them, but less than 1% of smallholder farmers have any type of insurance (climate-specific insurance not defined)</li> <li>• 6/143 products are available to smallholder farmers to cover climate risks but no data on which segment accesses these products</li> <li>• #/types of products considered 'green insurance' – ON HOLD. Definition needs to be clarified.</li> <li>• 13% of insurers have climate sustainability as an explicit objective and/or report on ESG</li> <li>• # insurers who have adopted climate risk management frameworks – ON HOLD. Closely coordinating with prudential supervisor on progress</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Impact story:</b> Clear climate risk protection gap among smallholder farmers. Public-private support needed to unlock the role of insurance sector for smallholder farmers, specifically to overcome affordability, awareness and trust barriers. Work with aggregators such as cooperatives.</li> <li>• <b>Products:</b> There is a limited number of products addressing SDG 13, and the products are similar, traditional property insurance. 1 weather-index pilot. <i>There is a need to encourage innovation and risk-tailoring.</i></li> <li>• Recent product launches and discussions with the identified insurers who adopted SDG 13 as a business objective suggest that insurers may be becoming more attuned to climate risks. <i>Engage insurers on how to support them in offering climate risk products. Engage prudential supervisor on current challenges. Progress to be monitored annually.</i></li> <li>• There is also a lack of joint understanding on what 'green' insurance means. <i>To measure this, need to discuss what are the most relevant ways insurance can contribute to climate resilience in jurisdiction B.</i></li> <li>• <b>Corporate citizen:</b> Climate sustainability is not yet mainstreamed within the insurance sector. <i>Publish this KPI in annual report, monitor over time to encourage greater adoption among players. Use as basis to engage industry on how challenges can be addressed.</i></li> </ul>

Source: Authors' own, based on hypothetical results



**Added need to analyse and reconcile quantitative and qualitative information.** Indicators in the SDG pillar rely, in large part, on qualitative and contextualised information. As such, an important part of ‘telling the impact story’ for each SDG is deliberately analysing and reconciling quantitative and qualitative information, as the synthesis column above illustrates.

**Extract meaningful insights by defining benchmarks in context/tracking progress over time.** Out of the four pillars, the insurance for sustainable development pillar is the most nascent and subjective. For most of the KPIs, it is not meaningful to set a single benchmark. Instead, supervisors should establish a baseline for their own market given the contextual realities of their jurisdiction. In the absence of concrete benchmarks, the IAIS suggests trend analysis of indicators over time and ‘horizontal analysis’ where insurers within the same industry are compared with each other and outliers are identified.

**Tailor analysis to data systems.** How data is collected and stored matters for how it is analysed. For example, where supervisors rely on manual submission of returns in Excel, it is difficult to conduct in-depth analyses with as much efficiency and depth as when there is a web portal for industry submission that collates the information into a database for analysis. Moreover, efficiency is enhanced if the supervisor's IT team can adapt or change existing dashboards used for supervision or conduct of business monitoring, and/or create dedicated dashboards and/or standard tables. **Box 15** expands on the use of SupTech to collect and store data among the Steering Group. Such systems are costly to install and require upfront training and capacity building within the supervisor as well as with industry members interacting with the system. Ultimately, supervisors should consider introducing such systems in terms of what is viable for their own unique situation and the resources available to them.

#### BOX 15:

##### Use of SupTech to collect and store data among Steering Group members

Most of the supervisors in the Steering Group are at the start of implementing SupTech solutions to create analysis tables/dashboards to enhance their efficiency (for example, Ghana, which uses the Vizor system). Staff members require training and the necessary skillsets to use such systems effectively, however. IT capacity is an issue, as well as capacity to plan for, implement and train staff to use SupTech.

The Steering Group members noted that even basic data systems are expensive. One supervisor (CIMA) is currently receiving funding from an international development agency to develop an online database. The project has extended beyond its original deadline and budget.

Another of the Steering Group members (South Africa) is looking into how it can use RegTech to streamline reporting and analysis – in other words, how it can leverage technology to be part of the solution to the monitoring challenges arising from increasingly rapid industry innovation.



**Implementation considerations: Allocate internal accountabilities and build internal capacity to implement analytical framework.** Supervisors may wish to develop a team of specialists to deal with SDG analysis, especially if the supervisor’s mandate is to deep-dive into a particular SDG that requires technical expertise, such as climate action. Where capacity is limited, however, frontline supervisory staff – staff members whose day job is to monitor firms – would have to be the ones to implement the SDG KPI framework. This requires capacity building, given that these topics extend beyond typical supervisory scope of work.

## 3.5. How to act on the insights?

The previous sub-sections set out the process for selecting fit-for-purpose KPIs and provided considerations around the data sources to track such indicators and the analysis of the data to generate insights. To ensure that the KPIs are fully utilised and not simply tracked for the sake of tracking, the insights gained from these KPIs should be used to inform supervisory decisions and action, and regulatory reform.

**Define use-case and ensure insights speak to that.** As noted, insurance supervisors must define the use cases and purpose of insights generated from implementing the SDG pillar upfront. How the data is used should be in line with the supervisor’s role. **Box 2** set out the potential use cases of the SDG KPIs. Supervisors can translate these to practical actions in a number of ways:

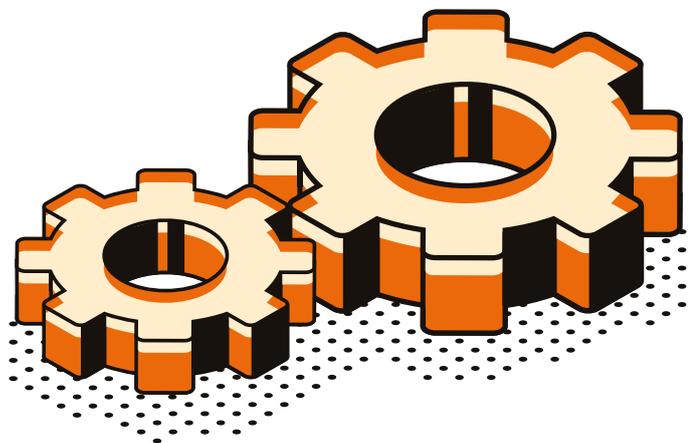
- **Target-setting for industry.** Supervisors need to decide how light-touch they would like to be: whether to simply monitor industry’s activities and encourage stakeholders to make progress in sustainable development outcomes, set soft targets, or hard targets to which industry would be held accountable. Any hard targets should be carefully weighed and discussed with the industry.
- **Integrate into internal policy and regulatory deliberations.** For instance, by including SDG KPIs into internal reporting to management and or including sustainable development as a topic in regular policy deliberations. SDG KPIs can also be used to inform core mandate workstreams, for example where SDG Product KPI monitoring reveals poor conduct.
- **Communicate outwards, where relevant.** The insights on sustainable development could also be disclosed and shared publicly. This can be done in multiple ways:
  - Convening stakeholder dialogues. This can be used to align visions, share insights, highlight gaps in research and data which other stakeholders could fill and potential opportunities for public-private partnerships.
  - Sending information letters to the industry to share annual data, thus signalling insurance supervisor’s expectations, while enabling them to benchmark against their competitors. This could nudge industry to focus on certain aspects of their performance, while also increasing accountability.



### 3. STEPS FOR IMPLEMENTING THE SDG KPI PILLAR

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- Meetings with policymakers and other relevant government bodies, which can also support advocacy efforts to include the insurance sector in national level development initiatives. The IRA Uganda, for example, participates in a cross-financial regulatory working groups/committees where the data and insights are shared.
- Publishing in annual reports and other public means. For instance, the US Californian supervisor set up a database of climate smart insurance available to consumers, while Malaysia set up a dedicated website listing microinsurance products.





## 4. TOWARDS A HARMONISED APPROACH FOR SSA

**Still a nascent pillar.** Despite an interest in tracking this pillar of the Supervisory KPIs Lexicon framework, Steering Group members are still in the very early stages of doing so. This handbook represents the first step in detailing the considerations, key success factors and opportunities for articulating and preparing to measure the contribution of the insurance industry to sustainable development through the lens of the SDGs across insurance markets in SSA. It emphasises the need to relate sustainable development measurement to a supervisor's mandate and strategic objectives, as well as for a pragmatic prioritisation process, mapped against existing and potential data sources. From there, a clear analytical framework is needed to ensure that insights are generated that can demonstrate the value of the insurance sector to broader development goals.

**No one-size-fits-all approach.** The question of what needs to be put in place to be able to systematically start gathering and analysing these KPIs has no one-size-fits all answer, because it depends, to a considerable extent, on context-specific objectives, capacity and resourcing considerations – within supervisors and within industry. Government priorities also change over time, so the framework should be flexible enough to accommodate that. Supervisors need to proactively engage and collaborate with stakeholders such as policymakers, other regulators, international development organisations, industry and consumer bodies to take stock and remain up to date on sustainable development trends and objectives.

**Opportunities for peer learning.** In devising and implementing a sustainable development framework, peer learning is important: supervisors would benefit from sharing experiences and engaging peers on the technology, systems and data sources or methods that they use to track new or leverage existing KPIs. In this way, supervisors can extend their activities and build their capacity to incorporate this pillar.

**Steering Group collaboration setting down first steps for harmonised, tangible measurement approaches.** The Steering Group work over the past few years and the joint learning that this has entailed demonstrates the value of peer exchange. The framework set forth in this handbook represents a first step towards the gradual harmonisation of approaches for measuring the role of insurance in sustainable development.

**Need for further advocacy to ensure broad on-boarding across SSA.** As more countries adopt insurance for sustainable development measurement approaches, learnings arise and best practices are established. Technical assistance will be important to help those piloting the framework along this journey. It will be important to document learning from pilot/demonstration countries to share with a broader supervisory audience. Ultimately, this handbook does not represent the final step, but rather an input to help supervisors make the decisions and implement the systems needed to embark on the journey to develop a sustainable development KPI reporting pillar.



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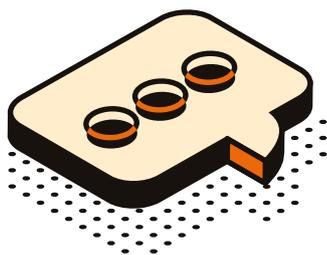
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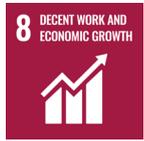
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## ANNEX A: WHY INSURANCE IS IMPORTANT TO THE NINE SDGS



SDG 8 is the only SDG where insurance is explicitly mentioned. As a private risk transfer tool, insurance provides an option for those without the privilege of formal jobs and social security benefits. In a sense, insurance catches segments that fall between cracks in social protection systems, such as gig economy workers, domestic helpers and construction workers, many of whom are also rural or overseas migrants who may be excluded from healthcare and social security. It is all the more impactful when used together with savings, loans and remittances.

In developing economies where MSMEs play a key role as economic drivers, insurance is instrumental for increasing business resilience, spurring business investments and, thereby, contributing to enterprise growth. Covers such as fire, flood and business interruption insurance can sustain their ability to continue operating and paying their employees through financial difficulties. Insurance facilitates access to credit so that businesses, whether a shipping conglomerate or a mom-and-pop shop, could invest in more assets, technology and research and development, which allows them to innovate, update and expand their business and, consequently, create new jobs.

Insurance firms themselves also create jobs, generate revenue and contribute to economic growth. They can ensure decent employment for their employees, agents and brokers. In inclusive insurance initiatives, insurers often rely on community organisations and representatives to promote and educate on insurance. This creates training and income-earning opportunities.



Insurance can help prevent people from falling into poverty and escape the poverty trap. Financially vulnerable people often work in high-risk jobs or low-salary occupations and are often one disaster away from poverty. For them, an illness, death, an accident, a fire or a natural disaster is much more damaging, compared to a counterpart who has enough savings or a stable income to buffer the sudden expenditure. Insurance can alleviate this by providing a contractually enforceable pay-out when such an event happens – the key advantage of formal insurance over informal insurance. For instance, health insurance can help cover medical costs, a common reason why people fall into poverty. Agriculture insurance can help tide farmers through crop failures. When used in conjunction with other tools such as savings, loans, and income generation, insurance can build financial health and resilience. As such, insurance can also help sustain national social and economic development efforts to break the poverty cycle, thereby supporting efforts towards reducing inequalities (SDG 10).



Insurance can support risk management in the food production value chain, thereby being a key component of measures to achieve food security. The UN World Food Programme notes that smallholder farmers produce most of the world's food but tend to be food insecure themselves. Agricultural insurance can help smallholder farmers build resilience against losses from adverse events, while also strengthening access to credit and incentivising investment. Business interruption insurance can cover disruptions in food processing and transportation. Property insurance can protect food production facilities and their own homes. In the long run, insurance encourages farming and food production that is more sustainable, productive and resilient to disaster and climate-related risks (SDG 13). This further enables more stable livelihoods for smallholder farmers.



Insurance supports good health outcomes. Health insurance lowers, or even removes, financial barriers to obtaining healthcare. Insured households are less likely to incur devastating out-of-pocket health expenditures, whereby insurance also prevents poverty (SDG 1) and hunger (SDG 2). It is generally accepted that compulsory, pooled prepaid schemes are the most effective way forward for ensuring low-income households have access to healthcare. However, private, or voluntary, health insurance (VHI) products, which include hospital cash plans and community-based insurance, can be an effective complement, especially where such compulsory schemes have not been fully established. Importantly, the increasing use of digital technology in health insurance has further reinforced its role in promoting good health outcomes. Innovations such as telemedicine have helped expand access to healthcare, as have devices that track health data and reward policyholders for healthy habits. Beyond the household level, insurance can contribute to better healthcare systems through products that support risk management along the health delivery value chain.



Insurers can support gender equality by offering products and business models that consider gender differences, thereby increasing uptake of insurance by women and strengthening women's ability to participate in the labour force. Women and men tend to work in different employment sectors, and women often work in more vulnerable sectors – amidst the COVID-19 pandemic, women are overrepresented as frontline healthcare workers and as carers at home for children and the elderly. Most single parents in the world are also women. Such gender roles, on top of biological differences, shape the risks that women face – and insurers can play their part by being sensitive to the diversity of needs. For instance, insurers can ensure the availability of health insurance that covers sexual- and reproductive-health services (SDG 3). In countries where there are stark gaps in personal freedoms, insurers can design distribution models that are more accessible for women. Insurers can also work toward gender equality through their own employment and human resources practices.



Insurance helps assume and diversify risks faced by large, medium and small businesses and large-scale infrastructure projects. Particularly in developing countries, insurance helps to increase the access of small-scale industrial and other enterprises to financial services, including affordable credit, and their integration into value chains and markets. Insurance provides support for the development of technology, research and innovation by taking on the associated risks as well as through investment. Through its risk management requirements, insurance not only protects, but can also promote sustainable industrialisation and quality, resilient infrastructure. For instance, the widespread use of fire insurance was found to be key to the development of the textile industry during the Industrial Revolution in the UK, both through financial protection as well as enhanced construction standards.



Insurance increases the resilience of cities and urban communities through disaster risk mitigation, and appropriate property and vehicle cover. This is important given the increasing urbanisation in emerging and developing markets. Insurance is also a source of investment for relevant projects. As experts on risk, insurers are well-placed to research and collaborate with city governments and urban communities on the risks they face, how they can respond and how to enhance overall sustainability in planning and designing cities and urban settlements.



Insurance, as part of an integrated disaster risk management framework, can strengthen the resilience of governments, businesses and individuals against natural disasters and protect natural and heritage ecosystems that provide key services to people. Developing and emerging countries, as well as lower-income communities, are most exposed to and suffer the most damages from climate risk. Furthermore, they have less resources available to repair and rebuild their lives after a catastrophic event. Beyond risk transfer, insurers can offer products and services that encourage consumers to adopt measures for disaster risk prevention, mitigation and reduction. Furthermore, insurers can support efforts towards long term climate adaptation. Through underwriting climate-related risks, insurers accumulate data and expertise that enables them to monitor their evolution. The insurance sector is thus well-placed to contribute expertise to national or global initiatives and help devise new climate risk solutions. Insurance firms themselves as investors and financial market actors can also build in climate resilience and adaptation considerations in their investments.



Many of the initiatives outlined in the preceding SDGs will require multi-stakeholder partnerships and coordination to work. These stakeholders range from international development organisations, government and regulators, non-governmental organisations, industry players to communities themselves. The insurance sector can be a key partner in sustainable development by adopting partnership models in the delivery of their products and services. They can also actively support and participate in mechanisms that countries put in place to ensure policy coherence, such as policy and regulatory consultation efforts and multi-stakeholder dialogues. Insurance products and services can also play a role in supporting foreign direct investment, exports and remittances.

Extracted from: [Insurance and the Sustainable Development Goals – why it matters and how data can help](#) (A2ii, 2021)





SDG	Category	Indicator
SDG 1	Impact story	Proportion and number of people in the jurisdiction that fall under the definition of the poverty line, low-income or financially vulnerable, ideally segmented by groups e.g., age, occupation, gender, education, single breadwinner-households, no. of dependents, income bands
	Impact story	Insurance coverage ratio (Insured population/Target population) segmented by income band/segments or proportion of low-income groups that have insurance compared to higher-income groups
	Product	Number and types of microinsurance products or inclusive insurance products providing cover on key risks identified by vulnerable segments
SDG 2	Product	Number and types of products/insurance schemes benefiting (smallholder) farmers. Policyholders can be farmers, group policies held by e.g., public agencies, department of agriculture or cooperatives but where farmers are policy members. Note if subsidised or compulsory. (Micro-level)
	Product	Number and types of products protecting organisations that provide key services to farmers, such as MFIs, farmer cooperatives, credit unions. (Meso-level)
	Product	Number and types of climate or disaster risk insurance products protecting agricultural communities and food production (see SDG 13).
	Corporate citizen	Number of insurers who include this SDG as an element of business strategy, sustainability reporting/targets or have active ESG frameworks addressing this SDG
SDG 3	Impact story	Proportion of people covered by private health insurance vs. public health insurance/government healthcare vs. not covered
	Product	Number of products plugging gaps in local healthcare system, public health insurance, or private health insurance.
	Product	Number of products that support risk management in health services delivery
	Product	Number of products that encourage health seeking or preventative behaviour
	Corporate citizen	Number of insurers who include this SDG as an element of business strategy, sustainability reporting/targets or have active ESG frameworks addressing this SDG



SDG 5	Product	Number and types of products designed to address gender-specific risks and products
	Product	Number and types of distribution models designed to suit women and support women’s independence and equal participation in economic life
	Product	Number and types of products targeting employment sectors that often mostly employ women e.g., mothers and caregivers, MSMEs, care workers, domestic helpers
	Corporate citizen	Number of insurers who include this SDG as an element of business strategy, sustainability reporting/targets or have active ESG frameworks addressing this SDG
SDG 8	Product	Number and types of products that encourage financial health and household resilience overall e.g., products bundled with loans, savings and other financial services
	Product	Number and types of products designed to protect MSMEs.
	Product	Number and types of products for people in precarious employment, risky occupations or lacking financial protection e.g., informal and gig economy workers, migrants, those engaged in dangerous occupations that are typically excluded (e.g., factory or farm workers dealing with heavy machinery), people with disabilities, MSMEs, care workers, domestic helpers
	Corporate citizen	Number of insurers who include this SDG as an element of business strategy, sustainability reporting/targets or have active ESG frameworks addressing this SDG
SDG 9	Product	Number and type of commercial insurance products that mitigate the risk of innovation and enable productive risk-taking by businesses and industry
	Corporate citizen	Amount of investment by insurers in R&D and digitalisation
	Corporate citizen	Number of insurers who include this SDG as an element of business strategy, sustainability reporting/targets or have active ESG frameworks addressing this SDG
SDG 11	Product	Number and types of products that support climate adaptation of cities. See SDG 13.



SDG 13	Product	Number and types of products considered 'green insurance' or 'climate-smart insurance' if such a definition exists in the jurisdiction.
	Product	Number and types of products/insurance schemes protecting the agricultural sector from risks impacted by climate change. Policyholders can be farmers, group policies held by e.g., public agencies, department of agriculture or cooperatives but where farmers are policy members. Note if subsidised or compulsory. (Micro-level)
	Product	Number and types of products supporting conservation of natural ecosystems and biodiversity
	Product	Number and types of products/insurance schemes protecting households, businesses and properties in disaster-prone areas or areas affected by climate change. Also relates to SDG 11.
	Product	Number and types of products/insurance schemes affecting any other groups known in the country to be disproportionately affected by climate risks e.g., MSMEs, low-income groups, women
	Product	Number and types of meso-level products/insurance schemes that protect organisations that provide key services to vulnerable communities, such as city governments (Also relates to SDG 11) MFIs, cooperatives, credit unions, NGOs and humanitarian organisations, but where the communities also benefit
	Product	Number and types of macro-level products/insurance schemes that protect the budgets of national or local governments and reduce the burden after a disaster. The government is the policyholder and beneficiary of the insurance policy.
	Corporate citizen	Number of insurers who include this SDG as an element of business strategy, sustainability reporting/targets or have active ESG frameworks addressing this SDG

Implementation Partner:



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