



Insuring Women in Ghana

with Activa International Insurance Company

Activa International Insurance Company Ghana (AIIG), a non-life insurance company, partnered with International Finance Corporation in 2018 to develop a strategy to actively expand its services to Ghanaian women. AIIG had historically been a corporate and SME insurer but sought to diversify its offering to include Micro, Small, and Medium Enterprises (MSMEs) and retail lines of business. The efforts were aimed at supporting AIIG in expanding access to insurance services to the wider population while securing its role in the highly competitive market as part of its diversification strategy. Recognizing the first-mover advantage in Ghana's women's insurance market, AIIG took guidance from IFC, and developed targeted insurance solutions for Ghanaian women. The project had the support of the Women Entrepreneurs Finance Initiative (We-Fi).

In 2019, the company launched the AIIG Activ'Lady Program, offering targeted non-life insurance products and services for women entrepreneurs and market traders. This case study provides a deep dive into AIIG's women's insurance journey and progress so far. It can serve as inspiration for insurers in other emerging markets that might consider offering insurance solutions for women-led micro- and small-enterprises in developing countries, whether walking the path on their own or with the support and guidance of an international partner like IFC.

Making the **Business Case**

In the last decade, Ghana has emerged as one of the fastest-growing economies in the world, with an average 6 percent¹ inflation-adjusted gross domestic product (GDP) growth rate, notwithstanding the COVID-19-induced downturn.²

Ghanaian women have been key to Ghana's economic transformation, with their considerable participation in the workforce and as businesswomen. They constitute half the population and form 64.5 percent of the labor force—higher than the global average of 46.3 percent.³ Of working women, 10.9 percent were found to be managerial, technical, and professional workers in 2021.⁴ The Mastercard Index of Women Entrepreneurs, 2021, ranks Ghana third globally—beating high-income economies—as the country with the most share of female business owners (37.2 percent), with two-thirds of them turning to entrepreneurship out of choice rather than hardship. It finds Ghanaian businesswomen aspirational, driven, and defying the odds. More women than men engage in early-stage entrepreneurial activities,⁵ showing a willingness to take risks, and thus a need for insurance. Women entrepreneurs can be found in both the formal and informal sectors.

The informal sector contributes 35.6 percent to Ghana's GDP,⁶ and women form a sizable share of this—almost 90 percent of Ghanaian women in the labor market are in the informal sector, working mainly as market traders⁷ but also as farmers, food processors, artisans, and craft workers. Despite their contribution to the economy, most informal workers tend to be excluded from insurance, highlighting a substantial opportunity for non-life insurers to help mitigate the risks that informal workers face.

More broadly, the insurance penetration rate in Ghana—calculated as the ratio of gross premium to GDP—has remained stagnant at 1 percent since 2016.⁸ A 2021 survey by the UN Development Programme found that around 70 percent of Ghanaians do not have access to insurance of any kind, and products available in the market do not respond to the population's needs.⁹

There is a business case for investing in the women's insurance market in Ghana. The value of Ghana's insurance industry grew 10-fold between 2011 and 2021,¹⁰ with premium revenues totalling \$703 million in 2020—non-life businesses accounted for half of that,¹¹ and registered strong recovery post-pandemic.¹² According to IFC's She for Shield report, the global insurance industry can earn up to \$1.7 trillion globally by 2030 if they focus on women alone, with 50 percent of this opportunity coming from emerging markets such as Ghana.

Ghana POPULATION



Ghana LABOR FORCE



Women constitute **half the population** but form **64.5 percent** of the labor force (2019)—higher than the global average of **56.3 percent**.

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AIIG at a Glance

- In 2009, AIIG was established through the acquisition of Global Alliance Insurance by Activa Finances (Activa), a Pan-African Insurer. IFC became Activa's equity partner in 2013, and this relationship continues. In parallel, IFC offered similar support for Activa's women's insurance program in Cameroon.
- AIIG offers a diverse range of non-life products for retail and corporate customers, including personal, accident, home, marine, and enterprise insurance.
- AIIG is the eighth largest non-life insurance company by premium income out of 29 licensed non-life insurance companies in Ghana.
- AIIG's gross written premiums (GWP) revenue totalled approximately \$19.3 million in 2021.
- The company has appointed Genevieve Tachie, as the Deputy Managing Director, as of 2020. She is the first woman appointed to a senior leadership role at AIIG.

Source: AIIG

Assessing the Risk Profile

Developing a sound understanding of the needs and aspirations of women customers is an essential first step for an insurer entering the women's market. In 2018, IFC and AIIG undertook detailed research of the women's segment. The study found that Ghanaian women know little about how non-life policies work or their benefits, except for mandatory motor insurance.¹³ They are aware of insurance, especially life policies—and specifically those linked to areas under their purview: education and funerals. They expressed low trust in insurance, with the belief that insurers mistreat customers. These findings fed into the development of a strategy and tailored solutions.

The joint IFC-AIIG study also revealed that mechanisms for risk management used by working women differ by segment: millennials prefer to save individually in savings accounts; some professionals and entrepreneurs perceive savings, and even insurance, as a form of investment; market traders prefer an informal saving system named 'susu' that is unique to Ghana and very popular among poor women—it entails a daily, micro contribution to a 'susu' collector who acts as a savings and lending operator.¹⁴

The formal financing gap for women's MSMEs in Ghana is \$242 million.¹⁵ On average, the survival rate for these small firms is just

above 60 percent after three years of entry.¹⁶ Globally, early-stage entrepreneurial activities are known to be challenging for women, as they juggle work and home, and these businesses tend to have a short lifespan.¹⁷

MSMEs in Ghana are also prone to risks of theft, fire, property damage, etc., but as elsewhere, insurance is not adapted to their needs. Women entrepreneurs are found to be unaware that insurance can protect businesses, yet, they are eager to buy insurance if it covers assets, both business and personal.¹⁸

The lack of an insurance culture to cope with risk reveals an opportunity for non-life insurers to offer non-financial services, such as advice and mentoring, access to capacity-building and lifestyle assistance services to help cope with their busy lives—all beyond insurance coverage—thus playing the dual role of covering risks, giving women peace of mind, and helping them thrive as business owners and professionals, as they also juggle their responsibilities as family caregivers.

\$242M

formal financing gap for women MSMEs in Ghana

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ACTION

Designing the Insurance Offer

Leveraging human-centered design methodology,¹⁹ IFC and AIIG developed a holistic strategy and value-based proposition tailored to meet both women's personal and business needs, and differentiated for each of the segments identified in the research phase: professional workers and entrepreneurs, market traders, and millennials.

They co-developed four prototypes, Activ'Lady Biz Protect, Activ'Lady Boom, Activ'Lady Advisers, and Activ'Lady Angel App,²⁰ planned for gradual release under the overall Activ'Lady Program.²¹ The program was launched in 2019 with the vision of becoming the non-life insurer and active partner of women in Ghana.



Activ'Lady **Biz Protect**
Activ'Lady **Boom**
Activ'Lady **Advisers**
Activ'Lady **Angel App**



WMSME insurance bundles

ACTIV'LADY BOOM

This is a basic insurance bundle targeting women market traders to protect against fire, burglary, personal accident, and damage to home content.

ACTIV'LADY BIZ

This offers comprehensive and tiered insurance coverage for MSMEs businesswomen. In addition to the protection in Boom, Biz bundles goods and cash in transit, employers and business liability, among others.

1

Reimagining women's insurance

Under the Activ'Lady Program, AIIG first offered two insurance solutions, Activ'Lady Biz Protect and Activ'Lady Boom, catering to both the business and personal needs of women business owners and market traders, a first for the Ghanaian market.

Both solutions stand out from traditional insurance coverage as they offer a range of support to women facing personal emergencies. For example, they pay the policyholder two months' worth of stipend for maternity leave, or for loss of her spouse. There is also a provision of national health insurance cards for the primary policyholder and two beneficiaries of her choice. These offerings in maternity and healthcare have been the most popular so far.

IFC and AIIG's joint research had also highlighted that businesswomen express a need for critical business skills, including risk, financial planning, marketing, and general management, for personal and professional development.²² Based on these insights, the program offers women's non-financial services (NFS), including financial and risk management workshops.



BENEFICIARY CLAIM

AIIG paid a claim to Madam Ann Asem for burglary at her school premise after one of her offices inside the school was broken into, and some computers, cameras, and other items were stolen.

Madam Ann subscribed to the Activ'Lady Biz Bronze package in February 2020. Ann runs a primary school - Blessed Queens and Kings Academy, with 20 teaching and 5 non-teaching staff.

DATA AND FINANCIAL RESULTS



6x growth

in the number of policies sold to women in 2021 (compared to 2017)



2 new insurance solutions

for women small business owners and market traders



500+ Activ'Lady solutions

sold to WMSMEs and Market Traders



\$1.047 million (GH¢7.576 million)

GWP for the women's portfolio between 2019 and June 2022*



* FX rate of GCS7.2305 per \$1 (06/30/22). Source: <https://www.bog.gov.gh/treasury-and-the-markets/historical-interbank-fx-rates/>

Diversifying distribution channels

Agents and brokers are the two primary distribution channels in Ghana.²³ Although agents dominate the life insurance segment, and brokers dominate the non-life insurance business, AIIG understood the need to enlist more insurance agents who could develop bespoke relationships and tailored products for women's needs, helping the company expand its foothold in the retail market. Research revealed that Ghanaian women seek agents they can trust and who can relate to their life experiences. As a result, in 2019, AIIG launched the Activ'Lady Adviser, a recruitment strategy to hire insurance agents for the Activ'Lady program, through the National Insurance Commission, Ghana Insurance College, and universities in Ghana,

and grow these agents into trusted advisers. These advisers are crucial for raising awareness and building bridges between AIIG and its customers.

AIIG also developed women-centric partnerships that align with AIIG's strengths and gaps to enhance its reach and impact on women. These include the Association of Ghana Industries, Invest in Africa, Kitchen Style Caterers Association of Ghana, Makola Foundation, and Nyonko Dor Traders Associations, amongst others.

ACTIV'LADY ADVISER

A recruitment strategy to hire insurance agents for the Activ'Lady Program.



Moving beyond transactions

An insurer entering the women's market and positioning itself as an authentic gender champion, needs to incorporate gender-sensitive approaches in its business processes, by tailoring products and processes to the differing risks and needs of men and women. That starts with a sex disaggregation of its existing portfolio, which IFC helped AIIG conduct. IFC also carried out a Gender Sensitivity Training program for 100+ AIIG senior management, staff, and advisers, to combat unconscious gender bias and train the salesforce on how to sell insurance to women.

AIIG launched an internal Activa Ladies Club, a professional networking and mentoring group for women employees. The insurer is championing diversity and engaging more women in the insurance salesforce and leadership positions.

AIIG leveraged its reach in social media to educate on issues of concern to women, like breast and cervical cancer, gender-based and domestic violence, and COVID-19 safety. Since 2020, during Breast Cancer Awareness Month in October, AIIG offers free breast screening for traders in markets across Accra, whilst also spreading awareness about the program and its benefits. It has also educated young women in high schools on menstrual hygiene.

As part of its outreach, AIIG also organizes risk management workshops and awareness-building programs for women members of some of the organizations that it has partnerships with, as listed above. During the COVID-19 pandemic it quickly adapted these in-person workshops to a virtual format.

28,000+ women

participated in Activ'Lady face-to-face and virtual workshops and awareness events (between 2019 and June 2022)

LESSONS LEARNED

By designing women-centric solutions and strengthening distribution networks, AIIG continues to make inroads into Ghana's emerging women's non-life insurance market. In the next phase, it plans to create insurance solutions to support the needs of women professionals and other retail segments. The following are some valuable lessons learned:



Building relevant solutions requires understanding women customers, their needs, pain points, and challenges.

Robust market research under IFC guidance was key to helping AIIG recognize the untapped opportunity, and the challenges and needs faced by women which it could help address.



Strong support within the company and project governance structures from the outset can ensure a smooth rollout.

Senior management buy-in is vital to instil organization-wide commitment and delegate responsibilities. The creation of the Activ'Lady working group set AIIG up for success.



Taking on a balanced share of men-to-women in the employment force and in distribution networks is critical for the success of any program expanding outreach towards women.

IFC trained AIIG staff on how to be more sensitive towards, and aware of, the differing needs of male/female customers and employees.

ABOUT IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2022, IFC committed a record \$32.8 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit www.ifc.org.

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

ENDNOTES

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