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Insuring Women in Sri Lanka

with AIA Insurance Lanka Limited

AIA Insurance Lanka Limited (AIA Sri Lanka) is a key player in Sri Lanka's life insurance industry and a subsidiary of AIA Group, the leading pan-Asian insurer headquartered in Hong Kong. In October 2020, seven months into the COVID-19 pandemic, AIA Sri Lanka partnered with the International Finance Corporation (IFC) to develop a strategy for becoming the Preferred Life Insurer and Employer of Choice for women in Sri Lanka. The IFC-AIA Sri Lanka women's insurance initiative falls under the IFC-DFAT Women in Work (WiW) program in partnership with the Government of Australia. Launched in 2017, the WiW program is IFC's first and largest standalone country-based gender program. It was designed to close gender gaps in Sri Lanka's private sector while improving business performance.

With IFC support, AIA Sri Lanka launched the 'AYA Surakina AIA' program on International Women's Day in 2022, to support and empower women across the country through women-centric insurance products and services, financial literacy and skills-based training, and access to networks and information. Soon after, Sri Lanka faced one of its worst-ever economic crises. This case study explores how AIA Sri Lanka remained resilient and dedicated to becoming the preferred life insurer for women, at a time when addressing the gender protection gap was more needed than ever. It can serve as inspiration for insurers in other emerging markets that seek brand positioning in the women's insurance market, revenue diversification, and ultimately top-and bottom-line growth, whether they walk the path on their own or in partnership with a development organization like IFC.

IN PARTNERSHIP WITH



Making the Business Case

Despite the tremendous advancements that have been made in women's health and education in Sri Lanka, cultural expectations regarding women's family and household roles limit women's participation in the workplace.³ Gender inequalities are reflected in the female labor force participation rate, which has remained stubbornly low at 32-36 percent for the past two decades, much lower than the global average of 47 percent.⁴ The gender gap in unemployment is also relatively high⁵: more women than men are seeking work but are unable to find it.⁶ Job precariousness was affected by both the COVID-19 pandemic and the devastating economic crisis of 2022, when half a million jobs were lost in industry and services.⁷ Women's workforce participation rate fell from 34 percent pre-pandemic, to 31 percent in late 2022.⁸

Sri Lanka could add at least \$20 billion to its annual GDP by 2025 if it increased women's participation in the workforce and employed women in high-productivity sectors.⁹ These figures from a pre-pandemic McKinsey report continue to have relevance. Social norms that hinder women include for example, a disproportionate share of caregiving and household responsibilities; mobility constraints in commuting to work; a mismatch between education and jobs; and gender bias in hiring and promotion.¹⁰

Nevertheless, women play an increasingly significant role in influencing and decision-making in Sri Lankan homes. More women enroll and graduate from tertiary education, yet they are underrepresented in the workforce. Sri Lankan women have broken out into traditionally male-dominated sectors like finance and insurance, where almost half of all employees are now women.¹¹ However, on average, only one third of senior or mid-level managers in the private sector are women.¹² Flexibility on the job is one enabler that would allow more women to work and balance family care — as well as sustain the family's long-term development, given that women tend to invest a majority of their income into children's health, nutrition and education.¹³

There is a strong business case for investing in the women's insurance market in Sri Lanka. The insurance penetration rate in the country is low, at less than 2 percent. Targeting women and addressing their protection needs can help insurers enlarge the pool of Sri Lankans who are protected against risk. It is promising to note that the value of Sri Lanka's insurance industry grew from \$767 million in 2013 to \$1.174 billion in 2021 — life business accounted for over half of that.¹⁴ Annual growth in written premium income for life insurance pre-pandemic stood at 0.51 percent in 2019, then increased to 13.09 percent in 2021.¹⁵ The average life insurance spend per capita at \$28.83 in 2021 reflected an increase of 84 percent over 2013.¹⁶ Whilst women's roles as influencers at home and in the workplace might increasingly be acknowledged, their potential to take up insurance as a risk mitigation strategy for themselves and their family members is often overlooked; especially when COVID-19 and the economic crisis have exacerbated pre-existing gender gaps. According to IFC's *SHEforSHIELD* report the insurance industry could 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 Sri Lanka.

Box 1



HEALTHIER, LONGER,
BETTER LIVES



AIA Sri Lanka at a Glance

- The Sri Lankan insurance industry is highly competitive, with 14 life insurance companies and two composite insurance companies offering life and general insurance.¹ AIA Sri Lanka ranks fifth in market share with 11.9 percent.^{*}
- AIA Sri Lanka offers diverse products for protection, health and wellness, education, savings, and retirement.
- Between 2018-2020, AIA Sri Lanka partnered with IFC under the *SheWorks* Sri Lanka Partnership.² This partnership worked with 15 leading companies across industries and services to support women in leadership roles and improve gender balance in the workplace.
- Great Place to Work® Certification ranked AIA Sri Lanka for 11 years as the Best Place to Work (2012-2023), Best Place to Work for Women (2018-2023), Best Place to Work for Millennials (2021) as well as ranked #45 under Best Workplaces™ in Asia (2021).
- As of March 2023, 41 percent of AIA Sri Lanka's employees and a quarter of the senior management are women. In 2022, the insurer appointed its first female CEO, Chathuri Munaweera.
- Almost half of AIA Sri Lanka's agents and over half the firm's top agency performers are women.
- AIA Sri Lanka introduced bancassurance to Sri Lanka, allying insurance with banks, and expanding its distribution network through leading banks.

Source: AIA Insurance Lanka Limited

^{*}Market share in terms of Total Gross Written Premium (3Q YTD2023, IASL)

Assessing the Risk Profile

Assessing and understanding the needs, aspirations, and priorities of women customers is an essential first step for an insurer engaging with the women's market. IFC research shows that Sri Lankan women are less aware of insurance in comparison to men, compounded by a lower level of financial literacy.¹⁷ IFC and AIA Sri Lanka developed detailed research on potential women customer segments: the homemaker; professionals, including working millennials; entrepreneurs; and insurance agents.

The IFC – AIA Sri Lanka market research study revealed that Sri Lankan women are the main influencers and decision-makers for their family's health and financial well-being.¹⁸ Most Sri Lankan women, regardless of whether they are homemakers or working women, prioritize family health and children's education. In Sri Lanka, over a quarter of households are headed by women, and more than half of those are run by widows.¹⁹ As primary breadwinners, these women tend to be more vulnerable to physical and financial shocks, which can put them and their families back into the poverty cycle. For example, if the single mother is no longer able to provide support to the children due to death or disability, it can impact the family's ability to make ends meet and ensure financial security. Due to the pandemic, there is also a growing demand for insurance and an increasing interest in health and life insurance

among millennials and entrepreneurs. Compared to homemakers and millennials, professionals and entrepreneurs have a better understanding of the key benefits of life insurance, which is perceived as an investment and a means to address the emergency needs of individuals or families.

For businesswomen and small entrepreneurs, improved access to financial services can help them mitigate both business and personal risks. Of Sri Lanka's over 1 million Small and Medium Enterprises (SMEs) in the formal sector, 25 percent are owned by women.²⁰ The SME Finance Forum estimates the formal financing gap for women business-owners in Sri Lanka to be \$695 million.²¹ Those in the informal sector struggle with transitioning upwards from informal micro businesses, partly due to limited access to finance as well as lower business capacity – both of which worsened during COVID-19.²² Customized insurance solutions can help businesswomen protect their employees, their income, manage risks and grow their businesses.

When deciding on life insurance, Sri Lankan women rely on trust, referrals, and transparency from insurance agents. Life insurance is viewed as a long-term relationship that grows with them as they experience life's different milestones. Women customers expect insurance agents to understand their

needs to customize the solution and explain services in easy-to-understand language. Women customers also have a strong aversion to a lack of transparency, unreliability, being misled on product benefits, mishandling of premiums, and poor customer service. A key decider for Sri Lankan women when taking out life insurance, are referrals by their social networks. Research has shown that globally, women make an average of 26 referrals over their lifetime to their financial advisors.²³

Embedding women within and across the workforce is key to market expansion. Besides extending life insurance coverage to women customers, insurers could also increase women's employment within the industry, both as staff and as agents. Women in the life insurance industry are a high performing salesforce. Their point of differentiation relates to their ability to develop long-term client relationships, thereby improving client retention and possibly influencing the iterative uptake of insurance products with existing clients.²⁴ This became a core part of AIA Sri Lanka's strategy, which increased the number of women working as insurance agents.

Photo: © AIA



Designing AYA Surakina AIAⁱ

Accelerating progress in employee diversity, equity, and inclusion (DEI) was a strategic priority for AIA Sri Lanka even before its tie-up with IFC (see [Box 1](#)). AIA Sri Lanka has frequently been recognized as a great place to work for women and millennials.²⁵ The collaboration with IFC helped the firm extend its focus to women as insurance customers, a segment AIA Sri Lanka had not keenly looked at previously while deepening its ongoing commitment towards hiring women as employees and agents.

1 Reimagining Insurance – Preferred Life Insurance Partner

WOMEN AS CUSTOMERS

AIA Sri Lanka saw the advantage of being the first mover and the opportunity to further strengthen its brand as an employer that prioritizes women's empowerment. A firm that is seeking to promote gender diversity in the workplace needs to start by reviewing every step of its business processes, to see where it can improve the gender balance. As a first step, with IFC support, AIA Sri Lanka conducted a sex-disaggregated review of its existing portfolio.

In April 2023, AIA Sri Lanka celebrated the first-year anniversary of AYA Surakina AIA. Strategic partners from IFC, Commercial Bank of Ceylon, and Women Chamber of Industry and Commerce (WCIC) attended the event, along with Ms. Damayanthi Fernando, Director General of The Insurance Regulatory Commission of Sri Lanka. **Since the launch, AIA Sri Lanka has engaged over 500,000 women through targeted initiatives and digital campaigns. It announced its commitment to engaging two million Sri Lankan women by 2025.** This goal contributes to AIA Group's overall goal of "One Billion healthier, longer, better lives across Asia by 2030."

ⁱ In Sinhala, 'AYA Surakina AIA' means 'AIA Protecting Her'.



Photo: © IFC

24% increase

in women policyholders and Gross Written Premium (GWP) from women (compared to baseline in 2020)

25.7% increase

in women customers in 2022 (compared to baseline in 2020)

IFC helped AIA Sri Lanka to develop an integrated approach to closing the gender gap among its employees, agents, and customers leveraging Human-Centered Design (HCD)ⁱⁱ methodology. This led to the birth of their AYA Surakina AIA women's program, AIA Sri Lanka's women-centric business strategy aimed at becoming the life insurer and employer of choice for women in Sri Lanka.

The company launched 'AIA She Protect', a comprehensive life insurance product tailored for women. She Protect offers a pure life insurance solution, rather than savings or investment-led insurance, and can be customized with six optional benefits.²⁶ For example, it offers a monthly income stream for the family in the event of accidental death or disability of the woman breadwinner. The insurer aims to develop more women-centric products and services as the program progresses.

While SheProtect is solely an AIA Sri Lanka product, the company is also bringing insurance to Sri Lankan women through strategic partnerships. With IFC support, AIA Sri Lanka partnered with Commercial Bank of Ceylon (ComBank), to offer affordable life insurance solutions for all ComBank's existing 'Anagi'ⁱⁱⁱ women customers and their spouses. Coverage is worth LKR 1-5 million, and premiums start as low as LKR 1,100-1,500 annually (<\$5)^{iv}, for women aged 18-45 and their spouses. Women of ages 46-65 have a similar offer with an annual premium of LKR 2,200-2,750 (\$6-8) for a single woman or a couple.

AIA Sri Lanka is also working to empower women customers through training opportunities in financial literacy, health and wellness, and skills-building. Training ranges from webinars on 'safe motherhood', 'Let's Talk Life' YouTube videos on money and time management and mental health. The firm has also signed a strategic partnership with the Women's Chamber of Industry and Commerce (WCIC) to upskill women and conduct seminars targeting women entrepreneurs. It also sponsored the Women Entrepreneur Awards 2023 – WCIC Prathibhabhisheka – to promote and recognize outstanding Sri Lankan women entrepreneurs.

2 Pushing the Envelope – a Stronger Employer of Choice

WOMEN AS EMPLOYEES

AIA Sri Lanka has shown commitment to gender diversity in its employee base through policies and interventions that support the recruitment, promotion, and retention of women employees. AIA Sri Lanka's women's workforce has steadily grown from 36 percent in 2018 to 41 percent as of March 2023. The insurer has organized several internal events and workshops to promote Diversity, Equity, and Inclusion at work.

Noteworthy among these, is the support provided through the IFC-DFAT *SheWorks* partnership to build a strong internal foundation for the progress of AYA Surakina AIA (see Box 1). In 2021, IFC facilitated HCD workshops to help AIA Sri Lanka refine its strategy for employee gender diversity and develop an action plan, and the firm was quick to implement IFC's recommendations to strengthen their position as an 'employer of choice' for women. It promoted the uptake of optimal flexible work, promoted childcare programs, and employee counseling. AIA Sri Lanka revamped its 'New Parents Support Scheme' to make it beneficial to both fathers and mothers. IFC also rolled out a training program for AIA Sri Lanka managers, trainers, and HR personnel on creating an inclusive workplace. To date, 55 staff members have gone through this training, which covers topics relating to inclusion, unconscious bias, gender bias, and what it means to create positive internal customer service. This training has been rolled out to all staff at AIA Sri Lanka.

AIA Sri Lanka also adopted IFC's recommendation to pursue the Economic Dividends for Gender Equality (EDGE) certification^v to establish a baseline for gender equality internally and benchmark itself globally. It is the first and only insurer in Sri Lanka to be EDGE certified as of May 2023. AIA Sri Lanka's achievement of the first tier of certification (EDGE ASSESS), recognizes their commitment to building a gender-equal workplace, and provides a measurement of the firm's gender balance across grades, pay equity, career flows, and the inclusiveness of their culture.



Photo: © IFC

41% women in the workforce

AIA Sri Lanka's women's workforce has steadily grown from 36 percent in 2018 to 41 percent as of March 2023

ii Human-Centered Design, also known as Design Thinking, involves a combination of hands-on, individual and group activities that are designed to generate ideas, and mobilize the expertise of cross-functional teams to achieve faster innovation and more meaningful outcomes.

iii The 'Anagi Women's Banking Portfolio' was designed in collaboration with IFC to support the needs and aspirations of ComBank's women customers. ComBank is Sri Lanka's largest private bank with over 260 branches nationwide.

iv At an exchange rate of LKR 321 = USD 1, end August 2023.

v EDGE is the global assessment methodology and business certification standard for gender equality.

WOMEN AS INSURANCE AGENTS

AIA Sri Lanka has disrupted the traditionally male-dominated sector of insurance sales, by recruiting women as employees and agents. IFC research has shown that embedding women within and across the insurance salesforce — from back-office to client-facing and management positions — is essential to ensure that products, sales, and distribution methods can meet the diverse needs of men and women clients. Discussions with agents and insurers reveal that men tend to be more product and transaction-focused, while women are more relationship-focused. Women show a demand for the relational aspect that insurance agents bring.

Almost 1,600

Wealth Planners and employees trained in Gender Sensitivity and Inclusive Workplace courses

48% share

of FWP's as of June 2023
(42% in 2020)

HARNESSING TECHNOLOGY IN INSURANCE DURING THE COVID-19 ERA

The past five years have seen the Sri Lankan insurance industry transform with digitalization, while the COVID-19 pandemic fast-tracked digital adoption by insurance companies and their customers. AIA Sri Lanka had been on the path toward digitalization for almost a decade before COVID-19 with the pioneering launch of the Interactive Point of Sales (IPOS) to encourage productivity among agents and efficient transactions with customers. When COVID-19 restrictions came into effect, they were able to rapidly deploy technology, transitioning their workforce to fully working from home within 24 hours to remain connected with their customers. AIA Sri Lanka also supported their sales and bancassurance teams with training programs for selling in a digital environment and expanded their distribution force through online recruitment and events.

This approach has been beneficial for AIA Sri Lanka as technology has proved to be an important tool to improve the customer experience and enhance the servicing capabilities of agents. At the same time, teleworking has helped address safety concerns around travel and commuting for women employees and agents, thus supporting the firm's FWP strategy.

Agents at AIA Sri Lanka are recognized as 'Wealth Planners' for better appreciation of their role and to establish a clear career path. The insurer's Female Wealth Planners (FWP) initiative is about shifting mindsets and behaviors from selling insurance to women, to advising them, thus better-serving women and reaching new markets. To support AIA Sri Lanka's Wealth Planner (WP) strategy, IFC developed a Gender Sensitivity Training (GST) course for the insurer's training academy, to extend gender awareness to all WPs and the distribution sales force. GST modules have been embedded in AIA Sri Lanka's existing WP training curriculum for induction, leadership development, and AIA SheProtect product briefings.

In April 2023, IFC organized a workshop for AIA Sri Lanka's cross-functional team to develop three solution prototypes to support their ongoing strategies around recruiting, upskilling, and empowering top-performing FWPs. AIA Sri Lanka plans to gradually launch these solutions.

By June 2023, almost half the Company's WPs were women, and 52 percent of the top 100 high performers were women. More of these high-performing AIA Sri Lanka FWPs are qualifying for the Million Dollar Round Table (MDRT^{vi}), improving the gender mix over the years as a positive impact of the Road to MDRT development program that provides upskilling and monetary rewards.²⁷ Furthermore, identifying the importance of FWPs in widening AIA Sri Lanka's customer base, AIA Sri Lanka has introduced two special categories of awards at the annual sales convention to recognize its female wealth planners.

Lessons learned

Research builds a strong foundation

For the core team at AIA Sri Lanka, research on the women's segments helped provide a solid foundation of data-driven insights for identifying key focus areas and untapped market segments.

AIA Sri Lanka's adoption of digital tools paired with a focus on FWP is allowing AIA to reach women customers more easily

Given their high levels of education, Sri Lankan women value the convenience, safety, and efficiency of digital platforms for financial transactions whilst at the same time showing strong demand for an insurance agent that they can relate to in person. Therefore, both technology, as well as female insurance agents, have proved relevant for developing relationships with female customers.

HCD workshops sharpened the internal sell

HCD Workshops by IFC allowed AIA Sri Lanka to deconstruct the problem, adopt a user-centric lens to solve challenges, sharpen the objectives, and work out a strategy, which helped the core team to secure senior management commitment early in the project.

Walking the talk on gender-sensitivity

Walking the talk on gender-sensitivity means adopting a gender lens across the entire business model and processes, from recruitment to messaging. AIA Sri Lanka's efforts in this area saw a revamp of HR processes to attract a more diversified talent pool and resulted in new products and partnerships, and CSR initiatives. It also resulted in the insurer receiving EDGE certification.

vi Million Dollar Round Table (MDRT) is a global, independent association of the world's leading life insurance and financial services professionals from more than 500 companies in 70 nations and territories (<https://www.mdrt.org/about-MDRT/>)

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 2023, IFC committed a record \$43.7 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.

IFC WOMEN'S INSURANCE PROGRAM

IFC Women's Insurance Program works with insurers to advise them on building a robust women's insurance market. The program supports its insurance clients to (i) Enhance their ability to better understand the women's market; (ii) Create targeted approaches to address women's needs as insurance customers or distribution force; and (iii) Develop programs and train their distribution force to better build and maintain good relationships with women customers, and succeed as insurance agents and distributors. For more on the program, [click here](#).

ENDNOTES

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