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ILO

IMPACT INSURANCE

ILO-MIN WEBINAR SERIES
"LEARNING FROM THE LEADERS"

25 FEBRUARY, 2025
2:00-3:00 PM CET

WEBINAR 1: IMPROVING PROFITABILITY

REGISTER NOW

Moderator

Lisa Morgan
Technical Specialist
The ILO's Impact Insurance Facility

Speakers

Lorenzo Chan
President & CEO
Pioneer Inc.

Quentin Gisserot
Head of Partnerships - AXA EssentiALL,
AXA's inclusive insurance business

generation foundation

INCLUSIVE INSURANCE: PATH TO PROFITABILITY AND SUSTAINABILITY

LORENZO CHAN JR.
President & CEO, Pioneer Inc. (Philippines)
Chairman, Microinsurance Network

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What we'll cover today

01 The secret to profitability and sustainability

02 Strategies to achieve critical mass

03 Balancing operational costs and premiums

04 Securing stakeholders' support

Open Secret toward Sustainability

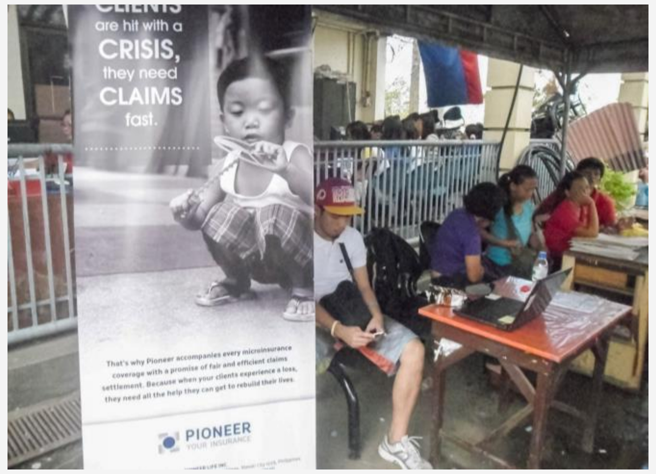
Why?	What?	How?	
Clear Rationale	Commitment	Go beyond the business case	Innovation and Recalibration

Strategies to Achieve Critical Mass

Partnerships

CARD MRI — CARD Mutually Reinforcing Institutions
LifeBank — A Rural Bank
SM SUPERMALLS
CEBUANA LHUILLIER
Motortrade

Claims Settlement



Innovate the 6 P's

Listen to your target market

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Balancing Costs and Premiums

Cost-sharing	Shared services to reduce operating cost
Compete differently	Low rate / high commission vs. providing other forms of value to the partner
Test, review, and calibrate	Openness to test and the ability to re-calibrate

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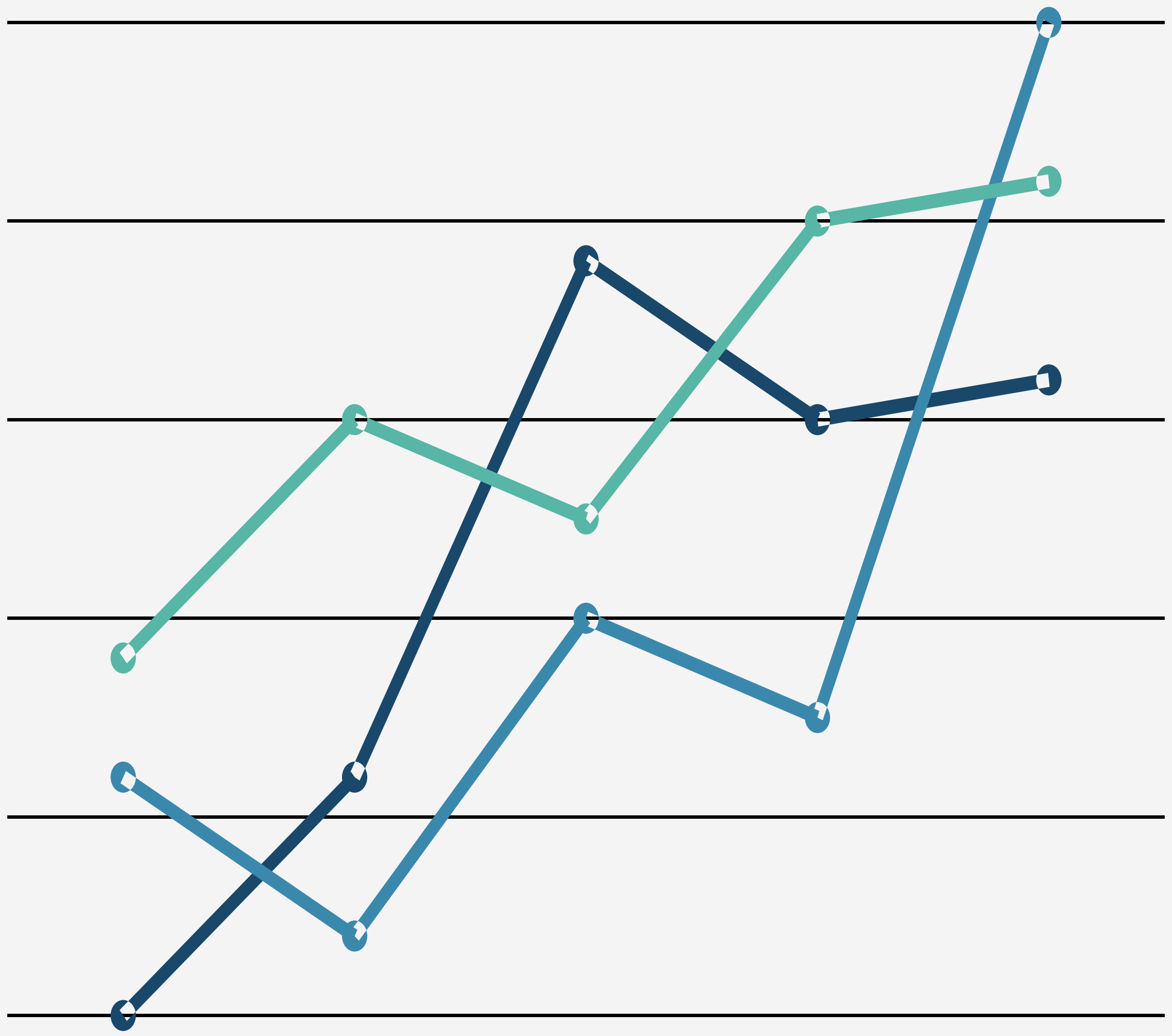
Securing support from those who matter



1

Relate with the Corporate Vision

"To be the insurer of choice in the markets of our choice, sustainably."

2

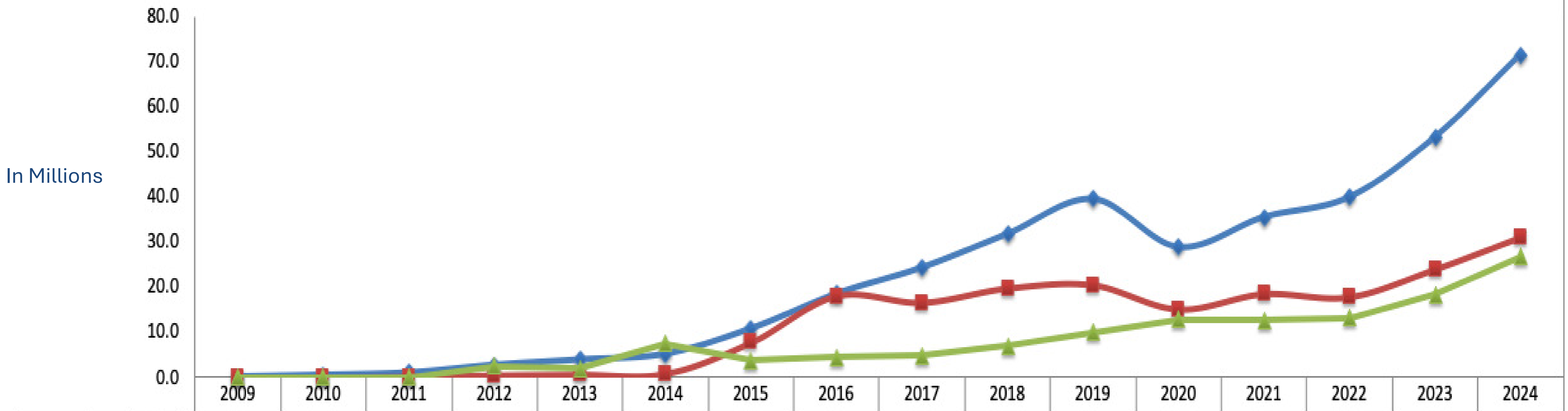
Speak their language

3

Deliver quick and early wins

Pioneer Microinsurance Journey

Enrollments, Gross Premium Written and Claims (2008-2024)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Premiums (in USD)	0.3	0.6	1.1	2.8	4.0	5.2	10.9	18.5	24.3	31.8	39.5	28.9	35.5	39.9	53.2	71.4
Enrollments	0.06	0.12	0.27	0.61	0.77	0.95	7.80	18.07	16.66	19.77	20.49	15.18	18.54	17.86	23.93	30.98
Claims Paid (in USD)	0.0	0.0	0.0	2.6	2.1	7.5	3.8	4.5	4.9	6.9	10.1	12.9	12.7	13.1	18.3	26.8

US $1 = PhP 50

Key Takeaways

1

Profitability, and sustainability require a clear rationale, commitment , and innovation.

2

Partnerships, trust building, and customer focus are essential for scale.

3

Management and sharing of cost and roles are essential.

4

A few early wins are necessary.

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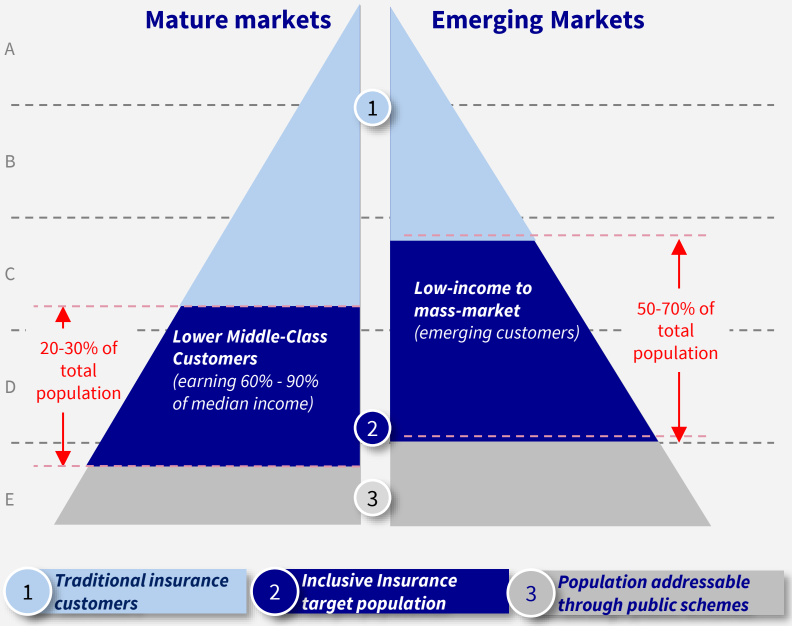
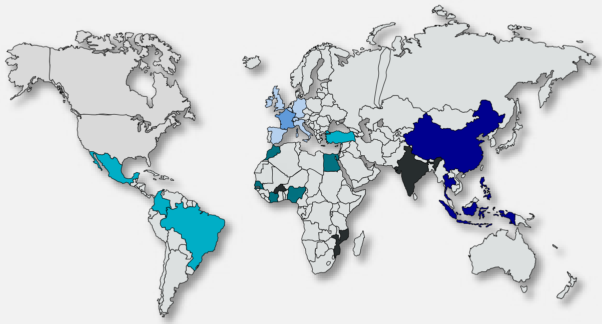
Thank you.

AXA EssentiALL | Expanding the boundaries of insurance

Target segments



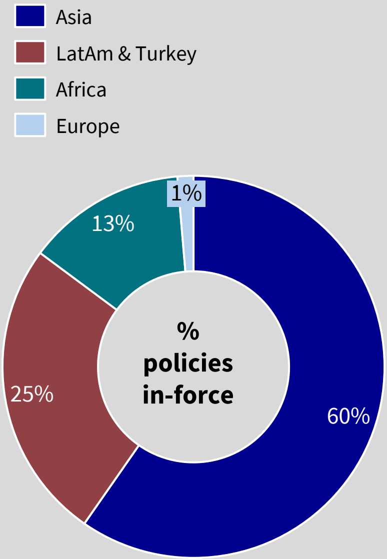
Markets where we operate



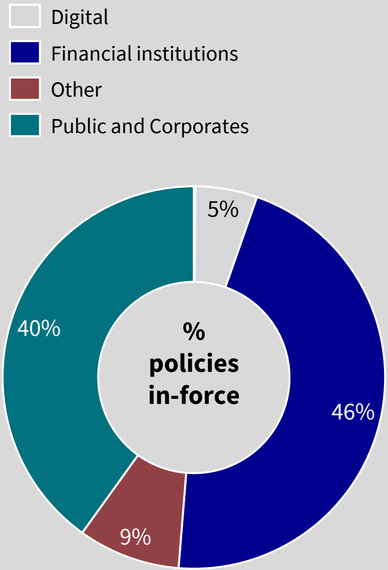
- **Asia** - China, Indonesia, Philippines, Thailand
- **Africa -** Egypt, Ivory Coast, Morocco, Nigeria, Senegal
- **Türkiye & LatAm -** Brazil, Colombia, Mexico, Türkiye
- **Europe -** Belgium, France, Germany, Italy, Spain, Switzerland, UK & Ireland
- **Through non-GI entities (e.g., AXA Climate)** – Burkina Faso, Mozambique and India

Drivers of profitability | Local context (and patience) matters!

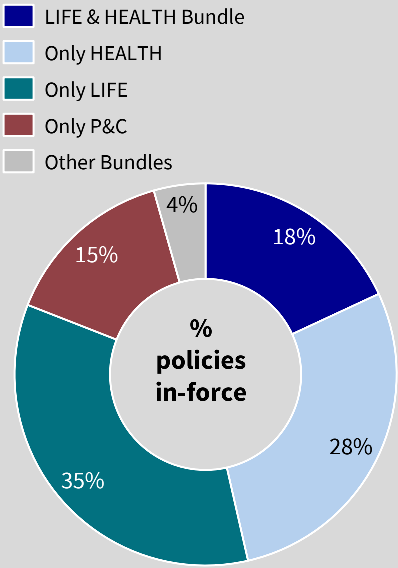
Geography



Distribution channel



Line of business



Example in France: a new product for microentrepreneurs

THE OPPORTUNITY

1.8 micro-entrepreneurs

40% of them refrained from setting up their own companies due to lack of social protection[2]

Examples of activities:

- Commercial: Takeaway restaurant
- Craftsmanship : Ceramist
- Services: Translator

Our Offer: a simple and competitive packaged offer

My Entrepreneur Pack

- Professional liability
- Property coverage
- Inability to work
- Legal protection

Profitability drivers

Fixed **packaged** and price to limit anti-selection

Easy to sell: **Reduced distribution commissions**

Simplified claims management -> **lower opex**

1 Archipel&C study, INSEE
2 ODOXA : Les indépendants français en 2021, pour l'Union des Indépendants

From AXA Emerging Customers to AXA EssentiALL

Driving the intrapreneurship journey

AXA Emerging Customers

Foundations 2016 - 2017

- **Build internal awareness**
- Joined **The Microinsurance Network**
- Define **Operating Model**

Capabilities 2018 - 2019

- Build AXA EC community **– ILO fellows in key markets**
- **Technology** enablers exploration
- Launch of **signature products – Health Equity for ALL**

Diversification 2020-2021

- Face disposals and **reorganize business priorities** – growth in China, Mexico, Brazil and Turkey
- Reinforce **operating model for scale (training, bus dev., governance)**
- Definition of our **impact framework**

Leadership 2022-2023

- Double down on **cross-industry cooperation**
- Contribute to **open knowledge**
- Participate to **public-private collaboration** (e.g., IDF, climate insurance

AXA EssentiALL

Global 2024 >>>

- A key component of **AXA's 2026 strategic plan**
- **Expansion to Mature Markets** to build a global inclusive business
- Launched **UPU** collaboration, become one of first private partners of **CGAP**

microinsurance network · ILO International Labour Organization · Impact Insurance · Business for Inclusive Growth · CEO Partnership for Economic Inclusion · IDF Insurance Development Forum · CAFI 中国普惠金融研究院 Chinese Academy of Financial Inclusion · DCCC Digital Connected Care Coalition · UPU Universal Postal Union · CGAP