UNDP

Insurance & Risk Finance Facility

Inclusive insurance and risk financing in Colombia

Snapshot and way forward 2023

Why this report?

This report summarizes the key findings of an inclusive insurance and risk finance country diagnostic carried out in Colombia by the UNDP's Insurance and Risk Finance Facility (IRFF). The objective of this summary report is to present a high-level overview of the following information:

1. **Key risks**, especially climate risks
2. The current state of **inclusive insurance**
3. The current state of **disaster risk finance**
4. **Recommendations to advance** inclusive insurance, risk finance and overall development in Colombia

This summary is intended to serve as a starting point for discussion and collaborative action planning on inclusive insurance and disaster risk finance between UNDP and key stakeholders including insurance sector actors, government agencies and other development sector actors.

IRFF goals

Impacts: Reduced vulnerability, enhanced resilience of countries and communities, and strengthened prospects for sustainable development.

Outcomes: Country and community long-term resilience improved by development and delivery of integrated insurance, risk finance and investment solutions, from products, tools and services all the way leading to market transformation.

Contact IRFF for questions:
If you wish to discuss the findings and recommendations of this report, reach out to:

irff@undp.org

Key messages

1

Risks: Floods, earthquakes, drought and landslides.

2

Inclusive insurance: The inclusive insurance sector in Colombia has made important advances, but the country's geography and production characteristics have limited its growth:

- In 2021, 2.2 million microinsurance policies and 21 million mass insurance policies were active
- In 2021, 22 of 43 insurance companies offered microinsurance products and 31 offered mass insurance products
- Microinsurance coverages are concentrated in voluntary group life (43.7% of premiums), personal accidents (22.4%) and individual life (7.2%), while mass insurance is concentrated in group credit life insurance (21.4%) and mandatory motor insurance (20.8%)
- The inclusive insurance sector is supported by an active and skilled insurance association (Fasecolda) and regulated by the financial regulator (URF) and the insurance supervisory body (SFC). In association with SFC, Banca de las Oportunidades contributes to regular sector analysis and policy development to improve levels of inclusion in insurance. Colombia has started to apply a proportionate approach to the regulations for inclusive insurance, enabling insurers to offer inclusive insurance more efficiently and effectively.

3

Risk finance:

- Hazard maps and data on past disasters are generally available, but Colombia lacks a comprehensive national risk assessment
- A clear structure around disaster risk management has been created, guided by the National Disaster Risk Management Plan (2016–2025) and led by the National Unit for Disaster Risk Management (UNGRD), both of which incorporate an aspect of disaster risk financing
- Colombia has access to some disaster risk financing mechanisms, including a National Fund for Disaster Risk Management and a contingent loan from the World Bank. A comprehensive disaster risk financing strategy needs to be updated to include different types of risk finance tools that may have been or will be developed.

4

Key recommendations include:

- Build databases on available demand information and facilitate training to support insurers to develop a broader range of inclusive insurance products, with an emphasis on making these products accessible and affordable for the most vulnerable sectors of the population
- Support the implementation of insurtech solutions
- Create cohesive inclusive insurance regulatory guidelines
- Facilitate and promote the development of inclusive agriculture and disaster risk insurance products
- Develop or update the current risk profile for Colombia
- Continue to pursue the development of risk transfer mechanisms.

Colombia's development and risk profile

Key macroeconomic and development indicators

3.3% average GDP growth was achieved over the last decade. Colombia is **one of the most dynamic economies** in South America and has a **stable macroeconomic environment**.[1]

10.8% of Colombians[2] (out of a population of **51 million**[3]) lived at or below the poverty level (less than US$2.15 per day) in 2020, up from **5.3%** before the COVID-19 pandemic in 2019.

9.5% of the population has no access to **financial services**.[4]

$5.2 billion **(21.1 trillion Colombian pesos, COP)** of Colombian Government expenditures related to **disasters**[5] between 2011 and 2019.[6]

82% of the population live in **urban** areas.[7]

58% of Colombia's workforce is in the informal sector, up from **47.6%** before COVID-19.[8] In the agricultural sector, informality rose to **86%** during the pandemic.[9]

Key risks and hazards

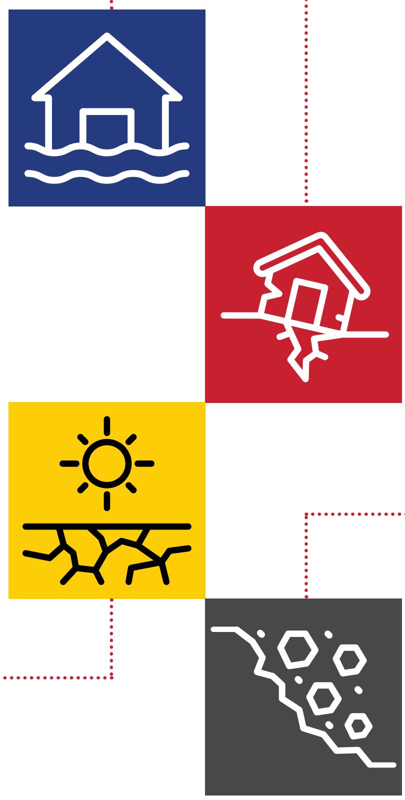
Flood[10]

Includes riverine, flash and coastal floods.

- **88,000** affected individuals
- **$28.8 million** in damages.

Extreme events in a given year can cause even greater destruction; for example, heavy rains in 2010–2011 caused over **$6.2 billion** in damages to crops and infrastructure.

Flood risk is projected to affect between **1.4 and 1.7 million** people along the Caribbean and Pacific coast.



Earthquake[11]

Ground movements and tsunamis have occurred in the past.

- **12,000** affected individuals
- **$19.3 million** in damages.

Around **87%** of the population is exposed to a medium or high risk of earthquake.[12]

Landslide

Massive movements of rocks, land or mud.

- **1,000** affected individuals[14]
- **$0.9 million** in damages.[15]

Around **23%** of people and **16.3%** of territory are located in landslide risk zones.[16]

Drought[13]

Can lead to water supply shortages for human and agricultural needs.

- **90,000** affected individuals.

Drought-related conditions have become approximately **2.2 times** more frequent than in previous years.

* Total affected individual numbers are estimated based on natural hazard experience across 1900–2020 (annualized).

Inclusive insurance[17]: Status

Context

2.2 million microinsurance policies were active at the end of 2020[18], covering primarily life and personal accident risks.

21 million additional mass insurance policies included mandatory covers, such as credit life and mandatory vehicle accident.[19]

Since 2000, microinsurance products have been offered, with the insurance association Fasecolda documenting them for the first time in 2007.[20]

Enabling environment

Highlights from the enabling environment for inclusive insurance in Colombia

Regulations

Inclusive insurance related regulations

Colombia does not have specific regulations for microinsurance or inclusive insurance. However, in Circular Letter 009 of 2021 (and Circular Letter 007 of 2022), the SFC supplied a technical definition, for information purposes, of microinsurance and mass insurance, and requested insurers to report data on both. Other regulations have helped facilitate inclusive insurance, including:

- Decree 034 of 2015, which modified Decree 2555 and empowers insurance companies to use bank correspondents as a commercial channel for insurance products
- Decree 2123 of 2018, which addresses insurance marketing operations and mass commercialization to facilitate the delivery of mass and microinsurance products
- External circulars 026 of 2008, 034 of 2015 and 027 of 2020, which attempt to proportionately apply anti-money laundering regulations, for example by easing the know-your-customer burden on companies when offering products with insured values below a specified amount.

Regulatory Decree 2555

In Colombia, financial sector regulation is compiled in a single regulatory decree, Decree 2555, which was first published in 2010 and has been updated with all the changes made to date. This decree collects and reissues regulations regarding the financial, insurance and securities market sectors.

Policies / Plans

National Development Plan (NDP) 2018–2022

Designed to realize the country's 2030 Sustainable Development Goals (SDGs) commitments, NDP 2018–2022 aims to boost equality and entrepreneurship, among other things, with a $325 billion budget.[22] One target aimed to increase Colombia's financial inclusion indicator (the percentage of adults with at least one active savings or credit product) to 85% in 2022,[23] which was achieved in 2021. The Colombian Government is currently building its next National Development Plan, which will establish the work route for the next four years.

National Policy on Inclusion and Financial Education (2020) (CONPES 4005)

In September 2020, the National Economic and Social Policy Council formulated CONPES 4005, which strategizes action plans to integrate financial services, including insurance, into the daily activities of citizens and micro, small and medium-sized enterprises (MSMEs).[21]

Roadmap for the Modernization of the Insurance Sector 2021–2025

URF's roadmap proposes modernizing the regulatory framework of Colombia's insurance sector based on three pillars: resilience, transparency and inclusion. A work plan proposes six strategies, including a project for technical studies on inclusive insurance. Topics include an analysis of the costs and benefits of new inclusive insurance modalities, the expansion of marketing channels and evidence-based design of financial education strategies.[24]

Stakeholders

Banca de las Oportunidades (Bank of Opportunities, BdO)

BdO is a government programme aimed at promoting access to credit and other financial services, specifically among low-income families and MSMEs, by creating conducive conditions, such as by fostering regulatory reforms and promoting agreements with different sectors. It has supported many initiatives for inclusive insurance, often together with Fasecolda or SFC.[25]

Federation of Colombian Insurers (Fasecolda)

With 35 members as of mid-2022,[26] Fasecolda represents the majority of the insurance industry. It has been a strong and capable promoter of inclusive insurance since the early 2000s and has a Financial Inclusion Committee that pursues strategies to promote insurance as an important instrument to improve quality of life. It has run a financial education programme for insurance since 2008 and has led other initiatives supporting inclusive insurance.[27]

Financial Superintendency of Colombia (Superintendencia Financiera de Colombia, SFC)

The insurance industry is supervised by SFC, whose main objectives include protecting consumers and ensuring the stability of the financial system. It publishes an annual financial inclusion report together with Banca de las Oportunidades. SFC is a supervisory entity that operationalizes the policies issued by URF.

Financial Regulation Unit (Unidad de Regulación Financiera, URF)

URF is an entity with administrative autonomy attached to the Ministry of Finance and Public Credit. URF regulates the insurance sector at a policy level.[28] It is conducting a study on the development of parametric insurance in Colombia, which should be completed by 2023.

Supply-side snapshot[29]

Insurance (traditional and micro) coverage: Fast facts

20 life insurers and **23** general insurers were registered with SFC in December 2021. Their participation in inclusive insurance offerings is high: in 2021, **22 of 43** insurance providers offered microinsurance, while **31** offered mass insurance.

3% **insurance penetration** (insurance premiums as a proportion of GDP) was achieved in 2021, on par with the average of 3% for Latin America, while insurance density was at **$183**, lower than the region's $240 average.[31]

8.7% was the annual growth rate of gross written premiums for the total insurance sector in 2016–2021.[30]

$7.6 **(COP 30,894)** was the average monthly premium for microinsurance policies in 2021.

$208 **million (COP 837 billion)** microinsurance premiums in 2021 accounted for **2.4%** of the total industry gross written premiums of **$9 billion** **(COP 35.4 trillion)**[32], while mass insurance accounted for **36.4%** (largely group credit life and mandatory motor vehicle).

Distribution

Insurance agents/agencies and brokers make up the most common distribution channel. Mass and microinsurance products make greater use of alternative channels: **36%** of microinsurance premiums came from other entities overseen by SFC including banks, while **16%** came from public service companies, **4%** from NGOs and **4%** from retailers.

Almost **27.3%** of all insurance premiums were marketed remotely (for example, using websites, mobile applications or call centres). Colombia's current low internet access levels (**70%**)[33] could present a barrier to reaching the most vulnerable sectors of the population: just **16%** of microinsurance premiums were sold remotely, compared to **43%** of mass insurance policies.

Insurance products: Fast facts

2.2 million active microinsurance policies at the end of 2021 covered an average of **7.1** risks per policy and the majority were group policies. The **21 million** mass insurance policies were less comprehensive, covering an average of **2.7** risks per policy.[34]

38.7% was the average microinsurance claims ratio in 2021 and **32.2%** in 2020, lower than the industry average of **55.3%** (2021) and **49.5%** (2020). By product line, microinsurance claims ratios ranged from **10.9%** for personal accident policies to **49%** for voluntary group life policies. If this trend continues, efforts should be made to ensure more value goes back to clients.

21.3 days is the average time to claim payment from microinsurance policies, the **fastest** in the industry (compared to a total industry average of **31.6** days).

Life insurance products

45.8% of policies are on personal accident and **37%** are voluntary group life, making them the most common microinsurance policies in 2021. Health, funeral and individual life microinsurance products are also available in the market. Mass insurance products concentrated on personal accident (**20.1%**), group credit life insurance (**19.5%**), voluntary group life (**19.1%**) and mandatory motor insurance or SOAT (Seguro Obligatorio de Accidentes de Tránsito, Obligatory Insurance for Traffic Accidents) (**13%**).

98% of the total population were covered by the public health system (the General Social Security Health System) by the end of 2021, with around **48.1%** on the subsidized plan.[35]

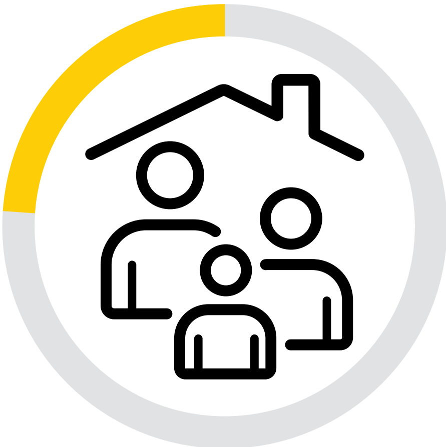
Non-life insurance products

Microinsurance products covering non-life risks, such as unemployment, home, fire and earthquake, are available, but have limited reach.[36]

During 2020, **eight** insurance companies offered agricultural insurance, up from just one in 2010. Purchase of agriculture insurance by smallholder farmers has grown in the period 2016–2020, particularly during the 2019–2020 period when premium subsidies were allocated for the purchase of parametric products.[37]

At least two parametric microinsurance products have been offered: a drought and excess rainfall cover for coffee farmers provided by Seguros Bolivar, Blue Marble and Nespresso,[38] and an earthquake, excess rain and drought cover for microbusinesses provided by SBS Seguros, MiCRO and Bancamía.[39]

Demand-side snapshot



Demand assessment

An insurance demand study was conducted by SFC, Fasecolda and BdO in 2018. It found that low-income households accounted for **24%** of voluntary insurance products. The primary motivations for obtaining insurance were protecting household members and gaining peace of mind. The risks that respondents reported as having the greatest financial impact were job loss, death of a household member, and illnesses and accidents. Of those respondents who reported experiencing a shock in the last three years, **60%** had no available financial tools (savings, credit or insurance) to help them cope.[40]

During May and April of 2022, BdO and SFC carried out an updated financial inclusion survey,[41] in which 5,513 people were surveyed on their perceptions of access, use and quality in financial services (savings, transfers, credit and insurance).

34% of men and 26.1% of women had purchased insurance, according to the survey. Respondents gave several reasons for not purchasing insurance:

31.6%

believed the products were **too expensive**

16.4%

did not trust insurance companies or funeral homes that sell insurance

14.7%

said they **lacked information** on insurance services

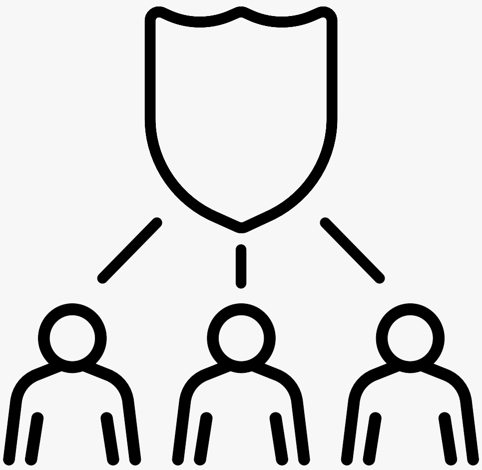
Others

stated that insurance companies' procedures and services **did not meet their needs.**

Sector initiatives

Viva Seguro (Live Safe)

A financial education programme created and run by Fasecolda since 2008, which seeks to improve people's knowledge, skills, attitudes and behaviours in managing risks and using insurance. This demand-side strategy focuses on promoting an insurance culture to increase trust in the industry and its products.[42]



Más Seguro, Más Futuro (Safer, More Future)

An initiative carried out by Fasecolda and BdO to boost the supply and demand of inclusive insurance. It ran between 2020 and 2021, providing capacity-building programmes to the industry as well as technical assistance for selected insurers to design products that meet the needs of the market, including in rural areas. It also included a financial education campaign on specific product types and an initiative to improve the industry's complaints resolution system.[43]

Mi Siembra Segura (My Safe Sowing)

A policy designed with support from UNDP in alliance with the Microinsurance Catastrophe Risk Organization (MiCRO) and operated by SBS Seguros Colombia. It aims to provide access to risk mitigation mechanisms through hybrid insurance aimed at vulnerable populations in dispersed rural areas (with parametric coverage for excess rain and drought and coverage against personal accidents).[44] Policies had one year of coverage (November 2021 to November 2022) and were delivered within the framework of a community store project run by Afro-Colombian and indigenous organizations as part of a financial inclusion strategy for a total of 232 beneficiaries.

Sovereign disaster risk financing[45]: Status

Disaster risk assessments[46]

Colombia's Law 1523/2012 sets hazard identification and disaster risk assessment as key objectives to be fulfilled by the National Disaster Risk Management System (Sistema Nacional de Gestión del Riesgo de Desastres, SNGRD).

Availability and granularity of national hazard information differs by hazard, but maps are available at the national level for seismic, landslide, flood and wildfire risks.

The National Disaster Risk Management Unit (Unidad Nacional para la Gestión del Riesgo de Desastres, UNGRD) collects disaster damage and loss data, which is made available in the United Nations Office for Disaster Risk Reduction's DesInventar data repository.

The comprehensive national disaster risk assessment is in need of review and updating, but UNGRD's 2019 national Risk Atlas for Colombia lays the groundwork.

Existing legal frameworks and policies

Laws and policies

Law 1523 of 2012:

- Establishes that sectors must incorporate disaster risk management into their planning and ensure appropriations to strengthen risk management
- Adopts the National Disaster Risk Management Policy
- Establishes the National Disaster Risk Management System (SNGRD)
- Establishes financing mechanisms for disaster risk management.

The National Disaster Risk Management Plan (2016–2025) was adopted in accordance with **Decree 308 of 2016**. It defines strategic lines and implementation mechanisms to guide the actions of the State and civil society through three fundamental components: risk knowledge, risk reduction and disaster management. It includes financial protection mechanisms as a strategy for achieving Objective 3 on reducing existing disaster risk conditions.

Structures

- **National Council for Risk Management:** The higher body in charge of guiding the entire National Disaster Risk Management System.[47] The Council is made up of the President of the Republic, Ministers, the National Planning Department and the UNGRD.
- **National Unit for Disaster Risk Management (UNGRD):** The coordinating entity of the SNGRD.
- **National Committee for Risk Knowledge:** Comprised of UNGRD, the National Planning Department, the Colombian Security Council, the Association of Autonomous Corporations, the President of the Colombian Federation of Municipalities, the Federation of Colombian Insurers, and representatives of public and private universities that have programmes on management, administration and risk management.
- **National committee and district and municipal departmental risk management councils:** These are the instances of coordination, advice, planning and monitoring that must ensure the effectiveness and articulation of the processes of risk management in the territorial entity that corresponds to each one.

Existing disaster risk finance mechanisms and instruments

Colombia has a relatively broad array of disaster risk financing mechanisms in place, with more under development:

- The **National Fund for Disaster Risk Management**[48] is a special State account with patrimonial, administrative, accounting and statistics independence. It is the main central government instrument to finance disaster recovery. The General Director of UNGRD oversees expenditures, and resources are subject to the appropriations assigned in Colombia's National Budget.[49]
- **Contingent line of credit:** At the end of 2021, the World Bank approved a third development policy loan for the International Bank for Reconstruction and Development with a catastrophe-deferred drawdown option (Cat DDO loan) for $300 million, which can be activated following a national declaration of disaster. Colombia's first Cat DDO loan of $150 million was issued in 2008 and disbursed in 2011 during the 2010–2011 La Niña phenomenon.[50]

Way forward for inclusive insurance and risk financing

Developing effective inclusive insurance and risk finance initiatives requires three components:

1. a clear understanding of the market
2. a supportive enabling environment
3. a stronger offer from suppliers that develop better access for individuals, institutions and government

The following recommendations are based on these three criteria.

1

Understanding the market for inclusive insurance and risk financing

The existence of demand for inclusive insurance products and for risk financing tools for government

1.1

A public study on insurance demand was conducted in 2018, but gaps in information remain.

Continue to gather and disseminate relevant demand information at both the public and private levels.

- The demand study should be updated regularly (at least every five years) and new information should be obtained, including information on specific risks that are not yet well represented in inclusive insurance, such as property and health, and information to facilitate appropriate segmentation of inclusive insurance target markets.
- Relevant institutions and stakeholders should conduct in-depth workshops with insurers on the results from the demand study and the annual financial inclusion reports provided by SFC/BdO, focusing on the practical applications of the information.
- Relevant institutions and stakeholders should support training insurers on client research methods for inclusive insurance segments and provide them with tools to conduct their own research (necessary to complement publicly available demand information and facilitate detailed product design).

1.2

Barriers in reaching the most vulnerable populations remain due to relatively low internet access levels, although investments in insurtech grew to $1.7 billion in 2016.[51]

Support the implementation of digital technologies and insurtechs.

- A study on insurtechs in Colombia should be developed, examining their capacity to support and facilitate inclusive insurance.

1.3

Mistrust of insurance remains a challenge for the industry in Colombia, with high complaint rates and low claims ratios for microinsurance.

Build trust with customers through claims.

- Efforts to build insurer capacity to improve claims turnaround times should be conducted.
- Fasecolda should continue to support the industry in addressing complaints, building on its previous work on addressing and classifying complaints.
- Education programmes should be developed, potentially as part of Viva Seguro, to encourage insured people and beneficiaries to make use of their insurance services.

2

Enabling environment for inclusive insurance and risk financing

The need for legal, regulatory, policy and macro-level frameworks to support the development of inclusive insurance and disaster risk financing

Regulatory and policy framework for inclusive insurance

2.1

Colombia does not have specific regulations for microinsurance or inclusive insurance, but the existing regulatory framework does take a proportionate approach that promotes the development of mass and microinsurance.

Support URF and SFC to compile regulations relevant for inclusive insurance and continue to improve upon the proportionate approach.

- Relevant regulations should be compiled in one micro and mass insurance document that provides guidelines for insurers.
- Regular workshops between SFC and industry should be conducted on ways to work within the existing regulatory framework, and feedback should be continually gathered from the industry on how the regulatory environment can continue to improve.

2.2

(Inclusive) insurance is incorporated in many key national plans and development policies.

Support the implementation of key insurance components of relevant plans and policies.

- With national institutions (i.e. Ministry of Finance and Public Credit, National Planning Department), goals for insurance should be analysed and defined for inclusion in the next National Development Plan to cover 2022–2026 (given that the current NDP ends in 2022).
- Relevant institutions should follow up on the insurance-related actions in CONPES 4005 (National Policy on Inclusion and Financial Education) and identify opportunities to support it.
- URF should be supported in implementing the proposed studies in the Roadmap for the Modernization of the Insurance Sector, particularly with regard to the interpretation of results and their application.

Disaster risk assessments and fiscal impact

2.3

Hazard maps and disaster data are available, but a comprehensive national disaster risk assessment has not been completed.

Support the development of a national risk assessment.

- UNGRD and its National Committee for Risk Knowledge, working with partners, should synthesize available hazard and disaster risk information into a national risk assessment.
- Input should be gathered from key stakeholders to identify critical priorities and build consensus on disaster risk management and disaster risk financing priorities.

2.4

Several disaster risk financing mechanisms are available but an integrated strategy needs to be developed.

Develop a comprehensive risk financing strategy.

- UNGRD should be supported to co-create a broader risk financing strategy in consultation with key government and development stakeholders, via roundtables, consultations and endorsements.

3

Supply and distribution of inclusive insurance and risk financing tools

The existence of inclusive insurance and risk financing products and tools, along with providers to offer them.

3.1 Inclusive insurance supply and distribution

Microinsurance and mass insurance coverages remain concentrated in group life and credit life and personal accident coverages. Claims ratios are generally very low.

Support the insurance industry to offer a broader range of more valuable inclusive insurance products, elevate its practices and improve users' perception of its services.

- Key stakeholders should develop programmes in line with this objective, such as the next iteration of the Más Seguro, Más Futuro programme, and should support another cohort of interested insurers by providing training and technical assistance to design valuable, needs-based products.
- Key stakeholders could support the development of a quality label or scorecard for microinsurance or mass insurance products, based on an assessment of the value of the products (based on the SUAVE[52] or PACE[53] frameworks, for example).

3.2

Coverage for agriculture and disaster risks is limited and includes a small number of parametric insurance pilots.

Support the development of inclusive agriculture and disaster risk insurance products.

- An impact evaluation should be conducted to identify the effect of parametric insurance products on the welfare of the beneficiaries. This will enable a technical precedent to be set to expand the development of parametric insurance into other sectors in Colombia.
- In partnership with University of California, Davis, the university's Quality Index Insurance Certification (QUIIC) should be extended to Colombia and Latin America as a whole.
- Colombia should join the InsuResilience Global Partnership as a member country.

3.3 Existing disaster risk financing mechanisms and instruments

The Government is aware of options for disaster finance mechanisms and some mechanisms have been piloted with donors in a limited way.

Support the development of risk financing mechanisms relevant for Colombia at a sovereign level.

- A feasibility report should be developed on the risk financing mechanisms available for Colombia and its findings should be promoted to the Government.
- Workshops on disaster risk finance mechanisms should be developed and facilitated for relevant stakeholders from the Government.

Endnotes

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16 Colombia, National Planning Department, CEPAL and BID, *Impactos económicos del cambio climático en Colombia – síntesis, 2014* [Economic Impacts of Climate Change in Colombia – Synthesis, 2014] (Bogotá and Washington, D.C., 2015). Available at https://www.cepal.org/es/publicaciones/37879-impactos-economicos-cambio-climatico-colombia-sintesis.

17 Inclusive insurance is a broader term denoting all insurance products aimed at the excluded or underserved market, rather than solely microinsurance or those products specifically aimed at the poor or low-income market. For this definition, see International Association of Insurance Supervisors, "Issues Paper on Conduct of Business in Inclusive Insurance", IAIS Issues Papers (Basel, 2015). According to Fasecolda (the Colombian insurance association), inclusive insurance products are those "which are marketed, mainly, through alternative channels depending on the branches enabled for it, and which are intended for the excluded or neglected market." Microinsurance, more narrowly, relates to those insurance products "that offer protection to low-income people and their assets against specific threats." See Fasecolda, "Seguros inclusivos" [Inclusive insurance]. Available at https://fasecolda.com/ramos/seguros-inclusivos/preguntas-frecuentes/. Similarly, the Financial Superintendency of Colombia, according to Circular Letter 009 of 2021, defines microinsurance as voluntary insurance products that were designed for use by low-income populations or small businesses, that are simple and easy to understand and access, with monthly premiums amounts below specified thresholds.

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