Pathways to protection: from challenges to opportunities in insurability

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GFIA

GLOBAL FEDERATION OF INSURANCE ASSOCIATIONS

About GFIA

The Global Federation of Insurance Associations (GFIA), established in October 2012, represents through its 43 member associations and 3 observer associations the interests of insurers and reinsurers in 69 countries. These companies account for 89% of total insurance premiums worldwide, amounting to more than US$4 trillion. GFIA is incorporated in Switzerland and its secretariat is based in Brussels.

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Executive summary

Insurance is essential for financial protection, economic resilience, and overall development. Yet, protection gaps, the potential cost of a risk materialising which is not covered by insurance or retirement savings, persist across many regions and population groups — leaving individuals, businesses, and communities vulnerable to a growing range of risks.

The Global Federation of Insurance Associations (GFIA) presents this report to explore these gaps through the lens of the "4 A's" framework: **Awareness, Accessibility, Affordability, and Availability**. It draws on industry initiatives and best practices worldwide, as well as policy recommendations, to highlight both the challenges and potential pathways toward more sustainable insurance coverage.

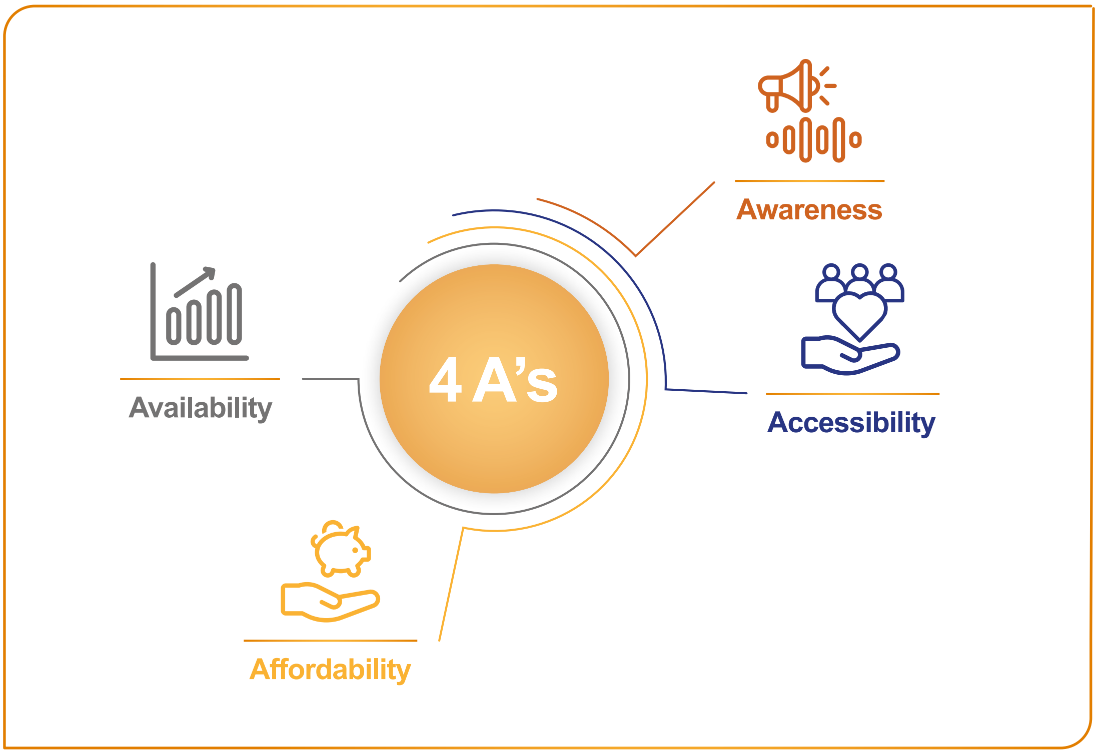
Maintaining insurability is critical for economic resilience and societal well-being.

The insurance industry is actively responding to a growing number of challenges. Insurers around the world are investing in innovative products, digital platforms, and financial literacy campaigns to better reach the populations they serve. Collaborative initiatives in all regions of the world demonstrate how multi-stakeholder approaches can boost public understanding, expand insurance access in vulnerable communities, and tailor products to meet specific local needs.

However, even the most innovative industry solutions cannot close protection gaps alone. Policy and regulatory environments have a critical influence on whether insurance can be distributed efficiently, priced accurately, and made available to those most in need of the products. In some cases, government actions — such as promoting construction in more risk-prone or climate-vulnerable areas, limiting risk-based pricing, or underinvesting in public infrastructure — can unintentionally exacerbate coverage gaps or make insurance unaffordable.

To effectively address the "4 A's," this report provides targeted policy recommendations to:

- Raise **awareness** through public education campaigns, digital financial literacy initiatives, and early engagement on topics like pensions and cyber risk.
- Support improved **accessibility** by encouraging modern regulatory approaches, promoting digital tools and inclusive product design, and enabling innovation through regulatory sandboxes.
- Enhance **affordability** by maintaining open insurance and reinsurance markets, allowing risk-based pricing, and incentivising risk mitigation through smart actuarially justified subsidies, targeted tax policies or parametric solutions.
- Ensure **availability** by promoting investing in resilience infrastructure, supporting appropriately designed public-private partnerships, and avoiding regulatory distortions that limit insurability.



Ultimately, closing protection gaps requires a coordinated, multi-stakeholder effort. To achieve this, GFIA calls for a proactive, collaborative approach between insurers, policymakers, regulators, and civil society. Only by aligning industry innovation and other complementary public policy initiatives within enabling policy environments that respect the foundational pillars of sound insurance regulation can the 4 A's be addressed and gaps narrowed.

Introduction

Both new and existing risks are on the rise globally, driven by factors such as the increasing frequency and severity of natural disasters, cyber threats, geopolitical instability, and economic unpredictability. Economic trade conflicts and sanctions are also highlighted as new risks emerging in 2024[1], according to The Chief Risk Officer Forum (CRO Forum) report. These tensions often lead to heightened risks in specific regions, supply chain disruptions, and fluctuating commodity prices, impacting the downstream affordability and availability of insurance products.

Increasing trade disputes, along with shifting cross-border regulatory frameworks, further adds complexity to underwriting and pricing risk, forcing insurers to rethink their strategies. Increased volatility in global financial markets, driven by unpredictable individual countries' geopolitical and economic events, compounds the challenges insurers face in offering coverage for the risks that consumers and businesses face[2].

Increasing trade disputes, along with shifting cross-border regulatory frameworks, further adds complexity to underwriting and pricing risk, forcing insurers to rethink their strategies.

In recent years, concerns about protection gaps and access to insurance have consequently grown significantly in many jurisdictions, particularly regarding the availability and affordability of coverage across both life and property & casualty (P&C) sectors. The OECD Global Insurance Market Trends 2024 report highlights rising premiums in the non-life sector, which reflect continued cost pressures from inflation in claims costs, and the hardening of reinsurance markets[3]. This, among other cost pressures, has led to an increase in premiums written in major non-life classes such as motor, health, and property insurance, contributing to the growth of premiums in these areas. Insurers must balance the need for appropriate premiums to maintain their business consistency and solvency positions with the aim of maintaining affordability and accessibility for policyholders. This may result in state interventions enforcing caps on premiums.

[1] CRO Forum (2024), "Emerging Risks Initiative: Major Trends and Emerging Risk Radar 2024".

[2] Geneva Association (2023), "The value of insurance in a changing risk landscape".

[3] OECD (2024), "The Global Insurance Market Trends 2024 report".

The P&C insurance sector faces growing challenges around affordability, and in some cases availability, due to various external factors beyond insurers' direct control, especially risks driven by government actions. The increasing frequency and severity of natural catastrophes are also driving up premiums, particularly in property insurance, raising discussions about concentration of physical risk, limiting access and affordability in high-risk regions. Similarly, in motor insurance, rising inflation and the introduction of new technologies, such as semi-autonomous vehicles and electric vehicles (EVs), are adding costs and complexity. For instance, EVs present unique risks — especially related to battery performance and repairability — that may prompt individual insurers to adapt traditional underwriting and claims models. This shift is taking place within an increasingly complex regulatory landscape that, while charged to focus on consumer protection and positive outcomes, can also introduce operational friction and additional costs. As a result, efforts to modernise insurance models in response to innovation and emerging risks may inadvertently reduce accessibility and drive premiums even higher, particularly when regulatory demands outpace their practical benefits.

In home insurance, rapidly increasing costs due to increased assets in climate vulnerable areas, inflation, lawsuit abuse and now tariffs are challenging insurers. The response by some governments, such as suppressing rates, increasing coverage mandates and relying on underfunded government insurance programmes, has turned affordability challenges into availability constraints.

In the life insurance sector, challenges are equally pressing. Life insurance penetration, defined as the ratio of premium volume to GDP, has stagnated or even declined in many markets since the early 2000s partly due to ultra-low interest rates, which have weakened savings and annuity products[4]. This trend, while rooted in the past, illustrates how strongly economic trends can affect the supply of life insurance products. Socio-demographic shifts and changing family structures — including ageing populations, lower marriage rates and fewer children — are also reshaping demand and shrinking the pool of low-risk policyholders[5]. Today, insurers continue to face economic pressures such as inflation, interest rate and market volatility, which impact investment returns and product pricing. Regulatory requirements can also increase costs and limit product flexibility, while the lack of tax incentives, due to state budgetary constraints, can add another layer of difficulty.

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[4] Allianz (2024), "Transformative years ahead for the insurance sector: Allianz Global Insurance Report 2024".

[5] Allianz (2024), ibid.

This report examines these issues in more depth to better understand the key challenges affecting insurability globally and provide some guidance and good practices. To do so, the report builds upon GFIA's 2023 protection gaps study[6], expanding its scope to include not only policy recommendations but also an overview of industry initiatives. By examining both life and P&C insurance sectors, this report aims to provide an analysis of the challenges and solutions related to ensuring widespread access to insurance products.

The "4 A's" framework — Awareness, Accessibility, Affordability, and Availability — serves as the analytical foundation for this report, drawing on research from the Geneva Association[7]. It guides exploration of the multifaceted nature of insurance access issues and supports the presentation of strategies to address them. While some risks may no longer be insurable under previous conditions, the insurance industry is actively adapting and innovating to meet evolving needs and maintain its unique role in providing financial security and fostering economic resilience[8].

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[6] GFIA (2023), "Global protection gaps and recommendations for bridging them".

[7] Geneva Association (2025), "Inclusive insurance in advanced economies: alleviating strains on society".

[8] GFIA (2024), "Insurance: a unique sector".

The 4 A's framework

The global protection gap across perils — covering crop, natural catastrophe, health and mortality — reached a new high of $1.83tn in premium equivalent terms in 2023, marking a 3.1% increase in nominal terms from a restated $1.77tn in 2022[9]. This widening gap underscores the persistent barriers that prevent individuals and businesses from obtaining adequate insurance coverage. In this context, the "4 A's" framework developed by the Geneva Association offers a useful lens for analysing these barriers. Each component — Availability, Accessibility, Affordability, and Awareness — plays a crucial role in shaping insurance access.

Awareness begins with recognising the risks one faces and understanding how insurance can provide financial protection — an essential first step towards considering or purchasing coverage.

Key challenges and responses to awareness

1| Financial literacy

The existing knowledge gap contributes significantly to protection gaps across various markets. Financial literacy initiatives and targeted education campaigns are essential in addressing this challenge.

The insurance industry and regulators are helping to narrow this gap through targeted educational initiatives, digital outreach campaigns, and the use of AI-driven tools to enhance consumer engagement.

Regarding life savings insurance and pension schemes, raising awareness is particularly important. There is a need to improve financial literacy and education through national strategic plans and public and private campaigns. These campaigns should promote retirement and long-term savings and raise public awareness of the need to supplement public pensions with second and third pillar pensions to ensure an adequate standard of living after retirement and reduce the pension gap. Additionally, developing pension tracking systems and dashboards will increase awareness of citizens about their expected retirement income and so support better financial planning.

[9] Swiss Re (2024), "Sigma resilience index 2024".

2| Risk perception

There is an additional dimension of awareness around the expectations of who bears the cost when disaster strikes. In the case of natural catastrophes (natcat), even when individuals are aware of the risk, they may incorrectly assume that governments will fully compensate losses, reducing the perceived need for private insurance. This misperception undermines demand for coverage and increases long-term fiscal pressure on governments.

Policymakers can play a critical role in clarifying the distinct roles of public disaster relief and private insurance. It is essential to communicate that while governments may provide emergency services and humanitarian support after a crisis, insurance is the primary tool for covering, within relatively short timeframes, property damage, business interruption, and long-term recovery costs. Clear messaging from public authorities about the limits of post-disaster aid can reinforce the value of insurance and encourage more responsible risk planning among households and businesses. Similarly, public messaging about steps individuals and businesses can take to enhance resilience benefits everyone; increased awareness of how to be proactive in reducing potential losses and their impacts on families, workers, and communities should be a parallel priority.

Concerning occupational pension instruments, it is important to develop national frameworks that allow the implementation of automatic enrolment schemes. Research indicates that people are more inclined to join pension schemes through autoenrollment if they have the option to opt out. Auto-enrolment can increase the participation rates of workers and enhance returns to pension-holders by delivering the benefits of greater scale and capacity to diversify. Therefore, automatic enrolment should be promoted more widely by the competent authorities.

3| Trust

According to the Edelman Trust Barometer 2022[10], insurers continue to face trust deficits, particularly with consumers who may view them as more profit-driven than customer-centric. While 2023 brought encouraging signs, with individuals and policymakers increasingly recognising the value of greater insurance protection and taking steps to enhance coverage — and thus resilience — trust remains a foundational issue[11].

[10] Edelman Trust barometer (2022).

[11] Swiss Re (2024), *op. cit*.

The insurance industry can build trust and help promote more insurance penetration through consumer resource and education. If a consumer has the power of knowledge, it will directly affect their decisions on what car or home they purchase, and empower them to make more educated choices, thereby mitigating risk. With better explanation, consumers can be aware of the costs and consequences associated with their decisions.

This trust deficit is not limited to consumers. Governments also have the potential to make it more difficult for insurers over the long term to meet their financial promises to policyholders[12]. In some cases, well-intentioned policies may even unintentionally aggravate insurance challenges — for example, by promoting development in climate-sensitive areas, allowing litigation abuses that increase costs[13], restricting the ability to set actuarially sound rates, or establishing government insurance schemes that are not adequately funded. Governments may overlook the imperative for insurance markets to remain stable and competitive within the threat of political pressures disrupting the foundational tenets for sound regulation.

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Insurance regulators typically have a wealth of data that governments could use to promote stronger building codes, and more resilient construction materials and methods. Strengthening relationships with both consumers and governments, while consolidating an understanding of both the role of insurance and the limitations of state support, is essential in ensuring that insurance remains a trusted tool for managing risk and supporting financial resilience. Initiatives to improve transparency, better communication of the value of insurance products, and, in some jurisdictions, the development of public-private partnerships (PPP) could go a long way in building this trust.

[12] A Deloitte (2021) report found that one-third of regulators were unsure of insurers' preparedness for climate-related risks, with few considering them fully ready. The BIS has also warned that insurer withdrawals from climate-impacted regions are increasing pressure on governments and posing risks to financial stability (Bloomberg, 2023).

[13] The American Tort Reform Association (ATRA) reports that New York's legal system creates an annual $89bn burden due to excessive litigation, driven in part by laws like the scaffold law that encourage abuse. These costs strain insurers and contribute to rising premiums (New York Post, 2024). The 2025 NAMIC report "The Future of Insurance" also highlights the impact of such legal system abuses.

Accessibility focuses on the ease with which consumers can purchase and use insurance products.

Key challenges and responses to accessibility

1I Distribution processes

Barriers in this area can include complex application processes, limited distribution channels, inadequate financial infrastructure in certain regions, and legislative barriers — such as restrictions on cross-border reinsurance, hindering collaboration between reinsurers and local insurers on product innovation and limiting the capacity to expand availability[14]. Additionally, some industry participants may be more accustomed to traditional methods of doing business, which can sometimes create resistance to adopting new technologies. The reliance on legacy systems within insurance companies can also present hurdles when trying to modernise and respond to evolving consumer demands[15]. These factors can be particularly evident in developing economies, where a lack of distribution networks and insufficient infrastructure can limit access to insurance products.

2I Infrastructure

Other barriers to accessing insurance products may relate to distribution infrastructure. Especially in rural or remote areas, traditional agent networks may not extend beyond larger, urban centres, making it challenging for even informed consumers to easily purchase a policy. Where digital access may be limited, factors such as poorly designed platforms, device incompatibilities, and insufficient language support can complicate enrolment and onboarding processes. Even in areas with robust digital connectivity, some market participants may prefer established ways of doing business, which can make the transition to new technologies more gradual. In some markets, regulatory, legislative, and licensing restrictions limit who can sell insurance products or how products can be bundled with other services. Additionally, while many insurers are actively investing in modernisation, existing legacy systems can pose practical challenges when adapting to fast-evolving consumer expectations or developing more flexible product offerings[16].

[14] Reinsurance Advisory Board (2023), "The power of reinsurance".

[15] Intellias (2025), "Insurance legacy system transformation: challenges & trends".

[16] Intellias (2025), *op. cit*.

To address some of these challenges, insurers are expanding mobile-based insurance solutions, developing microinsurance models, and collaborating with local financial institutions to improve market penetration. The rise of digital technologies offers new opportunities to overcome these obstacles, but it also requires careful consideration of regulatory frameworks and consumer protection measures.

The 2024 OECD report on global insurance market trends highlights that the insurance business is unevenly developed around the world, with significantly lower coverage in less advanced economies. Penetration levels vary considerably, with wealthier and more advanced economies generally exhibiting higher levels of insurance penetration. In contrast, many Latin American and African countries, as well as certain European regions, such as Poland and Romania, have much lower levels of insurance penetration. These disparities underscore the need for context-specific approaches when addressing the issue of accessibility. A uniform, one-size-fits-all strategy is unlikely to be effective, as market conditions differ significantly from one jurisdiction to another.

Affordability remains a critical question, particularly in high-risk areas and for individuals with limited financial resources. As risks intensify due to extreme weather, climate change and technological advancements, financial losses become more frequent and severe, making it increasingly difficult to keep premiums affordable.

Key challenges and responses to affordability

1| External pressures

Rising costs are often driven by external factors beyond insurers' control, such as supply chain disruptions, inflation, litigation costs, and heightened risk exposures.

The prices of non-life insurance policies rose significantly in 2023 due to continued cost pressures, with premiums non-life premiums growing by 12.4% on average nominal terms, reflecting the rising claims costs in sectors like motor, health, and property insurance[17].

[17] OECD (2024), op. cit. The 12.4% increase in non-life insurance premiums in 2023 reflects the global average across 56 countries, including 36 OECD members.

The rising cost of insurance is particularly evident in the motor and home sectors. For instance, in the UK average motor insurance premiums rose by 21% between Q2 2023 and Q2 2024, driven primarily by an 18% surge in claims costs[18]. Similarly, in the US, premiums increased by 15% during the same period[19]. Modern vehicles, equipped with advanced sensors, digital systems, and battery technology, are increasingly expensive to repair, while supply chain disruptions have prolonged repair times, further inflating costs.

Home insurance premiums have also surged, rising by approximately 19% in the UK and 13% in the US over the past year[20]. This increase is largely due to inflation and record weather-related claims in 2023 — driven by storms, floods, and droughts — which have significantly increased payouts. Additionally, higher material costs and labour have made rebuilding significantly more expensive.

2I Taxes and regulation

In many countries, another key challenge to affordability is the imposition of government taxes on insurance products. These taxes are typically levied as a percentage of the insurance premium, meaning the premium tax charged is proportional to lower or higher premiums, which are typically based on risk-based pricing principles. In such locations, as premiums increase, these taxes place an even greater financial burden on policyholders — particularly in the case of mandatory coverage such as motor insurance — thereby artificially inflating the overall cost of insurance. Taxation is the second-largest component of insurance premiums after peril-related risk[21].

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[18] ABI (2024), "Insurance pricing FAQs".

[19] S&P Capital IQ, Data Dispatch, Sept 21, 2023 and Sept 9, 2024

[20] S&P Capital IQ, Data Dispatch, Sept 21, 2023 and Sept 9, 2024

[21] For example, in Australia removing state-based taxes and levies could reduce insurance premiums by 10 to 30 per cent—and by up to 40 per cent in some states, such as New South Wales, where additional charges like the Emergency Services Levy apply.

The evolving role of new technologies, such as artificial intelligence (AI), adds another layer of complexity to the affordability issue. AI has the potential to enable insurers to offer more targeted products tailored to specific consumer needs. However, regulatory frameworks surrounding these technologies, particularly AI, are still evolving and may hinder insurers' ability to fully leverage their potential. Some regulators may focus on regulating the tool itself rather than its application within core insurance principles. While some insurers are adopting innovative pricing models — such as parametric insurance[22], usage-based premiums enabled by telematics[23], and other incentives for risk-reducing behaviour — these advancements can be delayed or restricted by the regulatory landscape.

Availability refers to whether suitable insurance products exist for the risks faced by individuals and businesses in some locations.

Key challenges and responses to availability

1I Increasing frequency and severity of risks

Some risks may be harder to insure under traditional models due to increased frequency and severity of events, leading to fewer coverage options in certain markets. In an evolving risk and regulatory landscape, it is imperative that insurers are able to accurately identify and price risks to avoid losses outpacing premiums. For example, extreme weather events and cyber risks may present uncertainties or risk levels that challenge individual insurers' risk appetite or ability to offer coverage under sustainable conditions. Availability issues may also be created by government actions that suppress rates or add unrealistic mandates.

[22] Parametric insurance is a type of coverage that pays out a predetermined amount based on the occurrence and magnitude of a specific event or trigger, such as a natural disaster. While it differs from traditional indemnity insurance by not requiring proof of actual loss, parametric products are designed to approximate indemnity by providing timely financial support closely aligned with the insured's potential loss.

[23] Telematics refers to the use of technology—such as GPS and sensors—to collect and transmit data on a vehicle's usage, which insurers analyse to monitor driving behaviour. This data enables usage-based premiums, encouraging safer driving and more personalised insurance coverage.

Regarding extreme weather events, the number of natcat losses has increased by an average of 5% per year over the last 50 years[24]. In absolute numbers, average annual natcat losses increased from $126bn between 1990 and 1999 to $219bn between 2010 and 2020. In 2024, global economic losses from natural disasters even reached $368bn[25].

The current natcat protection gap stands at roughly $139bn per annum. ”

The current natcat protection gap stands at roughly $139bn per annum. A driver contributing to the acceleration of the protection gap is the movement of populations and their valuable assets to high-risk areas. The share of insured losses (and therefore the natcat protection gap) differs significantly by region, which can be partly explained by each region's risk situation and economic exposure. While the gap stands at 30-40% of losses in some regions and countries (Europe and North America), it has been consistently large — close to 100% — in some low- and middle-income markets, making them particularly vulnerable to long-term economic hardship and reliant on international aid in the case of major natcat events[26]. These trends have led to increased premiums and, in some cases, reduced coverage options in high-risk areas.

When private insurers withdraw from high-risk areas due to unsustainable losses or regulatory constraints, residual markets may emerge. For instance, in the US Fair Access to Insurance Requirements (FAIR) plans serve as insurers of last resort, providing basic property insurance in areas where private coverage is unavailable. While crucial for maintaining a safety net for consumers, the increasing reliance on FAIR plans in some areas underscores market failures. The financial burdens of these plans, often subsidised by assessments on private insurers, highlight the need for comprehensive risk mitigation strategies, sensible land use planning, and regulatory environments that allow for insurers to accurately price risk in order to encourage private market participation.

[24] GFIA (2023), *op. cit.*

[25] Aon (2025), "Climate and catastrophe insight".

[26] GFIA (2023), *op. cit.*

Cyber threats continue to grow in both frequency and severity, posing a serious challenge for businesses globally. According to Chainalysis, annual cryptocurrency ransom payments surged from $567m in 2022 to $1.1bn in 2023[27]. Other costly attack methods include business email compromise (BEC) and supply chain attacks[28]. Despite the growing reliance on digital assets, a 2024 survey by Munich Re found that 87% of global decision-makers believe their companies are inadequately protected against cyberattacks. This protection gap highlights the difficulties insurers face in underwriting cyber risks, particularly given the potential for large-scale losses. Narrowing the gap between economic and insured losses is a key challenge. As risks continue to evolve in an increasingly digital economy, raising insurance penetration for cyber risks must be a priority. From a policy perspective, raising awareness and reducing evolving risks improves and societal and economic resilience.

To address these availability issues, the industry is leveraging catastrophe bonds, reinsurance solutions, data analytics and machine learning, and in some cases public-private partnerships (PPPs) that may help maintain or expand coverage options in high-risk areas. With competitive dynamics, the insurance industry continually innovates to develop new products that address emerging risks and evolving consumer needs. Regulatory frameworks that support alternative risk transfer mechanisms may also play a crucial role in ensuring continued insurance availability.

[27] Chainalysis (2024), "Ransomware payments exceed $1 Billion in 2023, hitting record high after 2022 decline"

[28] Munich Re (2024), "Cyber insurance: risks and trends 2024".

Industry initiatives and best practices

The insurance industry is actively working to address the key challenges identified in the "4 A's" framework. For example, some insurers are implementing a wide range of initiatives to enhance awareness, improve accessibility, address affordability concerns, and expand the availability of coverage.

Awareness

To enhance awareness and financial literacy, some insurers are investing in financial education programmes and public awareness campaigns. These efforts, alongside regulatory efforts, aim to improve understanding of insurance products and their benefits, particularly among underserved populations and in emerging markets. Digital platforms and social media are increasingly being used to reach wider audiences with targeted, easy-to-understand information about insurance and risk management.

Enhancing public awareness and financial literacy: Japan's collaborative approach

Building on the government's 2023 "Promoting Japan as a Leading Asset Management Center" initiative, the Life Insurance Association of Japan (LIAJ) has forged dynamic partnerships to deepen public understanding of insurance. In November 2023, the LIAJ joined forces with the General Insurance Association of Japan and the Japan Institute of Life Insurance through a comprehensive cooperation agreement. Together, they have co-created engaging educational materials, deployed expert lecturers, and delivered specialised training for schoolteachers — introducing insurance concepts into classrooms and communities. By embedding insurance modules in standardised financial curricula through the Japan Financial Literacy and Education Corporation (J-FLEC), these organisations are uniting public and private expertise to reach new audiences nationwide.

To ensure these efforts resonate, especially with students and young professionals, the LIAJ has embraced cutting-edge digital tools and a rigorous Plan-Do-Check-Act (PDCA) cycle. A redesigned, user-friendly education portal now offers interactive, easy-to-access resources, while official X (formerly Twitter) accounts deliver timely insights and promote two-way dialogue. Continuous data analysis informs content refinements, ensuring each update meets evolving needs and expands access among previously underserved groups. This blend of collaboration, innovation, and responsiveness exemplifies a best practice in elevating financial literacy and building lasting trust in insurance.

Empowering through education: HAIC's role in insurance awareness

In 2024, the Hellenic Association of Insurance Companies (HAIC) launched the "Why Insure Myself" digital campaign, designed to raise awareness and educate the public on the benefits of insurance. Central to this initiative was the creation of a user-friendly microsite, www.iknow-insurance.gr, which offers simplified, accessible content on key insurance areas: home, business, health, pension, and motor insurance. The campaign used a strategic mix of digital and traditional media to ensure wide-reaching visibility and engagement.

Additionally, HAIC has partnered with Junior Achievement Greece to run the annual "Dream Wisely" educational programme since 2019. This innovative initiative, approved by the Ministry of Education in 2021, aims to introduce primary school students to the concepts of risk, prevention, and insurance.

Delivered through an engaging e-learning platform (dreamwisely.gr) with interactive learning games, the programme is designed to help students, with the support of their teachers, the importance of responsible decision-making in both personal and professional contexts.

Accessibility

Insurers are increasingly leveraging technology to simplify insurance processes and expand distribution channels. In many instances, mobile applications, chatbots, and online portals are making it easier for consumers to research, purchase, and manage insurance policies. Partnerships with fintech companies and other non-traditional players may also help to reach previously underserved segments of the population. Where possible, some insurers are developing microinsurance models tailored for low-income populations, as well as engaging in public-private partnerships to develop and fund insurance products. Some governments are warming up to regulatory environments that allow for innovative insurance products to be tested and introduced into the market and promoting financial literacy awareness and education campaigns to improve insurance market penetration. The rapid rise of digital technologies offers exciting new opportunities to overcome obstacles, but it may also require careful consideration of regulatory frameworks and consumer protection measures.

Some innovative solutions are being developed by the industry to improve accessibility, as exemplified by the following case studies:

Expanding Insurance Accessibility in Brazil's Favelas: MAG's F Seguros and MAPFRE na Favela[29]

In Brazil, several innovative initiatives stand out, but two recent efforts deserve special recognition for expanding insurance accessibility and financial inclusion in low-income favela communities: F/ Seguros, by Mongeral Aegon (MAG), and MAPFRE na Favela.

As part of its 2024–2026 Sustainability Plan, the insurance company MAPFRE launched MAPFRE na Favela, an initiative aimed at addressing the specific needs of small entrepreneurs and low-income residents. MAPFRE developed a suite of tailored products — such as MAPFRE Minha Vida (focused on personal well-being and funeral assistance), MAPFRE Meu Trampo (supporting small business continuity), and MAPFRE Meu Bem Protegido (covering essential equipment) – delivered via simplified, community-focused channels. By meeting people where they are, both geographically and financially, the initiative promotes a more inclusive insurance market while contributing to local economic development and strengthening social protection at the grassroots level.

Likewise, F/Seguros – a recent insurance company developed by MAG Seguros in partnership with CUFA and Favela Holding — aims to promote insurance awareness and financial inclusion in Brazilian favelas. In addition to offering life insurance, funeral assistance, and locally tailored telemedicine services, F/Seguros focuses on empowering residents by training them as insurance agents. This community-based model builds trust, enhances insurance literacy, and generates employment — helping to close persistent gaps in accessibility, employability, and education in vulnerable communities.

Therefore, these two initiatives demonstrate how the Brazilian insurance sector is increasingly attentive to the needs of historically underserved populations, strengthening financial resilience and supporting the sustainable development of vulnerable communities.

[29] https://cqcs.com.br/noticia/f-seguros-inicia-nova-fase-com-comercializacao-direta-de-apolices/

https://www.mapfre.com.br/quem-somos/sustentabilidade/compromisso-social/acessibilidade-ao-seguro/mapfre-na-favela/

Improving access to healthcare through virtual care in Canada

Virtual care is a tool that uses technology, such as videoconferencing, to connect individuals with healthcare providers. It expands access to healthcare services, especially for rural or remote communities with limited access to healthcare professionals. These services also benefit individual patients with access to care and less time lost waiting in emergency rooms and walk-in clinics.

In Canada, virtual care became more prevalent during the COVID-19 pandemic as many areas moved to deploy virtual care capabilities. In April 2020, about 60% of health care visits in Canada were virtual, compared to 10-20% in 2019.

Life and health insurers in Canada play an important role in providing virtual care services to Canadians. Since 2017, Canadian life and health insurers have offered virtual care services as part of employment benefit plans. In 2023, approximately 10 million Canadians were covered by employer-paid virtual care, resulting in just over half a million virtual care visits. These offerings have improved Canadians' access to timely, high-quality health care services.

Affordability

Addressing affordability remains a complex challenge, but some insurers are exploring innovative approaches. These may include the development of parametric insurance products, which may offer more affordable coverage for specific risks, the use of telematics to enable usage-based insurance models, and Internet of Things (IoT) devices. Some insurers are also offering actuarially justified premium discounts for policyholders who implement risk mitigation measures, encouraging them to reduce their exposure to potential losses. Additionally, greater flexibility is being offered to consumers to help tailor insurance policies to their individual needs and budgets.

However, while innovations in product design and pricing can improve affordability, they do not directly address the underlying risks that drive premiums. Lowering premiums sustainably can only be achieved through effective risk mitigation — both individually, by policyholders, and collectively, through government action to address broader systemic risks. It is imperative that these risks be reduced at scale to achieve both individual and community resilience.

The following case studies illustrate how the industry is addressing these challenges:

Bushfire resilience rating app: empowering homeowners to reduce risk and lower insurance premiums

The Bushfire Resilience Rating app, developed by the Resilient Building Council, helps Australian homeowners assess and improve their property's resilience to bushfire risks. Supported by the domestic insurance industry and the Australian Government, the free app was created following the 2020 Royal Commission into Natural Disaster Arrangements.

The app enables homeowners to take proactive steps to protect their property, supporting community preparedness and potentially lowering insurance premiums. Using a self-guided questionnaire, homeowners assess aspects such as roofing, windows, landscaping, and water supply. Based on their responses, they receive a star rating and a tailored action plan with practical recommendations.

Since its launch in October 2023, the app has seen over 45,000 assessments, with around 17,000 households completing three or more resilience improvements, totalling over $155 million in home improvements. Several Australian insurers now offer premium discounts to policyholders who use the app to reduce bushfire risk.

In the face of rising insurance premiums due to inflation, taxes, and increased risk factors, the app plays a key role in reducing premiums while enhancing the resilience of Australia's built environment.

Expanding climate risk insurance for African farmers: ACRE Africa and Zambia Inclusive Climate Insurance Project

In Africa, initiatives such as ACRE Africa in Kenya and the Inclusive Climate Insurance Project in Zambia aim to make insurance more affordable and accessible for farmers. By embedding insurance into agricultural input purchases, these programmes simplify access to coverage and reduce the financial burden on farmers, offering protection against climate risks.

Kenya – ACRE Africa

ACRE Africa offers weather index insurance embedded in seed and fertiliser purchases, automatically activated by scanning a unique code. This parametric insurance protects farmers against climate risks such as drought and excessive rainfall, using satellite data for monitoring and the «SeeItGrow» app to assess crop damage. The programme is a collaboration with local insurers, agricultural input distributors, and telecom operators.

Zambia – Mayfair Insurance & Partners

The Zambia Inclusive Climate Insurance Project integrates insurance into agricultural input packages through the national Farmer Input Support Programme (FISP). Premiums are subsidised, and parametric insurance triggers rapid payouts in the event of climate-related losses. The initiative is supported by Mayfair Insurance Zambia, Pula Advisors, ZEP-RE, IFC, FSDZ, and the Zambian Ministry of Agriculture.

Availability

To ensure insurance products remain available, some insurers are investing in advanced risk modelling and data analytics to better understand and price evolving and emerging risks.

From an underwriting perspective, many current processes rely on legacy records or may face regulatory constraints. As a result, the evolving risk landscape increases the risk that insurers may be unable to price risks accurately, leading to losses outpacing premiums. This may ultimately result in insurers choosing not to renew policies or exiting certain markets, exacerbating availability issues. Allowing insurers to leverage data insights and advanced predictive models like machine learning models can help to more accurately assess and price risk to combat the limitations of legacy systems and data. Machine learning models can also derive granular insights from unstructured data to refine risk selection and identify previously insurable risks in traditionally uninsurable geographic areas or asset classes. Insurers are also collaborating to create specialised pools for hard-to-insure risks, such as those associated with climate change or cyber threats. Additionally, public-private partnerships are being explored to provide coverage in certain high-risk areas where traditional insurance products may not be viable. However, availability challenges can often be exacerbated by government action, as seen in the US state of California.

Some examples of positive collaborations include:

Japan’s earthquake insurance system: ensuring coverage for catastrophic events through public-private collaboration

Japan, located in one of the world’s most active seismic and volcanic zones, faces frequent earthquakes. To address the challenges of predicting earthquake frequency and scale, and the potential for widespread damage, Japan introduced a joint government-private sector earthquake insurance system in 1966.

This system provides indemnity for damage caused by earthquakes, volcanic eruptions, and tsunamis following either of these events, covering fire, destruction, burial or washing away for individual residences. Private insurance companies underwrite policies, while the government reinsures the liabilities. In the event of a major earthquake, reinsurance claims are paid to insurers, with an annual cap on total claims set by the Diet.

By sharing the risk between the public and private sectors, the programme ensures the availability of insurance, even in the event of catastrophic losses, helping maintain financial stability and accessibility for policyholders.

France's drought initiative: supporting resilience and ensuring insurability in a changing climate

In 2023, France Assureurs, the Central Reinsurance Fund (CCR), and the Natural Risks Mission (MRN) launched the "Initiative Sécheresse" to address the growing risk of drought-related damage, particularly the shrinkage and swelling of clay soils affecting single-family homes.

Coordinated with the Ministry of the Economy, Finance, and Industrial and Digital Sovereignty, the initiative supports long-term risk management for homeowners, insurers, and public authorities, supporting continued insurability in the face of climate change.

The first phase analysed 200 homes to evaluate the durability of repair solutions and promote the resilience of the buildings against the drought. The second phase will assess the effectiveness of preventive measures and promote early risk awareness.

Through this collaboration, the insurance sector is actively contributing to national climate resilience efforts while safeguarding coverage for vulnerable properties.

Policy recommendations

Access to insurance is important for individual financial protection. While many insurers are actively implementing solutions to expand awareness, improve accessibility, enhance affordability, and ensure availability, the success and scalability of these efforts depend significantly on the broader policy and regulatory environment.

Access to insurance is important for individual financial protection. ”

Policymakers, regulators, and supervisors play a pivotal role in shaping the conditions under which insurance can deliver on its promises to policyholders. Government decisions — ranging from fiscal policy and legal frameworks to urban development planning and climate resilience strategies — have a direct impact on the industry's ability to price, underwrite, and deliver sustainable coverage.

The insurance industry continues to invest in innovation and inclusion, as evidenced throughout this report. However, even the most forward-leaning initiatives can be undermined by unintended policy consequences, such as incentives that promote development in climate-vulnerable areas, inflationary macroeconomic policies, or regulatory restrictions that prevent risk-based pricing. Similarly, underinvestment in public risk mitigation or data infrastructure can exacerbate insurability challenges — particularly in areas where risks are evolving rapidly.

To close protection gaps and ensure access to insurance, policymakers must take a proactive and informed approach. The following recommendations — framed within the "4 A's" framework — build on insights from the GFIA 2023 Protection Gaps Report and reflect practical policy levers that can help align public and private efforts. When pursued in partnership, these actions can unlock the full potential of insurance as a tool for financial security, risk resilience, and inclusive economic development.

Awareness

To boost awareness, policymakers should support and actively aim to educate the general public, businesses, communities, and policyholders about the benefits of insurance. Education and information campaigns can ensure better understanding of risks and the importance of having financial protection.

Key recommendations to enhance awareness include:

- ✓ Inform the public about the level or potential impact of the natural hazards to which they are exposed, including emerging risks. Through knowledge sharing and proactive education, communities can preventatively save substantial resources by mitigating future climate-related damages. Involve community education to sensitise all citizens, including younger generations, to natural risks, establishing a deeper understanding of extreme weather, climate risks and prevention strategies.
- ✓ Emphasise the importance of and responsibility for prevention and mitigation strategies to bolster individual, business and community resilience.
- ✓ Promote cyber risk awareness and incentivise prevention, notably through collaboration with the insurance industry to provide resources and education about the risks of operating online and the steps to mitigate these risks.
- ✓ Promote pension savings, particularly for young people, by educating individuals on the importance of making continuous savings from the beginning of their working life.
- ✓ Support educational initiatives to enhance financial literacy in emerging markets and underserved communities, making use of digital platforms and innovative education tools to reach a wider audience.
- ✓ Promote pension tracking systems and pension dashboards, in order to increase citizen awareness of expected retirement income and so support better financial planning.
- ✓ Develop legal frameworks that allow the implementation of automatic enrolment schemes, to increase the participation rates of workers in occupational pension instruments.
- ✓ Support the implementation of training courses, in particular on natural catastrophe and disaster risk prevention, for all appropriate local elected officials, professionals, and civil servants at the beginning anlimad throughout their mandate or function.

Tax incentives can serve as an effective tool to encourage insurance awareness and promote a culture of risk protection in society.

Accessibility

Improving accessibility requires modernising regulatory frameworks to allow for innovative distribution channels while maintaining essential consumer protections. Policymakers can support online insurance services and promote financial inclusion.

Key recommendations to enhance accessibility include:

- ✓ Promote regulatory sandboxes to test new insurance models and technologies in a controlled environment, allowing insurers to innovate while maintaining regulatory oversight.
- ✗ Avoid imposing policy measures that restrict access to financial advice for consumers with limited disposable income. Removing support for financial advice professionals remunerated by pension providers risks reducing access for those unable to afford fee-based services.
- ✓ Promote microinsurance, parametric and other locally tailored products to expand protection in emerging and underserved markets.
- ✓ Ensure fair access to data, enabling insurers to design more customised, cost-efficient and responsive insurance products.
- ✓ Support the insurer's option to expand digitalisation of insurance services to improve accessibility, especially in remote or underserved regions, by ensuring that regulatory environments allow for digital tools and platforms to broaden insurance reach.

Affordability

Addressing affordability challenges involves implementing risk-based pricing regulations that both value consumer protection and preserve market stability. In some cases, and without disrupting the foundational pillars of sound insurance regulation, policymakers can explore mechanisms to make insurance more affordable to both individuals and businesses.

Key recommendations to enhance affordability include:

- ✓ Support open (re)insurance markets to ensure the maximum amount of capital is available to close protection gaps and support competitiveness and innovation. Open markets allow insurers to diversify risks globally, lowering costs and increasing capacity. This recommendation does not refer to government-run reinsurance pools or funds.
- ✓ Allow private insurers to price policies sustainably and accurately, ensuring that premiums reflect the actual risk. This applies to coverage for natural catastrophe and other emerging risks, which require appropriate pricing mechanisms.
- ✗ Avoid regulatory barriers that limit access to natural catastrophe coverage. Refrain from imposing excessive taxes and levies on premiums, which increase costs for policyholders and may reduce affordability.
- ✓ Allow the use of technology, including parametric insurance models, to reduce coverage costs for specific risks. These models may be more affordable than traditional insurance products and offer faster payouts.
- ✓ Ensure post-disaster assistance does not create moral hazard by discouraging preventive action or insurance uptake. Ensure that post-event financial assistance is clearly communicated, with limitations that align with public policy.

Availability

Availability challenges can be addressed through national resilience strategies and the development of effective risk mitigation frameworks.

Key recommendations to enhance availability include:

- ✓ For insurance to remain available, particularly in markets facing high claims inflation and severe weather events, regulatory environments must support actuarially sound pricing and efficient distribution mechanisms. Inflexible rate approval processes, non-renewal restrictions, and retroactive coverage mandates can inadvertently lead to availability issues by preventing insurers from adequately managing risk and capital. Policymakers should consider frameworks that allow for dynamic pricing adjustments and promote a balance between consumer protection and market stability, incentivising private sector innovation.
- ✓ Facilitate the sharing of aggregated government data with insurers and academic institutions for the purpose of risk modelling and mitigation. This may improve insurers' ability to price and underwrite emerging risks more effectively.
- ✓ Encourage investment in disaster preparedness and resilient infrastructure to reduce the overall risk exposure and improve insurers' ability to provide coverage for high-risk areas. Governments may be able to collaborate with insurers to co-design risk-reduction initiatives that strengthen community resilience to extreme weather or climate-related events.
- ✓ Support competition and innovation in the reinsurance sector, ensuring that insurers have access to global capital and can diversify risks to provide broader coverage, particularly in high-risk areas such as natural catastrophes and cyber threats.
- ✓ Promote the development of pension solutions that are inclusive, affordable, and efficient. This involves ensuring that regulatory environments do not create unnecessary barriers to the provision of pension products, which are a key aspect of long-term financial security, and implementing attractive tax incentives to encourage savings.

By enacting these recommendations, and by engaging insurance industry stakeholders on other potential options, policymakers can reinforce the role of insurance as a cornerstone of economic resilience and social protection. Collaboration across sectors and geographies may be vital to broadening access to insurance in a rapidly changing world.

Conclusion

As noted throughout this report, insurability challenges are present globally. Addressing these issues will require a whole-of-government approach, alongside the involvement of various economic sectors, to enable insurers to innovate and contribute to a comprehensive strategy for risk prevention and mitigation.

Maintaining insurability is critical for economic resilience and societal well-being, and it is a complex challenge that requires collaborative efforts from insurers, policymakers, and other stakeholders. While some risks may no longer be insurable under previous conditions due to changing global dynamics, the insurance industry is committed to adapting and innovating to meet evolving needs.

The “4 A’s“ — Awareness, Accessibility, Affordability, and Availability — provide a shared framework for stakeholders to work together to overcome barriers to insurability. The initiatives highlighted in this report demonstrate the industry’s proactive approach to addressing these challenges. However, continued collaboration and support from policymakers are essential to create an environment in which insurance can fulfil its vital role in keeping promises to policyholders, supporting financial security and promoting resilience.

The risk landscape is constantly evolving, and the insurance industry must be enabled and not prevented from being agile. Embracing new technologies — from AI and blockchain to advanced data analytics — may help create solutions to keep protection in reach for individuals and businesses.

This report aims to support ongoing discussions and action, and it reinforces the importance of a cooperative approach to maintaining and strengthening access to insurance globally.

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