

# UNDP ICMIF Insurance Innovation Challenge Fund – Winning Project



*Providing tailored protection to Sri Lankan women entrepreneurs in micro SMEs*

Award recipient	Sanasa Life Insurance Company Limited (SLIC)
Location	Sri Lanka
Product	Life insurance with health, funeral and investment component
SICL contribution	USD 100,000
IIC contribution	USD 100,000

Duration of project	1 April 2024 to 31 March 2026
Target population	Women led MSMEs in rural and semi-urban areas
Projected total policies issued (including renewals)	25,000
Projected total lives covered	75,000
Projected total number of individuals educated/trained	100,000 MSMEs

## What is the project and why is it needed?

Over a two-year period, this new project aims to scale up insurance for women-run micro, small and medium enterprises (MSMEs) through an innovative insurance product called "Labandi Ran Wasi" (LRS) designed specifically for women entrepreneurs in Sri Lanka.

In Sri Lanka, MSMEs contribute 45% of the GDP, with women's contribution standing at a low 25% of the total sector's contribution. Factors such as limited access to credit, low financial literacy, and low confidence hinder women's participation in the MSME sector. A survey conducted by the IFC World Bank group revealed key issues that hamper the growth of the MSME insurance market, including a low level of insurance awareness. Only 15% of MSMEs are estimated to use insurance as a risk management tool.

This project aims to address these challenges through a dual approach focusing on education and accessibility of its insurance product. The target demographic is women-led MSMEs, with the objective to reach 25,000 policyholders across diverse sectors including agriculture, service, and manufacturing sectors. With a special focus on rural and semi-urban areas, the project aims to increase the participation of women in the MSME sector and enhance their financial resilience.

Areas of significant concern for women that need to be addressed are: savings, critical illness, death claim benefits, and funeral expenses. Family members of women entrepreneurs are also at risk of losing the family's primary income due to death. To address this, the product provides life coverage for both the women entrepreneurs and additional coverage for their family members.

## What is innovative about it?

Innovative initiatives such as the process of daily collection and integrating mobile technology will bridge the distribution inefficiencies and allow for greater market penetration. In addition, a unique marketing and educational programme for women entrepreneurs will be designed.

## How does it follow a value-orientated solution framework?

The project takes a holistic value-oriented approach, intertwining economic empowerment, education, community resilience and gender focus. As a cooperative, there will be constant engagement with the policyholders throughout the project period to ensure the product meets the specific needs of its policyholders. This engagement will be enhanced through the implementation of digital platforms and integrating societies that belong to Sanasa Federation into the process.

<b>Gender equality</b>	The project specifically targets women entrepreneurs in the MSME sector, a demographic that is currently underrepresented in Sri Lanka's GDP. By designing an insurance product tailored to their needs, this project aims to empower these women and enhance their financial stability.
<b>Education</b>	One of the key strategic involvements of this project is to design comprehensive marketing and educational programmes for women entrepreneurs. This effort will conduct feasibility studies on the demand for the sector and analyse the willingness and level of education of women and youth sectors in MSMEs to improve their insurance and risk management knowledge.
<b>Community building and resilience</b>	The project places a strong emphasis on deep engagement with local societies. By expanding its engagement with 1250 Sanasa societies across Sri Lanka, Sanasa aims to reach underserved communities, particularly in rural and semi-urban areas. This community-focused approach ensures that the benefits of the project reach those who need them most, contributing to the resiliency and sustainability of these communities.

## What is the scaling up strategy?

The project's growth strategy involves enhancing insurance and risk management knowledge among women and youth in MSMEs through targeted marketing and educational programmes, along with expanding its customer base to ensure the product's market establishment within two years. Sanasa Insurance plans to establish 15 new insurance branches aiming for self-sustainability once a base of 15,000 policies is achieved.

## Who is Sanasa Insurance Company?

[Sanasa Insurance Company Ltd](#) (SICL) is a micro-insurance company in Sri Lanka. With over 600 staff members, more than half of whom are women, SICL supports over 500,000 members from underserved markets. SICL has been instrumental in developing the climate insurance sector in Sri Lanka since 2010 through initiatives such as community-based weather stations, blockchain agriculture insurance, and satellite technology for climate insurance. SICL is authorized to carry on Life and General insurance business, under the Regulation of Insurance Industry Act No 43 of 2000. After the 1st of July 2019, SICL has segregated life and general business.

## How to get involved?

Through the UNDP ICMIF Insurance Innovation Challenge (IIC), the United Nations Development Programme's (UNDP) [Insurance & Risk Finance Facility](#) and [The ICMIF Foundation](#) are helping mutual and cooperative insurers scale up innovative, affordable and inclusive insurance products which specifically serve the needs of underserved households and/or micro, small and medium-sized enterprises (MSMEs) in developing economies, with a particular focus on women.

For more information and how to get involved please contact the ICMIF Foundation [foundation@icmif.org](mailto:foundation@icmif.org)

### About UNDP

UNDP is the leading United Nations organization fighting to end the injustice of poverty, inequality, and climate change. Working with our broad network of experts and partners in 170 countries, we help nations to build integrated, lasting solutions for people and planet.

### About The ICMIF Foundation

ICMIF has been providing development support to its members in emerging markets for over sixty years and in 2015 established a charitable organisation called [The ICMIF Foundation](#) (registered charity in England and Wales No. 1179919) to take the work to the next level. To date, The ICMIF Foundation has as reached over three million low-income households in total with insurance and resilience building efforts, equating to over 16 million lives being impacted.

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