



TOR No:	2018 - X
Title:	(Senior) Financial Sector Specialist – Insurance
Grade:	GF/GG
Division/VPU:	Finance, Competitiveness and Innovation (FCI) Global Practice, Longer Term Finance Global Solutions Team (GST3)
Duty Location:	Washington D.C
Appointment Type and Duration:	Two-year Term Appointment

BACKGROUND

The Finance, Competitiveness and Innovation Global Practice (FCI GP) helps countries build deep, diversified, inclusive, efficient and stable financial systems which are essential to promoting economic growth and reducing poverty and increasing shared prosperity. The practice is committed to delivering public and private sector tailored solutions to development challenges by leveraging the whole range of the World Bank Group's financial, knowledge/advisory and convening services for clients. In doing so, the practice not only partners with the broader World Bank finance team (IFC, WB, MIGA and WB/IFC Treasuries) but also acts as an enabler for all the other GPs and Cross-Cutting Groups.

As a joint World Bank-IFC practice, the FCI GP brings together the World Bank's knowledge, finance (loans, credits, guarantees, risk management products), and convening services, and IFC advisory into a suite of development solutions for our clients and the global community to support reaching the twin goals of eliminating extreme poverty and promoting shared prosperity.

Led by a Senior Director and four Directors, the FCI GP is managed by a cadre of 20+ Practice Managers who oversee its regional teams and global solutions teams. The Long-Term Finance Global Solutions Team (GST3) includes the Insurance & Pensions group. The objectives of the team are twofold: first, ***we aim to ensure that more people have better access to quality pensions and insurance products***; secondly, we endeavor ***to increase the supply of institutional investors' assets that can safely fund long-term investment***.

Why is insurance important for development?

Insurance is increasingly recognized as an important tool to support development. Insurance can protect low income families and micro, small and medium enterprises (MSMEs) against losing their livelihoods and assets due to shocks like natural disasters, life cycle events or sudden illness thus preventing them from falling back into cyclical poverty. Insurance can also help mobilize long-term domestic savings for finance of infrastructure and housing and contribute to capital market development. Insurance also sustains the efforts of other policy agendas such as food security, agricultural protection or private sector development.

Yet Insurance markets in many emerging economies remain stubbornly small and are getting stuck at various points on the evolutionary cycle. 2.5 billion people and MSMEs are underinsured or excluded and the vast majority of insurable risks as not covered. There is a large potential economic impact from

building insurance markets in terms of jobs and insurance companies building reserves which they can invest.

Insurance Market Development Program

The Insurance Market Development Program aims to partner with key counterparts in selected emerging markets to support the development of their insurance industries. The goal is to create robust, efficient insurance markets, offering appropriate products to meet local consumer needs and protect against vulnerability and poverty.

The program consists of the following elements:

Country diagnostics: a deep dive diagnostic for a selective group of countries identified as having supportive enabling conditions for market development will be developed. This can incorporate the traditional regulatory reviews based on international standards (International Association of Insurance Supervisors (IAIS) Insurance Core Principles (ICP) self-assessments, Financial Sector Assessment Program (FSAPs) etc.), but will go beyond the regulatory framework to consider local issues which should drive product development and distribution and market conditions which could drive innovative approaches. Market research and focus group discussions will inform this country-specific analysis. Particular areas of focus will include topics such as: mobile phone distribution; availability of weather data; existing formal and informal methods of saving and risk protection; formal and informal employment structures; system of healthcare provision – amongst others. These deep dives will look across the insurance supply chain, using a market systems approach to assess what the binding constraints and opportunities are for insurance to contribute to development – both economic and human. The analysis will involve experts from across disciplines – financial markets, private sector, social inclusion, climate, governance, regulation, and macroeconomic policy.

Lessons learnt, market research and analysis: Countries which have delivered insurance market growth and development beyond the benchmark of their peer group will be examined to understand what were the drivers for such success and to take such lessons learnt to other countries and regions. Questions asked would include, where there any regulatory changes which removed barriers and /or sparked market development? Was market liberalization a driver? Were compulsory products introduced? Was product development or distribution particularly innovative? The analysis will look at the main global challenges to the insurance industry and how they are affecting developing countries. For example, big data and AI, use of mobile phone operators, InsurTech, new risks, changing cultural awareness and approach to insurance and risk management.

DUTIES AND RESPONSIBILITIES

The FCI GP is seeking to recruit a (Senior) Financial Sector Specialist, who will work with the Insurance & Pensions team on the Insurance Market Development Program. The candidate will have emerging experience and motivation working in financial markets and the insurance industry. The candidate will work with the Practice Manager and Global Lead for the Long-term Finance team on the delivery of the Insurance Market Development Program.

The (Senior) Financial Specialist will contribute to the program in the following ways:

I. Country diagnostics: the (Senior) Financial Sector Specialist will:

- *Oversee and provide research on the selected countries.* This will include providing and overseeing research on background macro data relevant for the insurance sector (e.g. percentage of population unbanked, scale and extent of mobile phone usage, automobile ownership, housing ownership, nature of agricultural sector, breakdown of financial sector – including micro finance and community credit institutions etc.);
- *Oversee and provide detailed information on the insurance market.* Issues to be examined will include the nature of products, profitability and trends, competition levels within markets, solvency levels, distribution channels, legal, regulatory and supervisory structures etc.). A literature review of previous market research will also be required and policy lessons drawn.

II. Lessons learnt: the (Senior) Financial Sector Specialist will:

- *Disseminate learning on impact of previous world bank projects.* This will involve the use of standard market impact indicators (penetration ratios), adjusted to reflect impact of projects, not just macro trends. The Financial Sector Specialist will lead the team to refine and devise new indicators, working with the AXCO database, and the team at AXCO. The Financial Sector Specialist will also partner with the IAIS team to help analyse the impact of compliance with their Insurance Core Principles on market development and consumer protection.
- *Provide research notes on specific areas.* For example, how supervisors should use claims ratios to assess market strength and development. These will be produced in coordination with partners including IAIS and Access to Inclusive Insurance (A2ii). New developments in the InsurTech space will also be covered (e.g. lessons from use of Sandboxes by insurance regulators).
- *Provide policy advice and implementation support for recommendations from the program.* The Financial Sector Specialist will be expected to lead the implementation work arising from the diagnostic and analytical work, including policy dialogue with key counterparts in the selected countries.

Other research and policy advisory service may be required as the program develops. The (Senior) Financial Sector Specialist will work closely with the Global Lead for Insurance & Pensions and other insurance sector specialists in the Long-term Finance team and the FCI GP.

SELECTION CRITERIA

- Master's Degree in business, finance, economics, or equivalent and related discipline.
- A minimum of 5 years of relevant operational experience, including working in the insurance industry or regulatory body.
- Experience in policy advice and reform implementation on financial sector and insurance issues.
- Demonstrated planning skills and capacity to guide development of results-based financing approaches in working with governments and the private sector;
- Familiarity with literature on best practices in insurance market development and regulation (including IAIS Insurance Core Principles);
- Strong interpersonal skills, cross-cultural and team player skills, plus ability to work effectively in a small team under tight deadlines;
- Demonstrated capacity to prioritize decisions for operational results;
- Excellent written and oral communication skills and demonstrated ability to advocate positions and defend orally and in writing difficult issues and positions;
- Willingness and ability to undertake operational travel.