The International Labour Office (ILO) and The Prudential Foundation (PFI Foundation) are partnering to strengthen the resilience to risk for low-income populations in Asia and Latin America.

Through this partnership, the ILO’s Impact Insurance Facility (the Facility) will stimulate product innovation in Asia, where it will support the development of better risk-management solutions for low-income households and small enterprises. The project will also facilitate the development of inclusive insurance markets in two Latin American countries, where the ILO will build the capacity of, and facilitate a knowledge exchange among, key stakeholders to overcome the barriers to serving emerging consumers.

To do this, the project will select up to four innovation partners, including banks, credit unions and microfinance institutions, for whom improving risk management of clients is a strategic priority and who have the potential to scale up successful solutions. Where needed, the ILO will provide Social Finance Fellows to support the selected partners.

“We are thrilled to leverage our expertise in innovation, capacity building and market development to continue pushing the frontier in insurance in collaboration with PFI Foundation. This project will provide capacity building to partners and the broader industry as well as generate new lessons about the risk management needs of the working poor. Insights from these pilots will be useful for the financial sector at large, including policy-makers. With increased access to quality products, low-income people will enhance their resilience, enabling them to adopt more effective risk management and mitigation practices,” said Craig Churchill, Chief of the ILO’s Social Finance Programme.

“Low-income households often lack the financial security to cope when crises occur, but insurance can help reduce the burden of unforeseen events and enable people to become more financially stable, breaking an otherwise vicious cycle,” said Lata Reddy, Chair and President, PFI Foundation. “Our partnership with ILO is another example of our commitment to underserved and financially vulnerable communities, particularly in emerging markets, and hearkens back to our founding promise: to bring financial security within reach for all.”

The ILO’s Impact Insurance Facility is enabling the insurance sector, governments, and their partners to embrace impact insurance to reduce households’ vulnerability, promote stronger enterprises and facilitate better public policies. Housed at the International Labour Organization, the ILO’s Impact Insurance Facility was launched in 2008 with generous support from the Bill & Melinda Gates Foundation to work with the insurance sector to build quality risk-management solutions at greater scale.

The PFI Foundation is a nonprofit corporation supported by The Prudential Insurance Company of America, an insurance subsidiary of PFI, of the U.S. The PFI Foundation advocates for systemic change focused on eliminating barriers to financial and social mobility in the areas of connecting people to quality jobs, building personal assets and transforming communities. As a strategic investor, the PFI Foundation makes long-term commitments that yield tangible results through both grants and program related investments. For more information about PFI’s commitment to social responsibility, visit www.prudential.com/corporateresponsibility. Prudential Financial, Inc. of the United States is not affiliated with Prudential plc, which is headquartered in the United Kingdom.

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