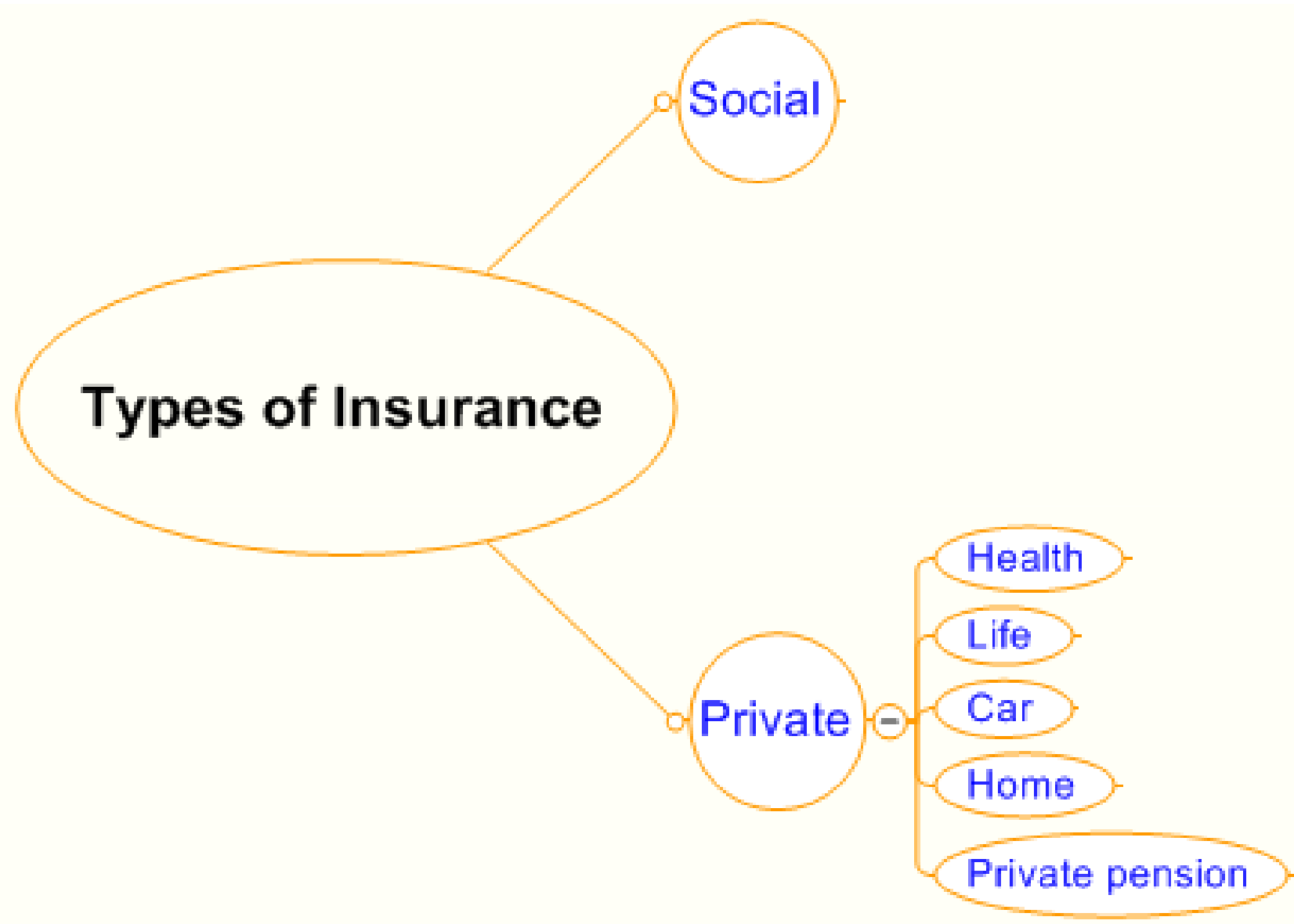
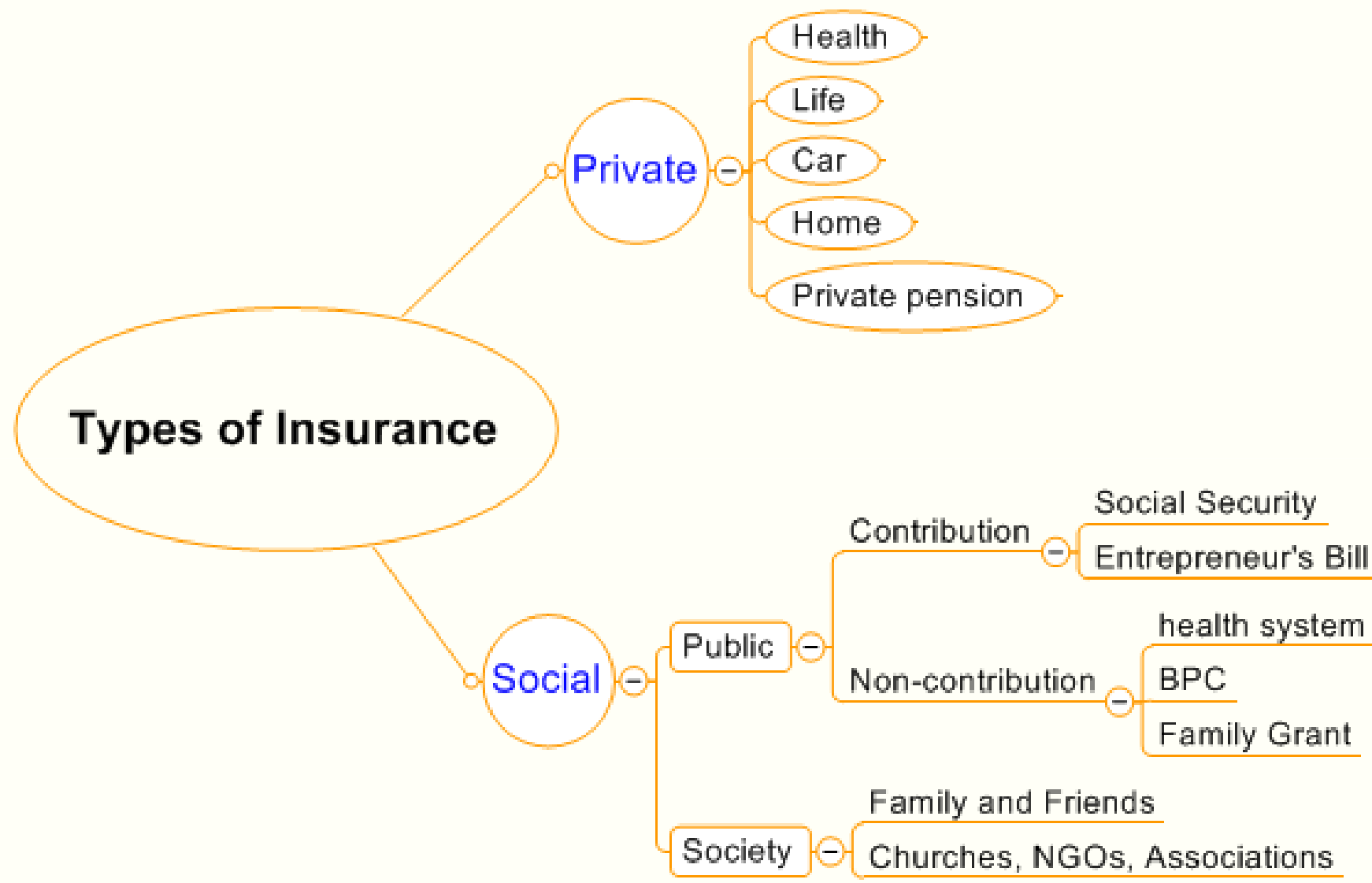


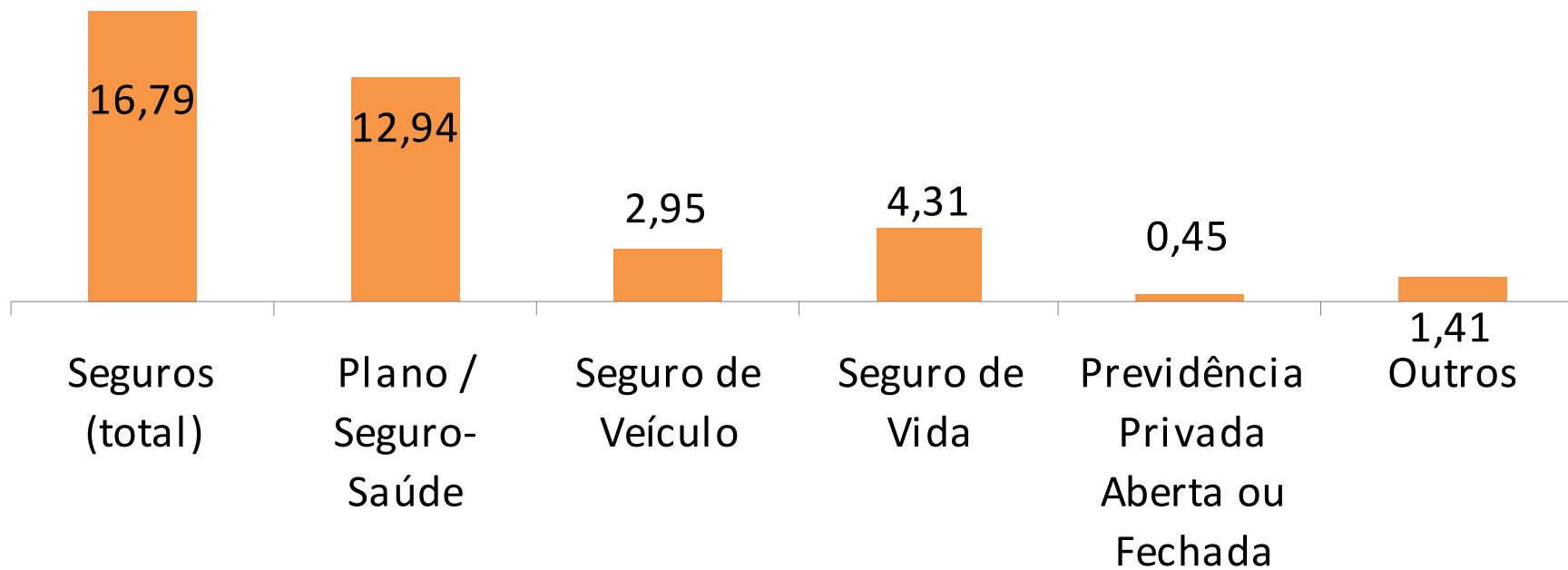
www.fgv.br/cps/ms







Rate of Access to Insurance by Type Total Population (15 years old and above)



Source: CPS/FGV based on POF/IBGE microdata

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| **Sumário Executivo**

| **Texto Principal**

| **Apresentação**

Visualização Impressão

| **Mercado Corrente e Potencial**

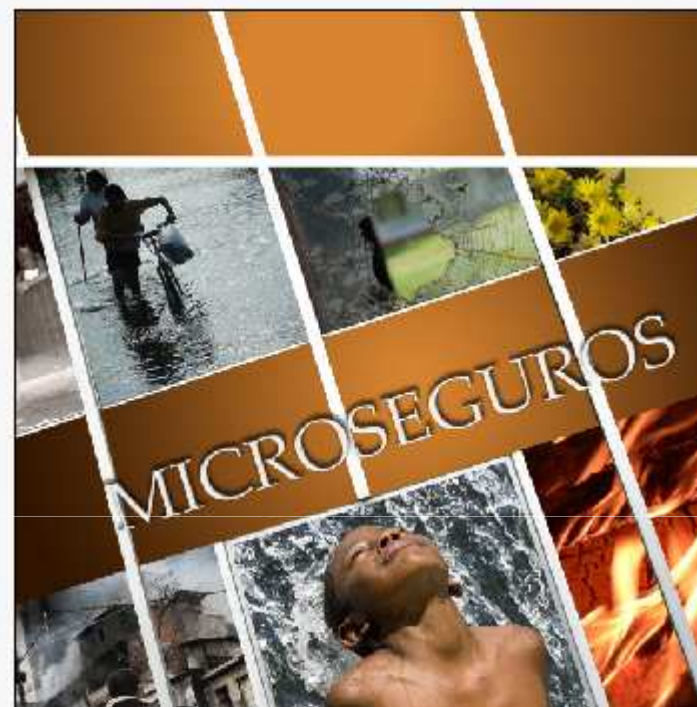
Acesso e Despesa Média

Panorama Nacional

Simulador

| **Comunicação para Sociedade**

| **Fale conosco: cps@fgv.br**



*Risco de Renda, Seguro Social e a Demanda Potencial
por Seguro Privado pela População de Baixa Renda*

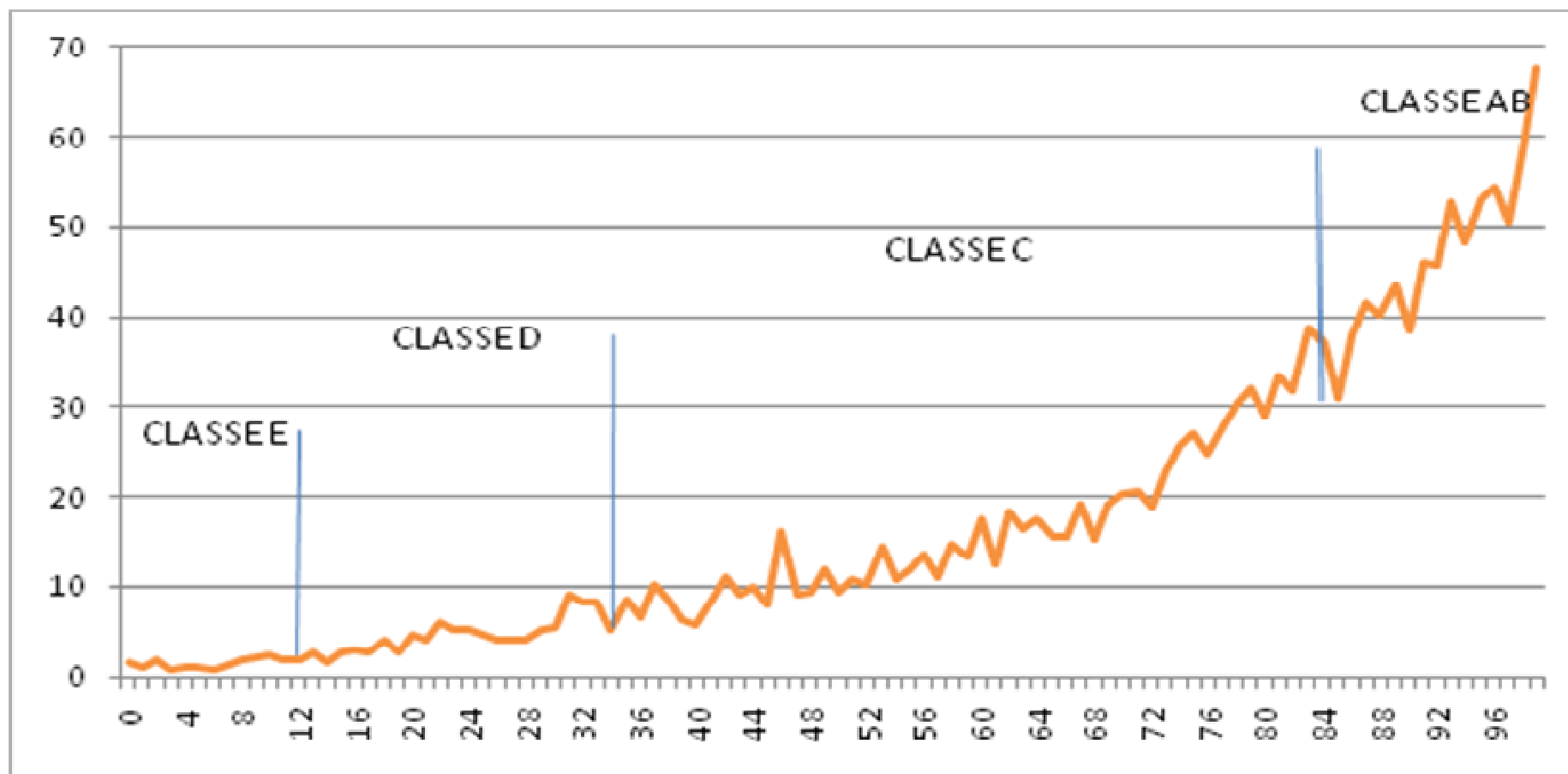


Micro-Insurance Definition –Per Capita Income Criterion

Classes	% Pop
E	13.48
DE	34.96
CDE	83.83
1 SM	51.05
2 SM	74.82
3 SM	84.68

Source: CPS/FGV based on POF/IBGE microdata

Marginal Rate of Access to Insurance per capita income hundredth - %



Source: CPS/FGV based on POF/IBGE microdata

Insurance Inequality

Insurance-Related expenses

Total Population*

	Average	Theil	Gini	Income elasticity
Per Capita Income	832,85	0,6748	0,5768	-
Total Expenses	23,96	2,4829	0,9349	1,6207
Health Insurance	16,80	2,6358	0,9448	1,6379
Car Insurance	3,22	3,7643	0,9812	1,7010
Life Insurance	2,17	4,0792	0,9860	1,7094
Private Pension	1,03	6,3212	0,9985	1,7311

Source: CPS/FGV based on POF/IBGE microdata

*share of the population over 15 who have answered to the insurance question

“the inequality in insurance expenses (Gini 0,94) is close to 1, when only one person would hold all insurance in Brazil”.

% of the Population with insurance-related expenses by economic class - Brazil - Individuals over 15 years old								
Class	Insurance	Health Plan/Insurance	Car insurance	life insurance	Open or closed private pension	Others	Health expenses	Health expenses (without a plan)
Class E	1,45	0,76	0,05	0,29	0,01	0,44	5,92	0,053
Class D	4,19	2,64	0,09	1,01	0,13	0,74	11,87	0,0992
Class C	15,69	12,07	1,15	3,74	0,2	1,56	26,49	0,1785
Class AB	46,17	36,65	13,84	12,88	1,91	2,43	52,72	0,3015

Source: CPS/FGV based on POF/IBGE microdata

STEPWISE Model for variable selection

Has insurance-related expenses

	ORDER OF INTRODUCTION IN THE MODEL	
	Insurance	Micro-insurance
Economic class	1	3
Has credit card	2	1
Pays social security tax	3	2
Position in the household	4	5
Years of schooling	5	6
State UF	6	7
Age groups	7	9
Has car expenses	8	10
Job position	9	8
Has a car	10	4
Household are	11	11
Attends school or nursery	-	12

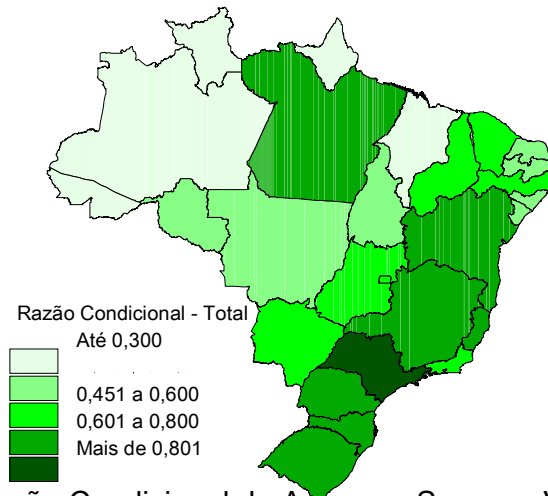
Source: CPS/FGV based on POF/IBGE microdata

What are the determinates of the demand for insurance?

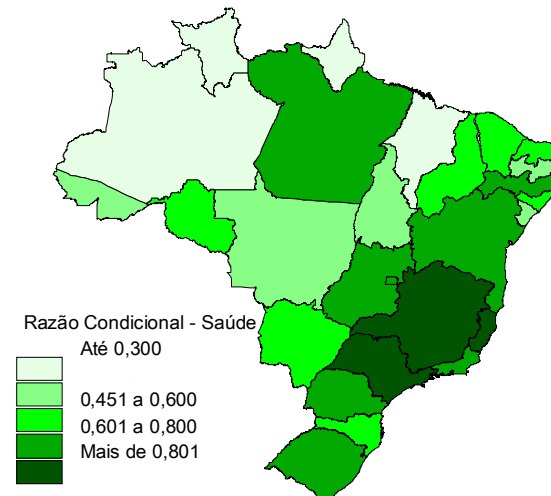
- Importance of economic variables vis à vis socio-demographic and spatial variables. Classes E, D, C e AB
- Race and religion do not play a role once there is a control for the remaining variables
- Sex variable depends on the insurance: health is more feminine and the remaining types are more masculine.
- There is a plateau in the demand over the age of 50
- There is a complementary relationship between other private and social insurance and the demand for a specific insurance
- *A person's income does not matter, but his family's, as in the definition of micro-insurance*
- More household income creates more demand for insurance

Odds Ratio of Access to Insurance

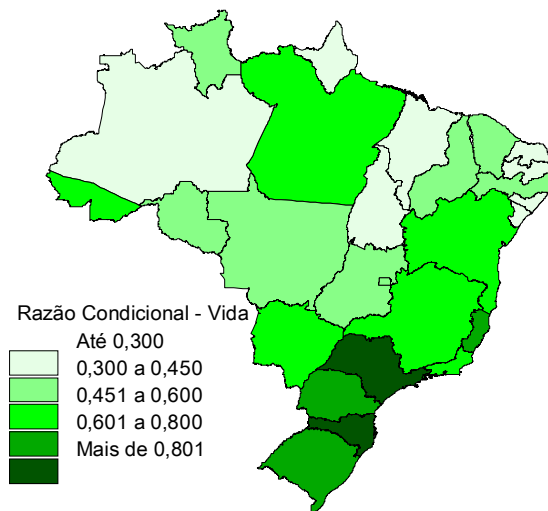
Razão Condicional de Acesso a Seguro - Total



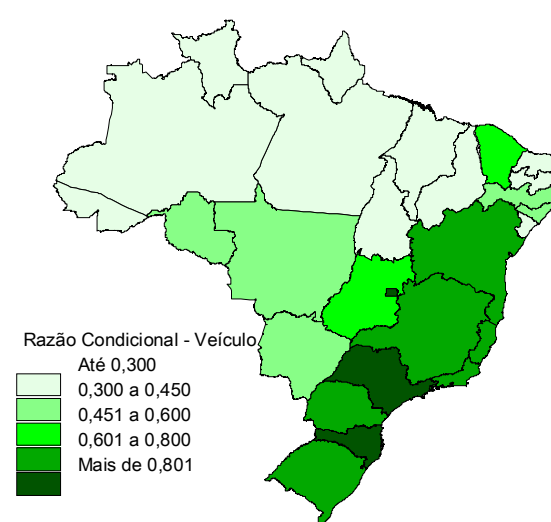
Razão Condicional de Acesso a Seguro - Saúde



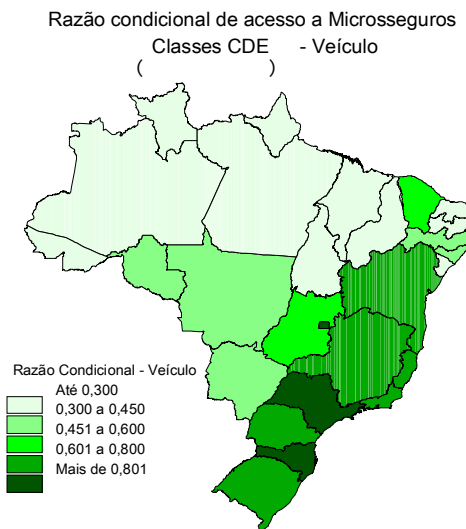
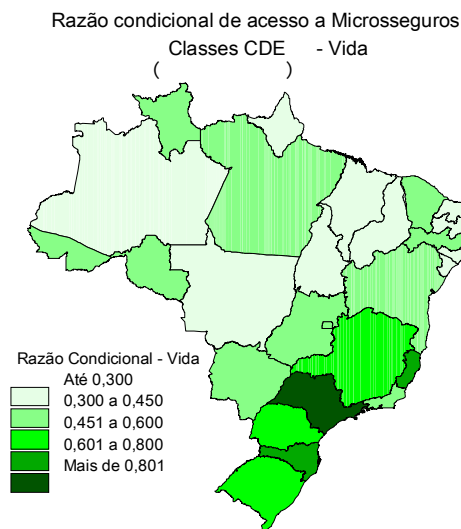
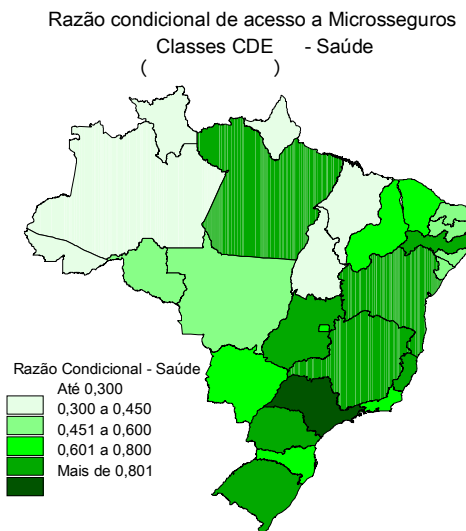
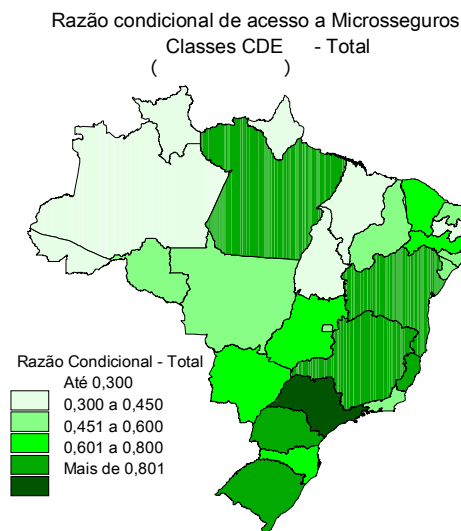
Razão Condicional de Acesso a Seguro - Vida



Razão Condicional de Acesso a Seguro - Veículo

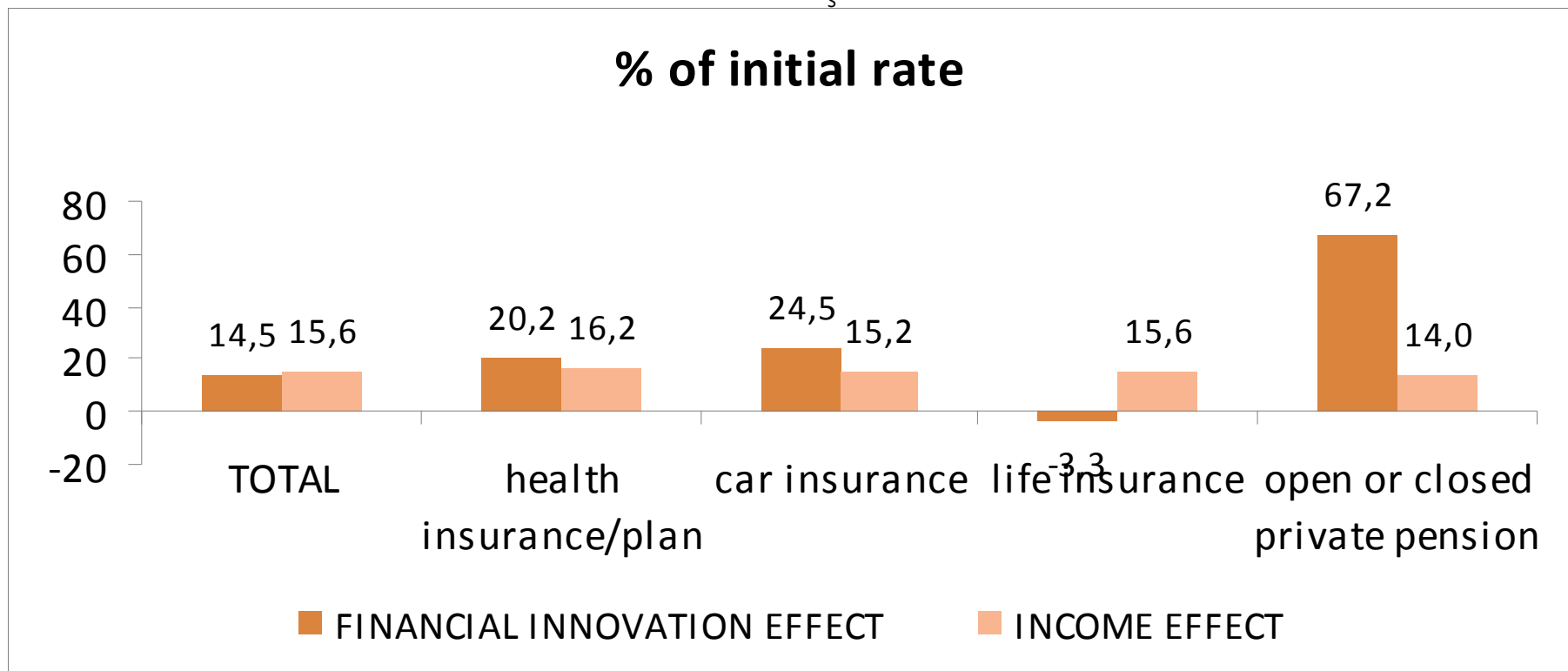


Razão de Chances de Acesso a Microseguros



ao compararmos pessoas com atributos observáveis exatamente iguais em São Paulo e Rio de Janeiro, a primeira possui mais chance de ter acesso a seguro do que a segunda identificando mercado promissor Potencial.

DECOMPOSITION OF THE RATE OF ACCESS TO INSURANCE FINANCIAL SCENARIO - SÃO PAULO METROPOLITAN AREA



Source: CPS/FGV based on POF, PNAD and PMEIBGE microdata

What is the current rate of access to insurance?

- Between 2003 and 2009, 27 million people, half of France, were included in classes A, B or C.
- Income effect in the period: 15,6%
- Plus the population growth of 9% in the period.
- Financial innovation effect would be 14,6% if each Brazilian, keeping his own income, would have access to insurance as observed in São Paulo Metropolitan area, the most developed one.
- In this case, the accumulated growth from 2003 to 2009 in the rate of access to private insurance in Brazil would have been 44,3%.

The Promise of Micro-Insurance

- *“Micro-insurance holds the promise to be in the next decade what microcredit has been in the world in the last two decades”.*
- *“Greater predictability creates well-being gains, without fiscal implications, which makes the stability effect of the insurance particularly attractive”.*
- *“The recent boom gave the emerging poor groups to the insurance market; whereas now markets need to reach the poor through the creation of an appropriate institutional framework”.*