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## **THE INTEGRATION OF LIFE AND NON-LIFE INSURANCE IN FINANCIAL INCLUSION INDEX**

### **Abstract:**

Motivated by the lack of a harmonised financial inclusion measure in the existing literature which accounts for the role of insurance, this paper constructs a multidimensional financial inclusion index which incorporates life and non-life insurance indicators for 79 countries for the year 2019. The computed financial inclusion indices reveal higher financial inclusion in high-income countries in Europe region vis-à-vis that of medium-income countries from the Asian and African regions. When only life insurance indicators are considered, some countries leapfrogged in their financial inclusion level whereas most of the developed and developing countries see a decline in their financial inclusion. On the other hand, non-life insurance appears to have only marginal positive impact on overall financial inclusiveness in the sample countries. The findings of this study indicate the lack of contribution of the insurance spectrum of financial services to financial inclusion.

### **Keywords:**

Life Insurance, Non-Life Insurance, Financial Inclusion