

Table 4.1

## Main characteristics of the design of the Disability and Survival Insurance in the Individually-Funded Systems (December 2022)

Country / Characteristic	Premium collection Mode	Mechanism for calculating the Premium	Is there a differential premium for men and women?	Agency responsible for Management	Financing of the premium
<b>Latin America</b>					
Bolivia	% T.I. Worker	The insurance premium for common risk and occupational risk is fixed by law, both at 1.71% of the worker's T.I. The insurance was put out to tender in the year 2001, and the management awarded to two insurance companies for 5 years. In 2006 the tendering process was declared void and the management passed into the hands of the AFPs.	No, men and women are charged the same premium (and it is the same for the two existing AFPs).	The AFPs collect and manage the premiums and also pay the disability pensions.	The workers fully fund the common risk premium and the employers fully fund the occupational risk premium.
Chile	% T.I. Worker	The disability and survival insurance is put out to tender jointly by all the AFPs (by sections), determining a single premium for all of them. The insurance is of the traditional type (the AFPs assume no risk or earnings).	Yes, the premium for women may be less than the one for men because women submit fewer claims. In practice, the AFPs charge employers and self-employed workers a percentage of the R.I. to cover the DSI, as a single premium, and because women represent a lower cost, the excess premium paid is returned to them in the form of a deposit in their pension savings accounts.	The AFPs collect the premiums, and transfer them to the life insurance companies, which manage them.	As of July 1, 2011, the DSI premium is funded by the employer for all dependent workers.
Colombia	% T.I. Worker	Each AFP freely with the insurance company with which it takes out the insurance, which is collective and participative (1). There is a cap on the sum of the management commission and the insurance premium (3% T.I. worker).	No, the premium charged is the same for men and women in each AFP.	The AFPs collect the premiums, but the life insurance companies manage them.	The premium is paid from 16% of the worker's TI paid into the general pension system, which is financed as follows: Employer: 12% Worker: 4%
Costa Rica (2)	% T.I. Worker	Part of the contribution to the public program is destined to the insurance coverage. The rules and regulations do not differentiate contributions among the different benefits covered by the public program (2).	There is no gender difference in the contributions to the public program (2).	State (Caja Costarricense de Seguro Social, CCSS - Costa Rican Social Security Fund).	With part of the total contribution to the public program (10,66% TI of the worker).
El Salvador	% T.I. Worker	Each AFP freely with the insurance company with which it takes out the collect it disability and survival insurance. There is a cap on the sum of the management commission and the insurance premium (2% T.I. worker).	No, the premium charged is the same for men and women in each AFP.	The AFPs collect the premiums, but the life insurance companies manage them.	Entirely by the worker.
Mexico (3)	% T.I. Worker	The rules and regulations establish a disability and survival insurance premium which is directly managed by the public program.	There is no gender difference in the premium to the disability and survival insurance.	State (Instituto Mexicano de Seguro Social, IMSS - Mexican Social Security Institute).	The premium (2.5% worker T.I.) is financed in the following manner: Employer: 1,750% T.I. Worker: 0.625% T.I. State: 0.125% T.I.
Peru	% T.I. Worker	The disability and survival insurance is put out to tender jointly by all the AFPs (by sections), determining a single premium for all of them. The insurance is of the traditional type (the AFPs assume no risk or earnings).	No, the premium charged is the same for men and women in each AFP.	The AFPs collect the premiums, but the life insurance companies manage them.	Entirely by the worker.
Dominican Republic	% T.I. Worker	The rules and regulations establish a maximum disability and survival insurance premium of 0.95% of the worker's T.I. (all the AFPs currently have this maximum premium in the contracts with their insurance companies).	No, the premium charged is the same for men and women in each AFP.	The AFPs receive all the contributions from the Social Security Treasury (TSS), including premiums. The AFPs subsequently transfer the premiums to the respective insurance companies, which are responsible for managing them.	Jointly between the worker and the employer. The distribution of the contribution for each one of them is only known for the total contribution rate to the pension system (4).
Uruguay	% T.I. Worker	Each AFP freely with the insurance company with which it takes out the collective disability and survival insurance.	No, the premium charged is the same for men and women in each AFP.	The Social Security Bank (Banco de Previsión Social - BPS) collects the pension contributions and transfers them to the AFAPs. Each AFAP discounts the amount of the collective insurance premium from the contributions received. The AFAPs then transfer the amounts corresponding to the premiums to the insurance companies.	Entirely by the worker.
<b>Asia</b>					
Kazakhstan	% T.I. Worker	The rules and regulations establish a disability and survival insurance premium which is directly managed by the public program (5)	There is no gender difference in the premium to the disability and survival insurance.	State (Social Insurance Fund)	The employer contributes 3.5% of the employee's salary, which goes to the Social Insurance Fund to finance disability and survivors' pensions

Source: FIAP.

T.I.: Taxable Income

See notes (1) to (5) in the Appendix.

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**(1) Colombia:** It is a collective insurance, in the sense that it enables individually covering a group of people who have similar coverage requirements; it is a participative insurance, in the sense that the insurer acknowledges to the AFP the yields of the mathematical reserve between the payment of the premium and the recognition of the loss.

**(2) Costa Rica:** The public system is responsible for the coverage of the disability and survival insurance. Part of the contribution destined to this program is used for such coverage. Nonetheless, the country's legislation does not differentiate the percentage of contributions paid for the different benefits granted by the public program. This is why there is no available information on the percentage of income destined to the payment of the disability and survival insurance.

**(3) Mexico:** The Disability and Survivorship insurance is administered by the Mexican Institute of Social Security (IMSS). The financing of this insurance includes tripartite quotas, in such a way that the employer contributes 1.75%, the worker 0.625% and the state 0.125% of the worker's Base Salary Contribution (SBC). In accordance with articles 146, 147 and 148 of the Social Security Law. The IMSS constitutes the operational reserve of the Disability and Survivorship insurance with the total worker-employer quotas and federal contributions (Art. 281 LSS). The amount of the pension is equivalent to a basic amount of 35% of the average contribution base salary of the last 500 weeks of contribution, updated according to the National Consumer Price Index (INPC), and may not be

**(4) Dominican Republic:** The Old Age, Disability and Survival Insurance of the Contributory System is financed with a total contribution of 9.97% of the T.I. of the worker (rate in force to December 2019), distributed as follows: (i) worker: 2.87% of T.I.; (ii) employer: 7.10% of T.I.

**(5) Kazakhstan:** The public program is responsible for managing the disability and survival insurance through the State Social Insurance Fund (the employer contributes 3.5% of the employee's salary, which goes to the Social Insurance Fund to finance disability and survivors' pensions). There are no individually funded disability and survivors insurance programs in Kazakhstan.