A customized financial literacy and insurance education module had a positive and significant effect on the take-up of a rainfall insurance product in a randomized field experiment conducted in three districts in Gujarat, India. Farmers were randomly offered financial literacy training along with one or more of the following benefits: a money-back guarantee offer if no payouts were made; access to rainfall forecasts; and a demonstration of the relationship between millimeters of rainfall and soil moisture.

None of the benefits had a significant effect on demand when offered without the financial education module. However, when offered together with the education, the combined benefits increased the share of households purchasing rainfall insurance by 11 percentage points. By itself, the education module increased take-up by 5.3 percentage points.

The results suggest that it is possible to influence adoption behavior through information campaigns. However, the high cost of delivery and the relatively low take-up makes the product unsustainable. To reach financial sustainability, the education and product need to be delivered more efficiently.

For more on the research design and results, see Research Paper No. 1 - Marketing Complex Financial Products in Emerging Markets: Evidence from Rainfall Insurance in India. [1]