Limited trust, not lack of education or product knowledge, appears as the key barrier to take-up of health insurance in a randomized field experiment indicating priorities for insurers, regulators and donors interested in increasing product take-up.

Researchers divided members of 150 tea collection centers into four groups: a basic marketing group, where information about the product was provided; an education group, where marketing was augmented with an intense ten-week course on financial literacy using study circles; a peer-referral group, where members had an opportunity to reduce the costs of membership by enrolling their peers, and a control group where no insurance was offered.

Researchers found no impact of the financial literacy training on take-up. This was puzzling because the attendance rate was high and a post-quiz showed that the participants increased knowledge from the course. The absence of effects from the education, despite high compliance and apparent learning after the training, suggest that limited education is not the main barrier to insurance participation. Researchers believe that lack of trust may be a greater barrier to take-up, as was suggested by results from a related experiment measuring members' trust in the insurer.

For more on the research design and results, see Research Paper No. 10. For results on measuring trust, see the companion paper: The demand for insurance under limited credibility: Evidence from Kenya.

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