Insurance consumer education-Kenya (ICE-K) -- MFO [1]

About the Project

Project Name: Insurance consumer education-Kenya (ICE-K) -- MFO
Type of Facility Project: Microinsurance innovation grantee
Country of Operation: Kenya
Region: Africa
Sub Topics: Consumer education, Impact

Organizational Overview

Microfinance Opportunities (MFO) is a resource center that promotes client-led microfinance. Its mission is to be a leading consumer-focused organization that supports the global microfinance industry in the design and delivery of high-quality microfinance products and services, including microinsurance, that match the needs and preferences of low-income households. MFO is a non-profit organisation that started operations in 2002.

Project Description

This project is a joint initiative of Microfinance Opportunities (MFO), a resource centre that promotes client-led microfinance and specializes in financial education for the poor, and the Association of Kenyan Insurers (AKI). While the need for insurance education targeted at the low-income market is well recognized, few private institutions are willing to invest in education for fear that it might benefit their competitors. Completed in December 2011, the project has galvanized insurance educa... READ MORE [2]

Beneficiaries

Only 6% of the Kenyan population is insured (Finaccess, 2007). The project?s purpose is to expand the Kenyan microinsurance market by improving the risk management capacities of low-income people through insurance education.

The expansion of microinsurance in Kenya is challenged by limited demand due to a lack of consumer understanding of insurance. Research in East Africa has shown that many low-income people do not understand what insurance is or how it works. Even if they have coverage, knowledge of insurance claims procedures is often weak, preventing many insured from benefiting from their policies. For many people, the idea of paying a premium without a guaranteed return is a hard concept to accept and thus there is a reluctance to buy.

Learning Agenda

- Can the ?Risk Management and Insurance? curriculum be cost-effectively adapted to a participatory radio campaign?
- Can an insurance education radio campaign consistently attract a significant number of low-income listeners?

Project Status

Key Performance Indicators

The radio campaign was aired on Radio Citizen (1st station nationwide, in Kiswahili), iNooro FM (1st station in Central Province, in Kikuyu) from October-December 2010. Its delivery was successful as shown by the key indicators on reach, recall and satisfaction.

Reach

Total exposure (based on national radio data) ? 2.1 million adults for iNooro FM and 8.3 million for Radio Citizen

93% of iNooro treatment group (created for the research) reported to hear at least one episode; 51% fewer than 7 episodes; 42% more than 7 episodes

Recall

22% of iNooro treatment group unable to recall correctly any episode

78% recalls at least one; the most common topics were property insurance, benefits and importance of insurance, claims, types of policies, and risks
Satisfaction
Most iNooro listeners satisfied, 47% very pleased, 49% pleased, none dissatisfied

Costs
US$ 137,518 for radio campaign

Project Updates
As of May 2010 The project began in Kenya with a March 2009 kickoff meeting providing an opportunity for the partners from MFO, AKI, ILO, and the radio production team to meet and discuss the project objectives. At the request of the ILO, ICE-Kenya discontinued the development of a map of the microinsurance market in Kenya. Following the meeting, AKI selected the radio station partners, and the Risk Management and Insurance curriculum was adapted to a radio campaign. At the time of the first …READ MORE [2]

Project Lessons
On developing a radio campaign for insurance consumer education Selecting the right type of radio partner and getting their buy-in is key. The ICE-K project selected two of the most popular stations in the country, including iNooro, the most popular station in Central Province. Royal Media Services was selected for the ICE-K project because of its ability to reach more rural and low-income audiences than other leading media outlets. In interviews, exec...READ MORE [2]
On the impact of radio campaign on insurance and risk-management literacy of the target group Radio is a great tool to reach masses and get target group’s attention in Kenya. By using radio - arguably the most popular electronic medium in Africa - and broadcasting in the vernacular languages of Kiswahili and Kikuyu, the campaign made insurance education accessible to millions of Kenyans for the first time in their lives. Language selection is critical to t...READ MORE [2]
On the cost-effectiveness of the radio campaign Radio allows to raise awareness and contribute to some knowledge improvements in a cost-effective way. A cost-effectiveness analysis of the ICE-K project was conducted to assess the level of resources required to achieve the reported changes in listeners’ insurance literacy levels. The cost-effectiveness was calculated as the cost to achieve a 1% increase in the outcome of interest among the radio list...READ MORE [2]
On integrating educational messages into marketing materials It is possible to integrate education messages in the marketing materials. MFO has worked with Faulu, CIC and Britak to integrate some educational messages in their marketing materials. Testing effectiveness of such tools goes beyond the scope of the project so those materials should be rather taken as illustrative materials to inspire other practitioners in the field. Potentially, they can support...READ MORE [2]

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