

# A Landscape Study of Micro Insurance Education

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# Acknowledgements

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## Contributorship Statement

**Guarantor:** Iddo Dror  
**Authors (by alpha):** Iddo Dror, Kathleen Jenkins, Keiju Motegi, Juho Siltanen  
**Contributors (by alpha):** Richa Joshi, Francesco Obino

We define authors as those who have made a substantive intellectual contribution to:

- conception and design, or analysis and interpretation of data
- drafting the article or revising it critically for important intellectual content
- and final approval of the version to be published.

We define guarantors as those who take responsibility for the integrity of the work as a whole, from inception to published article, and publish that information.

The MIA took the lead in developing and directing the study. A trilingual team at the MIA designed and carried out the online survey and the in-depth interviews, leading the analysis of the finding and the drafting of the report. The authors deserve special thanks for having led this endeavour, under the supervision of the guarantor of this study. Special mention and thanks goes out to Richa Joshi and Francesco Obino from the MIA, for their tireless efforts in the set up and execution of over 100 in-depths phone interviews spanning 49 countries (and many time zones) across the globe, and for their insights on the analysis of the data collected.

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## Contents

<b>ACKNOWLEDGEMENTS</b> .....	2
<b>CONTRIBUTORSHIP STATEMENT</b> .....	2
<b>EXECUTIVE SUMMARY</b> .....	5
<b>PART 1 – GLOBAL SURVEY ON INSURANCE EDUCATION</b> .....	11
INTRODUCTION.....	11
PROFILE OF ORGANIZATIONS.....	12
INSURANCE EDUCATION PROGRAMS.....	15
SCOPE.....	16
INTEREST IN A “VIRTUAL LIBRARY” OF INSURANCE EDUCATION MATERIALS .....	16
<b>PART 2 – IN-DEPTH INTERVIEWS</b> .....	18
INTRODUCTION.....	18
Methodology of the In-depth Interviews.....	18
Community Profile.....	19
PROGRAM DEVELOPMENT.....	20
Motivation.....	20
Dual Need of Insurance Education .....	22
Challenges Faced .....	22
Business Model and Financing .....	25
INSURANCE EDUCATION CONTENT.....	28
Need for Risk Management Education.....	29
General Risk Management Education.....	30
Product Specific Education.....	32
TOOLS FOR INSURANCE EDUCATION.....	34
Individual Setting.....	35
Group Setting .....	36
Mass Media.....	39
Development and Implementation Processes.....	40
MONITORING AND EVALUATION.....	43
What is Measured in M&E .....	44
Impacts of Insurance Education Identified Through M&E .....	46
<b>PART 3 – ORGANIZATIONAL PROFILES</b> .....	48
Alternative Insurance company (AIC) – Haiti.....	49
Asociación Mexicana de Uniones de Crédito del Sector Social A.C. – Mexico.....	50
Association Intermonde - Senegal.....	51
Biocon Foundation – India.....	52
Centre for Microfinance – India.....	54
Community Finance Resource Center – Vietnam.....	55
FINCA – Peru.....	57
Freedom from Hunger – USA.....	58
Fundación de Aseguradores Colombianos – Colombia.....	59
German Technical Cooperation (Deutsche Gesellschaft für Technische Zusammenarbeit) - Ghana.....	61
Groupe d’Echange et de Recherché pour la promotion de la Mutualite et de la micro Entreprise – Benin.....	63
Healing Fields – India.....	64
Hollard Insurance – South Africa.....	66
MetLife – USA.....	67
Microfinance Opportunities – USA .....	69

<i>Micro Insurance Academy (MIA) – India</i> .....	70
<i>Nacional Vida Seguros de Personas, S.A. – Bolivia</i> .....	72
<i>North West Special FuHnd for ealth – Cameroon</i> .....	73
<i>MIAN / Nyenrode Business Universiteit – The Netherlands</i> .....	74
<i>Paralife Colombia, S.A. – Colombia</i> .....	76
<i>Quadrant Consultants Ltd – India</i> .....	77
<i>Royal Insurance Corporation of Bhutan Ltd – Bhutan</i> .....	79
<i>Services d'Appui aux Initiatives Locales de Developpement – Cameroon</i> .....	80
<i>Société Ivoirienne de Gestion d'Expertise et de Management (SIGEM) –</i> .....	81
<i>Small Farmer Development Bank – Nepal</i> .....	83
<i>SogeSol – Haiti</i> .....	85
<i>South African Insurance Association (SAIA) – South Africa</i> .....	87
<i>Uplift India – India</i> .....	89
<i>Weather Risk Management Services Ltd – India</i> .....	91
<i>World Bank – USA</i> .....	93
<i>World Education Australia – Australia</i> .....	95

### **Index of Figures:**

Figure 1: Regional Representation.....	12
Figure 2: Type of Organization.....	13
Figure 3: Type of Insurance Education by Risk.....	14
Figure 4: Amount of Insurance Education Materials (in Hours).....	15
Figure 5: Number of People Reached by Insurance Education Activities.....	16

### **Index of Boxes:**

Box 1: Working Against Negative Assumptions About Insurance.....	20
Box 2: Credit-life and Lack of Insurance Education.....	21
Box 3: Insurance Education Training as a Product.....	22
Box 4: Working Against Provision of Asymmetrical Information.....	23
Box 5: Effectiveness of Professional Partnerships.....	24
Box 6: Insurance Education as a Component of Broader Financial Education.....	26
Box 7: Integrated Awareness Campaign Model.....	29
Box 8: Training of Local Insurance Leadership by International NGO.....	30
Box 9: Direct Donor Involvement in the Insurance Education Process.....	32
Box 10: Participatory Product Specific Education - Choosing Healthplans All Together.....	33
Box 11: Insurance Process Role-Play.....	33-34
Box 12: Taking Local Knowledge into Account.....	34
Box 13: Door-to-Door Visits.....	36
Box 14: Interactive Insurance Simulation.....	37
Box 15: Use of Games as an Interactive Learning Tool.....	37
Box 16: Mixing Tools for Successful Outcomes.....	38
Box 17: Systematic Training of In-house Trainers.....	39
Box 18: Training of Outsourced Trainers.....	39
Box 19: Nation-wide Radio Broadcasting: Diffusing Messages Widely.....	40
Box 20: Nation-wide TV Channels: Diffusing Messages Widely.....	40
Box 21: Systematic Preliminary Research for Designing Tools & Partnering for Implementation.....	41-42
Box 22: Mock Trainings to Test the Tools.....	42
Box 23: Partnering for Preliminary Research .....	42
Box 24: Ongoing Monitoring and Research (M&E) by Specialized Department.....	45
Box 25: Periodic Monitoring and Evaluation (M&E).....	45-46
Box 26: Positive Findings from Monitoring and Evaluation (M&E) of Insurance Education Programs.....	46
Box 27: Findings Through Monitoring and Evaluation (M&E): Changes in Risk Management Behaviors.....	47

## Executive Summary

Insurance education is a valuable and important activity because the lack of understanding of insurance and its benefits is a major obstacle to the expansion of microinsurance. Those who do not understand how insurance works are unlikely to trust it, and without an understanding of the benefits of insurance, people are less likely to see why the value proposition of insurance can be worth the money spent on it. By creating awareness about insurance, families are at least given the option of considering adding insurance to their financial planning strategies. And the incorporation of microinsurance usually results in long-term poverty reduction. Insurance education is therefore often considered as an integral part of microinsurance schemes; a win-win solution that should add value to clients and providers, and contribute to good practices and consumer protection.

The Insurance Education Working Group of the Micro Insurance Network seeks to promote microinsurance through taking stock of educational materials already developed, encourage the sharing of resources across the microinsurance community, and identify and document best practices in insurance education. It is therefore not surprising that one of its first activities was to initiate this Landscape Study. The study objectives were to take stock of what insurance education materials and approaches are currently available, identify existing gaps and some promising practices, and highlight some concrete areas where investment in Insurance Education can make a positive impact on the extension of microinsurance in developing countries.

## Introduction to Study Methodology

The first part of this report concerns an online survey of insurance education. The survey, conducted in three languages (English, French and Spanish), sought to explore the insurance education practices that organizations are employing, specifically with respect to low-income populations. Administered through an online questionnaire, the survey had a tremendous response, with over a thousand responses collected (1,075 to be exact) from 88 countries.

After removing responses that were incomplete, as well as those from individuals or organizations that declared that they do not engage in insurance education, the analysis of this paper concentrates on a population of 242 respondents from 65 countries.

The survey was supplemented with a series of in-depth interviews with organizations that confirmed in the survey that they are involved in insurance education and meet certain qualifications for exceptional activity in the field. Examples of this include organizations that reported many years' worth of experience, having access to many hours' worth of insurance education materials in-house, and/or an impressive number of people already reached by the program. Of the organizations that met these qualifications, not all responded to requests for interviews, so ultimately, 109 interviews with organizations from 49 countries were conducted.

*"The study objectives were to take stock of what insurance education materials and approaches are currently available, identify existing gaps and some promising practices, and highlight some concrete areas where investment in Insurance Education can make a positive impact on the extension of microinsurance in developing countries."*

*"...the analysis of this paper concentrates on a population of 242 respondents from 65 countries."*

*"The profile of respondents reveals that organizations came from many diverse fields with stakes in insurance education, including NGOs, insurance companies, microfinance institutions, regulators, governments, health care providers, universities, and banks, among others."*

## Study limitations

The interviews allowed for a more in-depth understanding of education processes, challenges faced and success rates, and greatly expanded comprehension of the organizations' work, since the interviewees were able to elaborate outside of the constraints of the largely quantitative survey questions. However, during the interviews, it became clear that much of the information in the survey was misreported or overemphasized. The online survey results should therefore be interpreted with a mind on the shortcomings inherent in the survey methodology and particularly the self-reporting bias discovered through the in-depth interviews.

The authors of this report did not have access to the actual educational materials and tools used by the organizations. Thus the analysis is based on the narration provided by the interviewees. Given the reporting bias discovered in the online survey, this poses some constraints on the analysis. Particularly in the "Tools for Insurance Education" and "Monitoring and Evaluation" (M&E) sections, the lack of access to educational and M&E tools inhibits the analysis. A number of interviewees mentioned various educational tools and M&E activities they used, but were unable to provide further details on these or to elaborate how the organization is using them.

For all its limitations, this study represents the most complete exercise yet conducted to present a picture of the landscape of the (micro) insurance education sector.

## Findings

The profile of respondents reveals that organizations came from many diverse fields with stakes in insurance education, including NGOs, insurance companies, microfinance institutions, regulators, governments, health care providers, universities, and banks, among others. Many respondents recognized the importance of customizing their programs based on the target population's language, literacy, culture, education level, and access to insurance. Many organizations also reported that it is essential for them to link their education programs to available insurance products, both in cases when the organization offers the products itself and in cases when the organization simply directs people to commercial insurance companies.

Our study found that many programs also involve product-specific education, in which educators review product options offered by the educating entity with program participants, so they can make informed decisions about insurance purchases. However, such product-specific insurance education may often fail to meet the definition of insurance education used in our survey, and fall more towards straightforward marketing. This fine line between education and marketing is likely to remain a key issue in the insurance education sphere, and more work in this area would be welcome.

The organizations covered a range of topics in their insurance education

programs, but the ones that organizations most often focused on were: “how insurance works,” “understanding risks” and “why insurance is also of value to families with low income.” The very basic nature of these topics is perhaps suggestive of the infancy of insurance education efforts in most parts of the world. The information gathered from the interviews supports this assumption, as many organizations said that the communities they work with often have had no access to insurance education in the past, and in many cases, are not familiar with the basic concept of insurance. Thus, it should come as no surprise that the sector is generally choosing to focus on basic topics and tools for the time being.

Most respondents had little insurance education materials available to them (about one-third of participants said they have virtually no access to insurance education training materials - between 0 and 10 hours - and this was by far the highest category of respondents), and similarly, over two-thirds of respondents have reached (much) less than 5000 people in all, with over 25 percent of respondents covering less than 100 people. It may be useful to recall that these figures relate to activity in the lifetime of the respondent, and as nearly a third suggested they were active for 5 or more years, this paints a picture of an overall fragmented market, which again supports the notion of a sector in its infancy. There were, however, notable exceptions on the other end of the spectrum, as well, with some 1.6 percent self-reporting to have reached more than 2 million people. However, when questioned on this in interviews, those respondents found it difficult to explain exactly how they reached such numbers with insurance educations as opposed to total policies sold.

Nearly all the participants in the in-depth interviews reported that the populations they work with are not only uninsured, but they are alarmingly uninformed about the concept of insurance, though the level of awareness varied across different organizations' target populations. Some even reported that misconceptions and superstitions, such as the superstition that buying insurance is “calling death to you,” dominate attitudes regarding insurance in the communities where they work. Some organizations reported that the populations they work with often confuse insurance and savings or think that they are the same.

These target populations were identified by participating organizations as being low-income populations, with very few exceptions. A notable majority were rural-based communities and communities that have traditionally been excluded from the financial system. Many organizations reported targeting more specific populations, such as female-exclusive programs, agricultural programs and programs that work with ethnic minorities. Especially in certain parts of Asia, insurance education programs have been initiated in areas that have been recently affected by natural disasters.

Our study found that the relationship between insurance education program operators and clients was often not the donor-recipient model that one might expect, but was very often symbiotic. The community benefits

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*"Most insurance education programs seem to be in their early stages, and consequently there are still a lot of internal challenges to be overcome. Lack of expertise is a common impediment to organizational growth, especially among organizations that do not have previous experience with insurance or with adult education practices."*

*"Apart from training expertise, in general there was fairly little cooperation between organizations."*

from insurance education because it allows them a greater understanding of tools for managing risk that are available to them. Insurance companies and MFIs simultaneously benefit from insurance education programs because it increases awareness and ultimately makes it more likely that people in the targeted community will buy insurance from them. This dual need can lead to mutually beneficial interactions that both aid in community development and business development, as long as the programs are implemented properly.

Institutional and structural challenges were frequently mentioned in the in-depth interviews, and included lack of government support, low access to education, lack of accessibility to dispersed communities in rural areas, as well as poor road and other physical infrastructure. Noteworthy is the mention by several respondents of unavailability of adequate supply of either insurance in general – or in the case of health, of healthcare providers. Perhaps these existing gaps in insurance infrastructure explain the call for partnerships and networks to support insurance education that so many participants expressed in the in-depth interviews. In some cases insurance companies, MFIs, NGOs, hospitals, doctors and communities are already making connections to foster a more organized and efficient insurance and insurance education process.

Most insurance education programs seem to be in their early stages, and consequently there are still a lot of internal challenges to be overcome. Lack of expertise is a common impediment to organizational growth, especially among organizations that do not have previous experience with insurance or with adult education practices. Lack of resources was also identified as a challenge. Some organizations mentioned difficulties with finding qualified trainers for all the languages in the region in which they work.

Apart from training expertise, in general there was fairly little cooperation between organizations. Links with government agencies, universities and other educational institutions, labor unions etc., were an exception rather than the norm. This also holds true for collaborations between organizations imparting education in different strands of micro insurance, such as life and health. This is certainly an area that the microinsurance community might want to pay attention to and see cost effectiveness of such programs could be increased through more sharing of best practices.

Funding plans for insurance education programs varied notably. Many for-profit uses of insurance education were self-supported by the MFI or insurance company, through premium income / agent commissions. In the case of non-profits (and some for-profit providers as well), funding also came from larger development organizations, such as the ILO Microinsurance Innovation Facility. Government support, grants and donors were also identified as sources of funding for NGOs, but the interviews did not allow us to detect an overarching trend in funding patterns. In some cases, the use of partnerships between organizations allocated funding responsibilities. Sometimes an organization would agree to carry out the responsibilities of the education component, as long as a partner (e.g. insurance company) provided funding

for the program. In other cases, funding duties were split between collaborating organizations.

It was difficult to determine from this study whether the funds used for the operation of insurance education programs were usually designated specifically for insurance education. What we do know is that many organizations mentioned a need for more funding for insurance education, so it would be reasonable to suggest that there is a need for more insurance education-specific funding. This would help the sector to grow and would put more of an emphasis on insurance education. As the sector matures, clear business models around insurance education should become more transparent, so that the “public good” nature of insurance education could be adequately addressed by the different stakeholders in the sector.

With reference to Insurance Education Content, respondents mentioned a number of topics, all aiming at increasing the community's general awareness of risk and of ways to manage the risks, such as conceptualizing the risks relevant to the community and/or the basic promise of insurance, exploring the traditional risk management strategies and juxtaposing the shortcomings with the advantages of insurance, and addressing (possible) pre-existing notions of insurance. Practically all respondents were offering education especially with regard to insurance; suggesting that Risk Management Education is perceived as non-product specific insurance education, or in other words, education on the concept of insurance. This said, only a few organizations taking part in this survey were educating communities about possible preventive measures to deal with risk. The in-depth interviews clearly revealed that the “text-book” setting in which General Risk Management Education is implemented – e.g. in the form of an awareness campaign, followed by Product Specific Education, focusing on e.g. premium collection – was not the norm.

Educating the target audience in the specific product features presented a number of challenges to the organizations. The often illiterate audience needs to be educated in the specifics of concepts such as premium, exclusion, etc., which are essentially alien concepts for them. Turning them into a tangible value proposition calls for innovative approaches. These methods vary widely, and our study lists many examples of organizations using participatory and interactive product specific education (including role-play, games, videos etc.), which can often engage the community in ways that traditional lecture-style education cannot. The section entitled “Tools for Insurance Education” covers these in more detail, based on the distribution channels they are imparted through (e.g. Individual settings, Group settings (including training of trainers), and Mass media).

When looking at development and implementation processes, it emerged that the level of preliminary research done for creating educational tools appeared to be a good indicator in identifying the capacity of the organization to conduct effective insurance education. This is not to say that the time and resources spent on preliminary research would automatically result in effective tools; however, there seemed to be a correlation with substantial

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preliminary research and successful outcomes. Preliminary research enables organizations to understand the needs of the community, and to find out the existing levels of financial literacy and awareness regarding insurance – both prerequisites for successful planning of educational tools. However, despite the usefulness of preliminary research, many organizations skip this due to a lack of human resources, and a lack of funding to hire external assistance. Another point mentioned was the need for ongoing efforts, that providing education only during the sales process and then forgetting about the customers was sometimes happening, which was leading to poor outcomes. Whether the large majority of the organizations perceive Product Specific Education as a "one-off" event cannot be concluded from the interviews. What can be noted is that an overwhelming majority of interviewees did not specifically mention that they actively conduct trainings for already existing policy holders.

In the in-depth interviews, it was found that a relatively small number of organizations conduct or have systematic methods for conducting M&E, regardless of the type of the organization. However, even organizations that do not carry out any form of M&E are often aware of its importance and wish they had more resources, including expertise, funds, technology and various tools to carry out M&E. It should be noted that there appeared to be a significant reporting bias with regards to the question of the organizations' M&E efforts. A majority of the organizations would report conducting M&E, but when asked to provide details of the M&E activities, a significant number of organizations could not specify and/or further elaborate on these activities in detail.

The few examples of M&E highlighted in the study were conducted through interviews, discussions, focus groups, etc, which are a type of qualitative collection of data that can serve as a very good start for M&E. However, this type of approach is usually limited without some kind of systematic quantitative analysis of the programs, and is often not sufficient as a stand-alone method. More data will be available in 2011/2012 from a dozen of current evaluations in Columbia, Brazil, Ghana, Kenya, South Africa and India. Until then, the lessons based on the qualitative experience of practitioners appear to serve as the best guide for those designing new consumer education programs.

# Part I – Global Survey on Insurance Education

## Introduction

The first part of this report concerns an online survey of insurance education. The survey was designed by the Micro Insurance Academy (MIA), in close consultation with the Working Group on Insurance Education of the Micro Insurance Network (hereinafter MiN/WG), and particularly the Aga Khan Agency for Microfinance (AKAM), the Financial Access Initiative (FAI) and the Microinsurance Innovation Facility (MIF).

The survey, conducted in three languages (English, French and Spanish), sought to explore the insurance education practices that organizations are employing, specifically with respect to low-income populations. The goal was to get a picture of what is being done internationally to increase awareness of insurance concepts and products, and the methods in use to achieve this. The results of the project help to understand perceived best practices and gaps in international (micro) insurance education efforts, through a detailed study of common objectives, themes, tools and reach of current programs.

The survey was administered through an online questionnaire. Participants were invited to take part in the survey and accessed the website between July 10, 2009 and October 1, 2009 to fill in 28 questions on a voluntary basis. Most of the questions were either yes/no questions, multiple choice questions, or in the format of “check all that apply.” Though the survey included a few opportunities for open-ended responses to questions, these were difficult to include in the data analysis. Data analysis also presents somewhat of a challenge because of the number of questions with high percentages of “other” responses—answers which did not appear as one of the options for the question. Because it was difficult to quantify these responses, they are not all accounted for.

The survey had a tremendous response, with over a thousand responses collected (1,075 to be exact) from 88 countries. For our analysis, we removed all incomplete surveys (698 in total), so the population from which the statistics in this report have been calculated amounts to 377 entries for 75 countries. A further group of individuals or organizations that declared that they do not engage in insurance education (135 in total) were not asked many questions specific to insurance education practices (which made up the majority of the survey), and therefore much of the analysis in this report is based on a population of 242 respondents from 65 countries.

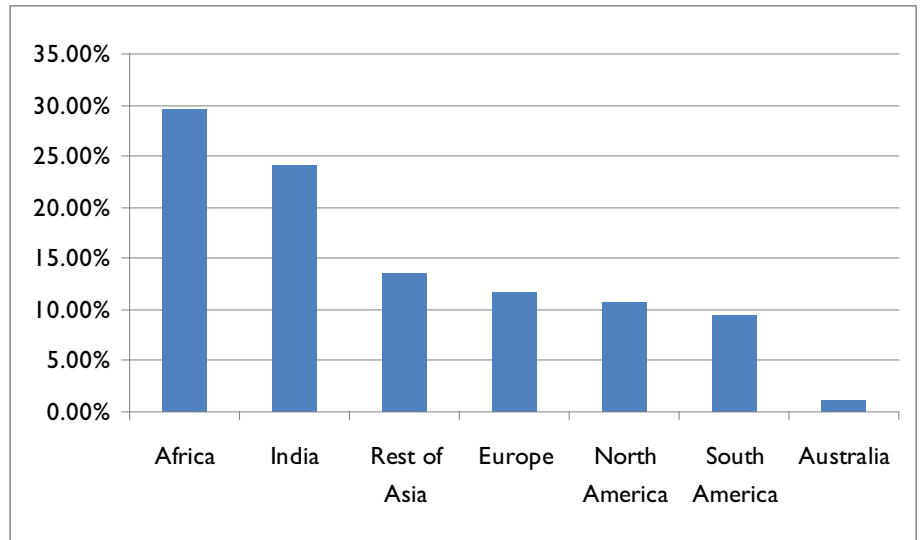
The online survey results should similarly be interpreted with a mind on the shortcomings inherent in the survey methodology and particularly the self-reporting bias (covered in more detail in the in-depth interviews chapter of this paper).

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## Profile of Organizations

Of the 377 participants that completed the survey, English-speaking respondents made up for over two thirds of replies (68.7%), followed by French (18.6%) and Spanish (12.7%). Organizations from around the world chose to participate in this study, but as Figure 1 demonstrates, the distribution was not even among different parts of the world<sup>1</sup>. Of the participants in the survey, 64.2 percent (242 organizations) were involved in insurance education, which was defined in the survey as “any systematic effort to transfer knowledge and skills, which changes attitudes that enable people to become informed consumers of insurance services and more effectively manage risk”. Participating organizations came from many diverse fields with stakes in insurance education, including NGOs, insurance companies, microfinance institutions, regulators, governments, health care providers, universities, and banks, among others. The distribution can be seen in Figure 2. Roughly half of the participating entities claimed to offer microinsurance products or services.



*Figure 1: Regional Representation*

<sup>1</sup> It is important to note that the graph may not include all countries in which the organizations conduct insurance education, since it simply represents the location of the organizations’ headquarters.

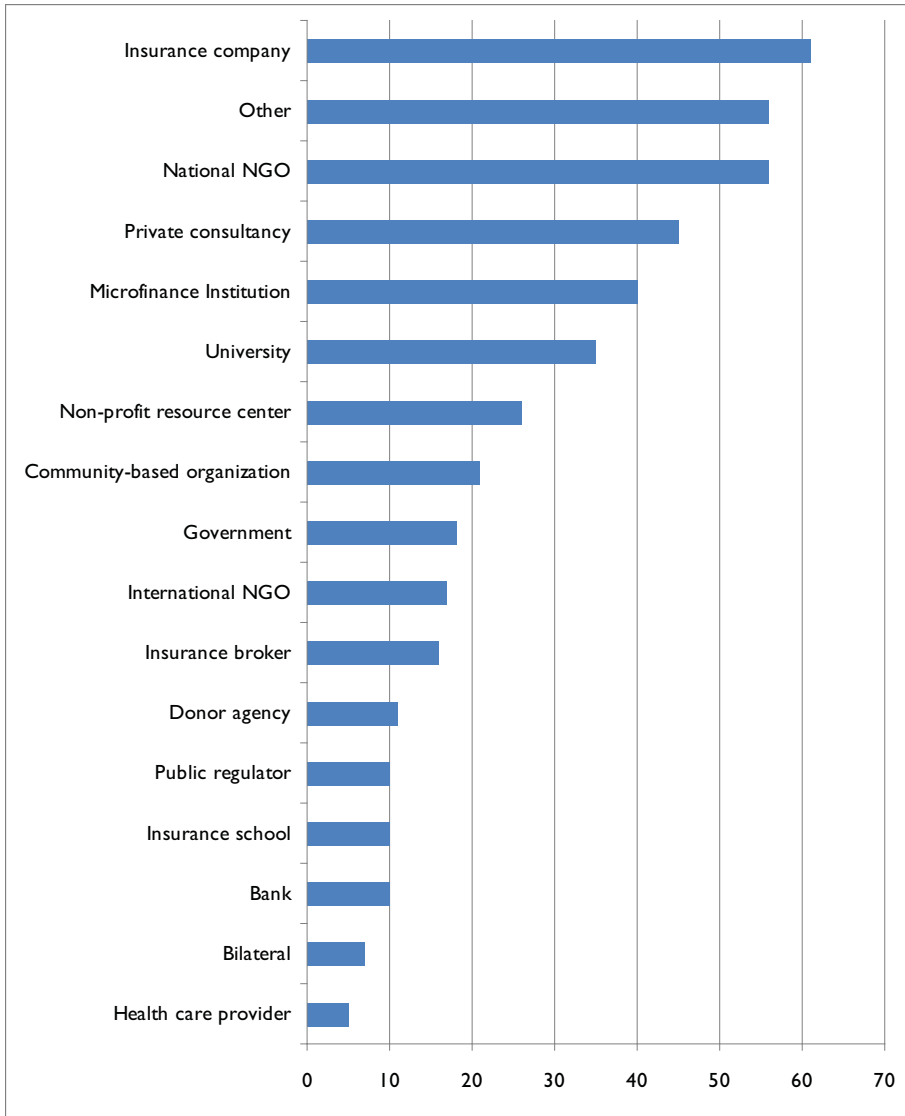


Figure 2: Type of Organization

## Insurance Education Programs

The online survey served to quantify the characteristics of insurance education programs, such as educational tools used and insurance topics addressed by the programs. The in-depth interviews (part 2 of the study) were charged with conducting a more detailed analysis of insurance education programs. As a result, such complex topics as general financial literacy programs versus product-specific programs will be addressed in the second part of this report. In terms of types of risks addressed by insurance education programs, the most prevalent was health, followed by life, property and funeral (Figure 3).

"The organizations covered a range of topics in their insurance education programs, but the ones that organizations most often focused on were: "how insurance works," "understanding risks" and "why insurance is also of value to families with low income." The very basic nature of these topics is perhaps suggestive of the infancy of insurance education efforts in most parts of the world."

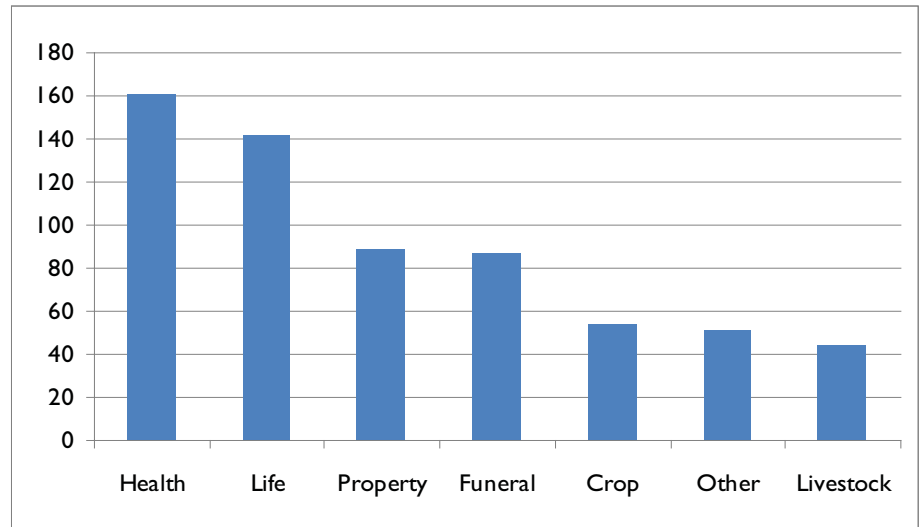


Figure 3: Type of Insurance Education by Risk

The organizations were asked about what kinds of teaching tools they employ to aid the education process and make it more understandable to their target populations. Of the 32 choices provided to them by the survey (including an "other" choice), the top five education tools were:

- Group discussions,
- Lectures using classroom training,
- Meetings in pre-existing group settings,
- PowerPoint, and
- Brochures.

Many respondents recognized the importance of customizing their programs based on the target population's language, literacy, culture, education level, and access to insurance. Many organizations also reported that it is essential for them to link their education programs to available insurance products, both in cases when the organization offers the products itself and in cases when the organization simply directs people to commercial insurance companies. Many programs also involve product-specific education, in which educators review product options offered by the educating entity with program participants, so they can make informed decisions about insurance purchases. However, such product-specific insurance education may often fail to meet the definition of insurance education used in our survey, and fall more towards straightforward marketing.

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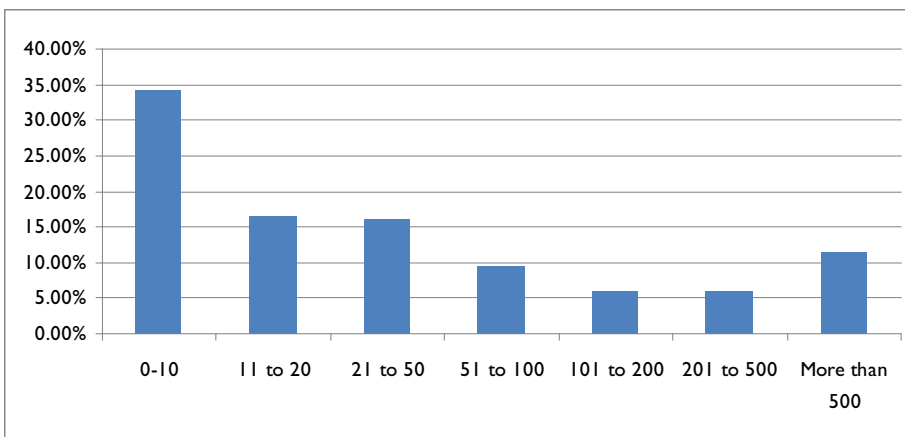
tion, as many organizations said that the communities they work with often have had no access to insurance education in the past, and in many cases, are not familiar with the basic concept of insurance. Thus, it should come as no surprise that the sector is generally choosing to focus on basic topics and tools for the time being.

## Scope

An important aspect of the survey was determining how many insurance education materials are currently available with respondents. We deem this aspect to be important because it is indicative of the general ability of organizations to effectively conduct insurance education campaigns. As can be seen in Figure 4, about one-third of participants said they have virtually no access to insurance education training materials (between 0 and 10 hours), and this was by far the highest category of respondents. This perhaps serves as further evidence of the infancy of the insurance education sector, as organizations have either not been working on these programs long enough to have developed extensive materials, or have yet to fully integrate education in their microinsurance activities.

There is a general downward trend as hours of material increase, with the exception of a noteworthy spike at the final “more than 500 hours of material” category. However, additional insight gained through the in-depth interviews has suggests that an overwhelming majority of organizations claiming to have such an abundance of materials is inaccurately reported in the survey. When probed, respondents were generally unable to provide a list of insurance education materials that would even closely resemble these numbers.

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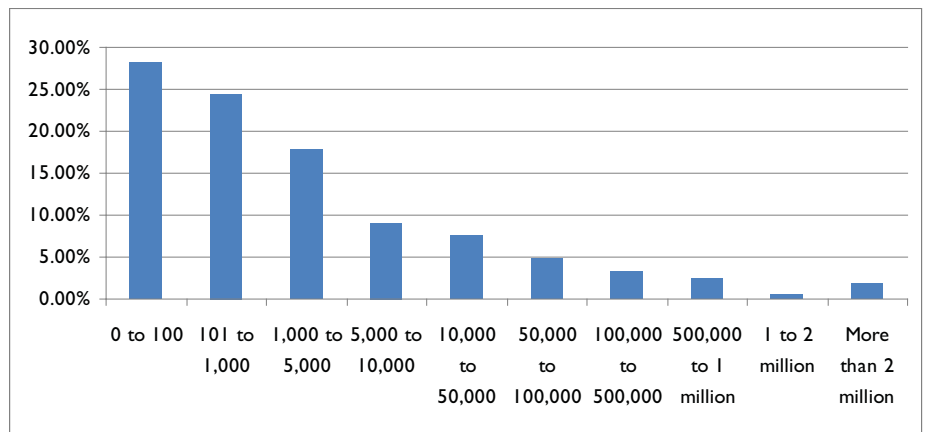


*Figure 4: Amount of Insurance Education Materials (in Hours)*

Similarly, as can be seen in Figure 5, the category with the highest percentage for the outreach question (number of people reached) was the lowest category (0 to 100 people), coming in at just over 25 percent of respondents. This was followed by the second lowest category (less than 1000 reached) with 23.5 percent of respondents and the third lowest (less than 5000) with

*"...over two-thirds of respondents have reached (much) less than 5000 people in all. It may be useful to recall that these figures relate to activity in the lifetime of the respondent, and as nearly a third suggested they were active for 5 or more years, this paints a picture of an overall fragmented market"*

17.2 percent of respondents. Together, this means that over two-thirds of respondents have reached (much) less than 5000 people in all. It may be useful to recall that these figures relate to activity in the lifetime of the respondent, and as nearly a third suggested they were active for 5 or more years, this paints a picture of an overall fragmented market, which again supports the notion of a sector in its infancy. There were, however, notable exceptions on the other end of the spectrum, as well, with some 1.6 percent self-reporting to have reached more than 2 million people. However, when probed, those respondents found it difficult to explain exactly how they reached such numbers with insurance educations as opposed to total policies sold.



*Figure 5: Number of People Reached by Insurance Education Activities*

## Interest in a “Virtual Library” of Insurance Education Materials

As part of the survey, the respondents were asked if their organizations would be interested in partaking in a “Virtual Library” – an online platform for insurance education collaboration. The “Virtual Library” could increase the scope of insurance education and improve the process by reducing the duplication of efforts through sharing training resources and educational materials.

Many organizations voiced their frustration over not being able to access educational tools conceptualized by other organizations active in the field of microinsurance. A representative of Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) Ghana noted, “Before we did this material, we had contacted a number of institutions in order to find different resources, but we found it challenging to get access to the material, which is often protected of course with ownership rights, etc. And we found out there is no cohesive resource link, or at least we were not aware of it, where we can see what other people have been doing in different countries...” The vision of the “Virtual Library” is to incorporate a diverse group of international insurance education organizations into its membership, so that the organizations can

seek out suggestions and guidance from others. The “Virtual Library” can also serve as an opportunity for organizations involved in insurance education to populate the shelves, so to speak, with valuable material on insurance education. In this way, the “Virtual Library” can help to fill the gaps in insurance education.

The idea of a “Virtual Library” seemed to be very much embraced by the participants in this survey, as over 90 percent responded that they would be willing to share their experience and tools with such a “Virtual Library,” either freely or for a fee. Given the self reporting bias discovered in the on line survey in general, these encouraging figures still need to be substantiated when concrete action will be required to set up the “Virtual Library”. Still, this is a most positive foundation for the “Virtual Library” and the MiN/WG (or other forums of the MiN) might do well to pursue this objective in the near future.

## Part 2 – In-depth Interviews

### Introduction

#### Methodology of the In-depth Interviews

##### *Sample Size*

Out of the 353 completed responses of the on-line survey, 73 organizations were selected as targeted respondents of the in-depth interviews that were conducted by phone calls. Those are the respondents who have met at least one of the following (self-reported) criteria:

- Have more than 5 years of involvement in insurance education; and/or
- Have access to more than 500 hours of insurance education training materials; and/or
- Have provided insurance education to more than 100,000 people.

In addition to these 73 organizations, there were 139 voluntary respondents who have shown interest in the “Virtual Library” and reported that they have a functional insurance education program. The linguistic distributions of these in-depth interviewees are as follows.

	English	French	Spanish	Total
Targeted	56	4	13	73
Voluntary	93	17	29	139
Total	149	21	42	212

The basic topics covered in the interviews are as follows, although these were affected largely on the narration of the interviewees in the actual processes:

- Motivations for setting up the micro insurance education schemes,
- Targeted populations (why they were chosen, socio economic features),
- How to conceptualize, design and use insurance education materials,
- Methodologies adopted for trainings, including trainings of trainers,
- Monitoring and evaluation activities,
- Challenges faced and how to overcome the challenges, and
- Interest in the Virtual Library.

Out of the 212 organizations, 103 did not reply to a request for an interview, or declined the request. A total of 109 interviews were conducted. The interviews were all recorded and reviewed later on. At least two researchers listened to each audio file in order to determine the level of interest of each to this study, and summary write-ups were done for each interview. At the reviewing stage, some interviews were excluded from further review

and analysis. This is partly because of language or technical problems (e.g. the interviewee’s voice was not clear enough to comprehend). As a result, the following numbers of interviews were reflected in this in-depth survey report.

English	French	Spanish	(total)
66	16	10	92

Out of these interviews, organizational briefs were produced for 31 organizations from 18 countries, and can be found in Part 3 of this report. These write-ups were chosen as examples of some of the organizations that were able to narrate a coherent process of their insurance education program<sup>2</sup>.

*Methodological Limitations*

The authors of this report also did not have access to the actual educational materials and tools used by the organizations. Thus the analysis is based on the narration provided by the interviewees. Given the reporting bias discovered in the online survey, this poses some constraints on the analysis.

Particularly in the “Tools for Insurance Education” and “Monitoring and Evaluation” (M&E) sections, the lack of access to educational and M&E. tools inhibits the analysis. A number of interviewees mentioned various educational tools and M&E activities they used, but were unable to provide further details on these or to elaborate how the organization is using them.

Community Profile

Nearly all the participants in the in-depth interviews reported that the populations they work with are not only uninsured, but they are alarmingly uninformed about the concept of insurance, though the level of awareness varied across different organizations' target populations. Some even reported that misconceptions and superstitions, such as the superstition that buying insurance is “calling death to you,” dominate attitudes regarding insurance in the communities where they work. Organizations frequently reported that the populations they work with often confuse insurance and savings or think that they are the same.

These target populations were identified by participating organizations as being low-income populations, with very few exceptions. A notable majority were rural-based communities and communities that have traditionally been excluded from the financial system. Many organizations reported targeting more specific populations, such as female-exclusive programs, agricultural programs and programs that work with ethnic minorities. Especially in certain parts of Asia, insurance education programs have been initiated in areas that have been recently affected by natural disasters<sup>3</sup>.

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<sup>2</sup> These briefs were not chosen to represent all the types of organizations partaking in the survey per se, and they do not offer a statistical breakdown in terms of types and sizes of organization, geographical location and language. As such, inclusion in the brief does not pretend to imply a perception of higher quality of insurance education activities, and the briefs should rather be viewed as a snapshot of respondent organizations active in insurance education at the time the interviews were conducted.

<sup>3</sup> See Burns, Catherine, and Aparna Dalal. 2010. “Explaining Insurance: Implementing Consumer Education in CARE-India’s Insure Lives and Livelihoods Program.” Financial Access Initiative.

*Box 1: Working Against Negative Assumptions About Insurance*

Asociación Mexicana de Uniones de Crédito del Sector Social A.C. (AMUCSS) is a Mexican organization set up by dozens of credit unions working in the field of rural finance. AMUCSS works to create better financial services in rural areas through working with and creating new local financial institutions.

In an interview conducted independent of this study and posted by AMUCSS online<sup>4</sup>, a representative from AMUCSS explained that people from their target communities are often wary about life insurance because they find the concept that life insurance will protect the family in case of a death to be confusing. Furthermore, life insurance is seen as inauspicious; it makes many people feel uncomfortable because they fear that purchasing an insurance policy will mean that members of their family are wishing for a familial loss, hence it will bring bad luck.

In order to work around these diverse challenges, the interviewee noted that it is very helpful if the insurance provider has a steady presence in the community's daily life, such as can usually be provided by a microfinance institution (MFI). On the other hand, when an insurer only appears to sell the policy and collect payment, it is difficult to create the necessary trust. The interviewee also said that when a member of the community has a positive experience with insurance, that individual can make a big impact on the perspective of the whole community with regards to insurance.

## Program Development

### Motivation

The in-depth interviews revealed a number of motives organizations have for conducting insurance education. This included commercially driven motivations, compliance with government mandates, and the most commonly mentioned motivation – the advancement of the community, which falls within the larger perspective of development. This category included objectives such as:

- Increasing general financial literacy among the population,
- Increasing financial equity,
- Improving living standards,
- Improving access to health care, and
- Facilitating general development.

Needless to say, all organizations have to consider and navigate a number of overlapping (and sometimes competing) motivations to maintain sustainability of their operations. Commercially orientated insurance companies re-

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<sup>4</sup> AMUCSS on the subject of “Challenges and Opportunities for Microinsurance in Mexico” can be accessed at [http://www.youtube.com/watch?v=ES\\_Zqd-r0x4](http://www.youtube.com/watch?v=ES_Zqd-r0x4).

ported that education can work to stimulate their business. When target communities begin to understand the value proposition of insurance, it expands consumer demand. Creating informed communities is therefore also seen as a business strategy that can increase sales.

Some MFIs reported that they conducted insurance education as a strategic move to protect their microcredit business, not necessarily as a profitable endeavor in itself. The use of insurance by MFI lenders is beneficial for the MFI, because it can prevent loan repayment default by offering a safeguard against financial crises that might affect the client base.

In some cases (especially for credit-life insurance), MFIs bundle microinsurance to their loans for existing clients, but do not actively promote insurance education outside of their existing client base or offer micro insurance as a separate product.

#### *Box 2: Credit-life and Lack of Insurance Education*

One organization that did not impart insurance education when offering a credit-life scheme was a large Indian insurance company. The training they offered in regards to the specific product was aimed at their staff members, and not directly at the end consumer. A representative of the organization noted that one of the main reasons for launching the particular insurance scheme was because of government regulations. These covered the sales of the product, but did not require the organization to offer any insurance education along with the sales, which for commercial reasons they preferred not to do. Sometimes when such financial services are bundled, the focus on insurance education can be lost, which is an important point for policymakers to be aware of.

In still other cases, such as with most consultants that participated in the interviews, insurance education is actually the product / service offered. They offer a beneficial product/service to communities or other organizations, the core of which revolved around insurance education. The product / service was sometimes identified as the actual education of populations – for instance as a service sold to insurance companies and others– or as a product (e.g. teaching materials) that other organizations could then use to implement the education programs themselves.

*"Some MFIs reported that they conducted insurance education as a strategic move to protect their microcredit business, not necessarily as a profitable endeavor in itself."*

"Despite often overwhelming social and cultural challenges, there are many organizations that have found innovative ways to work within the constraints laid out by particular communities' characteristics. In fact, there are organizations that have experienced great success by integrating what they had at first considered challenging community qualities into the approach of the programs, such as using films, songs and games as a way to overcome illiteracy – which end up engaging literate clients more effectively as well."

### *Box 3: Insurance Education Training as a Product*

Sometimes training of staff to conduct insurance education was also a product, as in the case of Redport Consulting of Mexico. Redport Consulting offers insurance education training as a product to insurance companies, so that representatives from the companies can then impart education themselves to their target populations.

Redport does not have direct contact with the communities in most circumstances, but it provides tools, materials, expertise and training to intermediary insurance companies or microfinance institutions (MFIs). These tools are often adapted to the specific target community and/or insurance product that is offered.

### Dual Need of Insurance Education

Our studies found that the relationship between insurance education program operators and clients was often not the donor-recipient model that one might expect, but was very often symbiotic. The community benefits from insurance education because it allows them a greater understanding of tools for managing risk that are available to them. Insurance companies and MFIs simultaneously benefit from insurance education programs because it increases awareness and ultimately makes it more likely that people in the targeted community will buy insurance from them. As a respondent from Alternative Insurance Company Haiti (AIC) said, "a well educated consumer is our best customer, because this is the person to whom you can go and collect honest data if you want to be involved in the product that you do offer them so it can answer to the specific need." This dual need can lead to mutually beneficial interactions that both aid in community development and business development, as long as the programs are implemented properly.

### Challenges Faced

Organizations face various challenges in imparting insurance education. They address external challenges by adapting to them through further designing and revising their educational strategies and operational model(s). Internal challenges at the organizational level, which need to be addressed within the organization, also affect insurance education.

### *External Challenges – Social/Cultural*

Much of the challenge of insurance education lies in convincing communities to consider the idea of insurance, and to change their behaviour towards risk as a consequence. Low-income communities often do not perceive insurance as a financial priority, since insurance protects only against a possible situation. As a representative of Tulay sa Pag-unlad Inc. (TSPI) working in Philippines mentioned "I believe that market education is something that we

need to do with our clients ... when you work with poor people, sometimes they [poor people] believe that they do not need insurance; what they need is food on their table, clothes on their back, and a roof over their heads, so they say that insurance is something that they do not need at the moment.”

Despite often overwhelming social and cultural challenges, there are many organizations that have found innovative ways to work within the constraints laid out by particular communities’ characteristics. In fact, there are organizations that have experienced great success by integrating what they had at first considered challenging community qualities into the approach of the programs, such as using films, songs and games as a way to overcome illiteracy – which end up engaging literate clients more effectively as well.

#### *External Challenges – Insurance Infrastructure*

Some respondents said that insurance companies (or other organizations involved with microinsurance delivery) can present another form of external challenge to the success of an insurance education program. This can occur when uninformed insurance companies (or organizations acting on their behalf) create hurdles to a complete understanding of insurance because of the way they pitch their specific products, often by providing highly detailed product information before potential clients understand any of the fundamentals of insurance. This can lead to misunderstanding of what is covered, and later to disappointment due to erroneous expectations from the insurance cover, which can negatively affect the community’s perceptions of insurance as a whole and might scare them off from future contact with insurance.

#### *Box 4: Working Against Provision of Asymmetrical Information*

Quadrant Consultants emphasize that an informed consumer is always an opportunity for insurance companies, not a threat. The organization works to promote the concept that an informed consumer is in the interests of everyone, both on the demand and supply sides. A consumer that fully comprehends the concept of insurance is likely to subscribe for more policies.

Having collaborated with a number of consumer organizations, Quadrant Consultants note that [in India] currently nearly all platforms providing information on insurance are run by commercial entities and/or are affiliated with insurance providers. This means that the consumer often receives asymmetrical information regarding insurance. To offer a perspective from the demand side, Quadrant Consultants are working on a website that will serve as a free resource for insurance consumers, providing information on general risk management and various insurance products without affiliations to insurance providers.

*"Most insurance education programs seem to be in their early stages, and consequently there are still a lot of internal challenges to be overcome. Lack of expertise is a common impediment to organizational growth, especially among organizations that do not have previous experience with insurance or with adult education practices. Lack of resources was also identified as a challenge. Some organizations mentioned difficulties with finding qualified trainers for all the languages in the region in which they work."*

Institutional and structural challenges were frequently mentioned in the in-depth interviews, and included lack of government support, low access to education, lack of accessibility to dispersed communities in rural areas, as well as poor road and other physical infrastructure. Noteworthy is the mention by several respondents of unavailability of adequate supply of either insurance in general – or in the case of health, of healthcare providers. For instance, a representative from Freedom from Hunger explained the organization’s challenges with existing infrastructure in the countries in which they conduct insurance education as being “too few [health insurance] schemes available. Most of the time there aren’t any choices yet. Having insured access to providers if there aren’t any – that doesn’t really solve the problem. So it’s a problem with lack of access to providers, lack of available schemes, lack of knowledge and an insurance culture.” This perception about shortcomings in the existing supply-side infrastructure can in fact perpetuate the habit of ineffective health financing, particularly where organizations feel that it isn’t worthwhile to offer health insurance products in certain areas, since inadequate healthcare systems prevent clients from receiving proper care even with sufficient funding. However, it is possible to work against this problem by creating obvious demand (through insurance) in these areas, which could then cause healthcare providers to step forward to meet such demand. Perhaps these existing gaps in insurance infrastructure explain the call for partnerships and networks to support insurance education that so many participants expressed in the in-depth interviews. In some cases insurance companies, MFIs, NGOs, hospitals, doctors and communities are already making connections to foster a more organized and efficient insurance and insurance education process.

*Box 5: Effectiveness of Professional Partnerships*

Asociación Mexicana de Uniones de Crédito del Sector Social A.C. (AMUCSS) has taken advantage of partnerships by connecting small microfinance institutions that would otherwise spend a lot of money on individual distribution and marketing with intermediary organizations, which are in charge of selling the financial products. AMUCSS can then focus on conducting insurance education among its partner microfinance institutions (MFIs). This is more efficient and cost-effective for all. Aside from saving participating organizations money, AMUCSS also reported that this partnership method improves the distribution channel of financial services, which gives rural populations greater access to insurance.

*Internal Challenges*

Most insurance education programs seem to be in their early stages, and consequently there are still a lot of internal challenges to be overcome. Lack of expertise is a common impediment to organizational growth, especially among organizations that do not have previous experience with insurance or with adult education practices. Lack of resources was also identified as

a challenge. Some organizations mentioned difficulties with finding qualified trainers for all the languages in the region in which they work.

To be sure, the internal challenges mentioned in the above paragraph are challenges that more typically plague smaller organizations and non-profit organizations much more than larger, for-profit entities. With outreach and funding limitations come limitations on the garnering of proper expertise and resources. Larger for-profit entities on the other hand typically have less expertise with rural communities, and in many cases lack the familiarity with the people that is necessary to design a program and teaching materials to which they would be more responsive. This is why a number of organizations choose to work with local partners, instead of directly imparting insurance education to the community. A detailed example of this type of collaboration is found in the case study “Consumer Education in CARE-India’s Insure Lives and Livelihoods Program” (Burns & Dalal 2010)

Challenges particular to the design of educational tools and materials can also heavily impact education imparted by organizations, and will be discussed in the “Tools for Insurance Education” section of this report.

### Business Model and Financing

As with all business plans, insurance education programs require that the organizations responsible for them take certain measures to ensure the feasibility and sustainability of their operations. This entails implementing the right combination of outreach, content, etc. to ensure the greatest amount of success at the lowest cost. In order to determine the optimal characteristics of the insurance education program, the organization often prepares with preliminary research, and subsequently adapts the program as needed.

#### *Preliminary Research*

In order to create realistic plans for insurance education programs, many organizations conduct some form of preliminary research. This is most frequently done through focus groups, surveys and market research that provide a summary picture of the communities’ characteristics and prior knowledge. It is helpful for organizations to know about risk behaviors and responses among the target population. This will be further discussed later in the “Tools for Insurance Education” section, on development processes of educational tools.

#### *Insurance Education as a Supplemental Activity*

There are organizations that have broader educational goals and strategically factor insurance education into their programs. Respondents to this study included organizations that specialize in general financial education of low-income groups, or in more thorough risk management education programs. In these circumstances, insurance education is a supplemental activity that contributes to the mission of the organization. For example, general financial

*"Apart from training expertise, in general there was fairly little cooperation between organizations. Links with government agencies, universities and other educational institutions, labor unions etc., were an exception rather than the norm."*

education would include insurance education, but also (and often primarily) information on savings, credit and responsible spending.

*Box 6: Insurance Education as a Component of Broader Financial Education*

Gerda Pipek of Marketworx Africa, a South African organization providing strategic planning of financial education, noted that families need to consider budgeting on a broader level, which would necessitate an understanding of savings and other financial tools. It is hard for them to prioritize without a complete financial education.

The interviewee fears that without a complete education, many people would often buy insurance immediately after the education, without budgeting for it, which means that they will often fail to renew policies later on.

Organizations that conduct insurance education also think critically about the right use of insurance education as a tool to achieve their greater goals. Organizations that exist for the purpose of insurance education do not struggle with this question, since insurance education is the goal. But insurance companies, MFIs and development NGOs determine how to make this supplemental activity fit – logistically, socially and financially – into their operations comfortably. Very frequently, MFIs reported using micro insurance as a strategy for long-term success (i.e. protection against loan defaults), and not a financial tool created for the benefit of the target community. For many MFIs, that means providing “bundled” micro insurance (and thus insurance education) to existing loan clients, which ultimately makes their businesses more sustainable. These MFIs typically fund insurance education from the mandatory premium which is added to the cost of the loan.

*Partnerships and Professional Associations*

As discussed earlier, the use of partnerships is also a strategic business model that many organizations are using or would like to use. This allows collaboration on mutually beneficial insurance education and can eliminate duplicate efforts and expenses. Partnerships can also expand outreach and distribution, and facilitate the process for clients (see example of AMUCSS, page 50). Often organizations or insurance companies will hire consultants with expertise in insurance education or in the creation of education tools as part of their business models. For organizations with no previous experience in insurance education, this can serve as a viable model for imparting insurance education – wherever the services are available. As a relatively new field of expertise, in some areas finding qualified consultants turned out to be difficult. However, as the report has demonstrated, the increasing attention paid to insurance education will likely lead to an increase in numbers of qualified consultants.

Apart from training expertise, in general there was fairly little cooperation

between organizations. Links with government agencies, universities and other educational institutions, labor unions etc., were an exception rather than the norm. This also holds true for collaborations between organizations imparting education in different strands of micro insurance, such as life and health. As one consultant mentions, the knowledge sharing between organizations working in different fields of micro insurance is not efficient enough, and there is a tendency to over-emphasize the cultural and sociological specifics in conducting micro insurance education programs. Although differences exist, there are more similarities, and sharing information across the line would save a lot of time and effort, which is currently wasted on reinventing already existing models.

### Financing

Funding plans for insurance education programs varied notably. Many for-profit uses of insurance education were self-supported by the MFI or insurance company, through premium income / agent commissions. In the case of non-profits (and some for-profit providers as well), funding also came from larger development organizations, such as the ILO Microinsurance Innovation Facility. Government support, grants and donors were also identified as sources of funding for NGOs, but the interviews did not allow us to detect an overarching trend in funding patterns.

In some cases, the use of partnerships between organizations allocated funding responsibilities. Sometimes an organization would agree to carry out the responsibilities of the education component, as long as a partner (e.g. insurance company) provided funding for the program. In other cases, funding duties were split between collaborating organizations, such as in the case of FUNDASEG. This Colombian organization has an agreement with the insurance companies whose target populations are reached by the insurance education, in which the insurance companies usually fund the recruitment of participants and rental space for the educational program, while FUNDASEG funds the educational tools and preliminary research.

As discussed earlier, there were organizations that turned a profit from insurance education, whether it was the actual service of the education or the educational tools that were the product. The organizations that turn a profit are more likely to be financially sustainable (at least for their insurance education activities), but for lack of data we are unable to provide more concrete information on the odds of success.

It was difficult to determine from this study whether the funds used for the operation of insurance education programs were usually designated specifically for insurance education. What we do know is that many organizations mentioned a need for more funding for insurance education, so it would be reasonable to suggest that there is a need for more insurance education-specific funding. This would help the sector to grow and would put more of an emphasis on insurance education. As the sector matures, clear business models around insurance education should become more transparent, so

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that the “public good” nature of insurance education could be adequately addressed by the different stakeholders in the sector.

## Insurance Education Content

In this chapter, the approach organizations take towards conceptualizing and implementing various educational strategies will be discussed under two headings: General Risk Management Education and Product Specific Education.

The term General Risk Management Education can be understood as two separate, but interlinked activities. It can be understood to cover topics such as:

- How to respond to risk (which includes insurance as a possible tool) and/or
- How to avoid risk, e.g. by practicing healthy habits, using agricultural best practices, etc.

Only a few organizations taking part in this survey conducted education solely of the latter type (i.e. educating communities about possible preventive measures to deal with risk). Practically all respondents were offering education especially with regard to insurance; therefore, in this report General Risk Management Education is perceived as non-product specific insurance education, or in other words, education on the concept of insurance.

References to Product Specific Education, on the other hand, indicate a type of insurance education that focuses on the specifics of a particular product, such as:

- Product features (price, inclusions and exclusions etc.),
- Enrolment processes,
- Payment processes for premiums, and
- Claims management processes.

The two categories are somewhat difficult to dissect apart. Both General Risk Management Education and Product Specific Education have the same aim, enabling people to become informed consumers of insurance services and more effectively manage risk. Whether this is done in the context of a particular insurance product, or in the context of aiming at increasing a community's knowledge base regarding risk management, the two overlap in a number of ways. They nonetheless constitute two separate approaches and often utilize different pedagogic methods to achieve results. We therefore look at them separately in this report, in order to provide the reader a more concise picture of the educational efforts taken by organizations across the globe.

In the in-depth interviews, many of the organizations did not provide a clear narrative of their operations. This was sometimes due to the interviewee's

unfamiliarity with the program, to a misunderstanding of the direction of the study or of specific questions, to a language barrier, etc. Therefore, it is often difficult to say where General Risk Management Education ends and where Product Specific Education starts. Many organizations imparted a very limited amount of General Risk Management Education (especially the case with credit-life schemes, as discussed on page 16) and focused on Product Specific Education instead. In many instances the respondents found out that they had not realistically taken into account the low awareness levels of the communities with which they work. In these cases the organizations often had to revisit elements of General Risk Management Education to ensure the delivery of their intended message. Focusing on Product Specific Education can be a tempting proposition as it appears to save time and resources; but as many respondents had realized, it can turn out to be counter-productive in the long run. The in-depth interviews clearly revealed that the “text-book” setting in which General Risk Management Education is implemented – e.g. in the form of an awareness campaign, followed by Product Specific Education, focusing on e.g. premium collection – was not the norm.

*"The in-depth interviews clearly revealed that the “text-book” setting in which General Risk Management Education is implemented – e.g. in the form of an awareness campaign, followed by Product Specific Education, focusing on e.g. premium collection – was not the norm."*

*Box 7: Integrated Awareness Campaign Model*

The Micro Insurance Academy (MIA) helps partners (In India and globally) roll out an integrated awareness campaign prior to asking communities to decide on voluntary affiliation to microinsurance.

This month-long awareness campaign (using groups meetings, street plays, interactive games, multimedia and mass media tools), is undertaken and conducted by community facilitators trained by MIA and focuses on explaining and promoting the value proposition of microinsurance.

MIA conducts these campaigns together with a local NGO partner, to whom it provides technical assistance, oversight and monitoring throughout the campaign. MIA also prepares road-maps for each facilitator to be used as a guide for training sessions, and community groups are encouraged to participate actively in the meetings and various awareness programs. The education is non-product specific and the interactive games played among the community approach insurance as a concept, rather than through the framework of a specific insurance product. Product specific education is only started at a later stage, when the community expresses an interest in insurance as a concept.

Need for Risk Management Education

One of the most recurring comments, voiced by a large majority of the interviewees, related to the general lack of an insurance culture. Insurance is an (often entirely) new concept to the majority of the communities with which the organizations partaking in the survey work.

*"The need for General Risk Management Education was one of the most recurring challenges cited by the interviewees. The need was voiced in various ways but the picture emerging from the in-depth interviews is clear: organizations across the board work with communities which have no (or very limited) previous knowledge regarding insurance, which is severely hindering the fulfilment of the organizations' objectives."*

Of the communities that do have some knowledge regarding insurance, it occasionally carries negative connotations. This is because insurance is sometimes seen as an inauspicious activity, or because of negative experiences the community has previously had with insurance providers.

In addition, a number of misconceptions also pertain to premium payment, coverage of insurance and the roles and responsibilities of both the policy holder and the provider of the insurance, which organizations need to address when imparting Product Specific Education. Another issue emerging from the interviews is potential customers confusing insurance with credit and/or savings.

A number of organizations, and especially MFIs, noted that their clients had difficulties in distinguishing between savings, credit and insurance<sup>5</sup>. A significant number of the organizations partaking in the in-depth interviews were MFIs offering insurance services along with their existing microcredit products. These organizations have to educate not only communities that are unfamiliar with the differences between savings, credit and insurance, but in many cases the staff, as well. It became evident that in many cases the problems with insurance comprehension extend to the level of the staff in the MFIs. The need to provide quality education for the staff members of organizations providing microinsurance products was mostly recognized by international organizations, which opted for educating the staff members of local microinsurance providers rather than working directly with the community.

*Box 8: Training of Local Insurance Leadership by International NGO*

Appui au Développement Autonome (ADA) is a Luxembourg-based NGO. ADA's mission consists of supporting microfinance institutions (MFIs) based in developing countries in their growth process. This support, which may be of a technical and/or financial nature, is aimed at increasing the professionalism of the MFIs by making them more effective, independent and innovative. Since 2002, it has entered the domain of microinsurance upon the request of Centre d'Innovation Financiere (CIF), a West African partner network of national MFI networks.

ADA is currently working on the production of a DVD of insurance education. While addressing topics such as the advantages of microinsurance, the business process and professional figures involved in the set-up of a microinsurance structure, the 25-minute video focuses on training the agents of the network on the differences between microfinance and microinsurance.

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<sup>5</sup> This was particularly an issue in India, where a prevalent problem is that amongst the communities who have some knowledge regarding insurance, this knowledge is often product-specific to the Life Insurance Company of India (LIC) policies. Many of these policies essentially function like a savings account, so the policy holder is reimbursed the premiums paid at the end of the insurance term if (s)he does not claim. However, as endowment products become more popular in other places, this confusion is likely to become more prevalent.

General Risk Management Education

The need for General Risk Management Education was one of the most recurring challenges cited by the interviewees. The need was voiced in various ways but the picture emerging from the in-depth interviews is clear: organiza-

tions across the board work with communities which have no (or very limited) previous knowledge regarding insurance, which is severely hindering the fulfilment of the organizations' objectives. There were very few organizations that did not mention the low awareness levels of the communities they work with as a challenge. The organizations that did not mention it mainly worked with urban communities that are economically more stable (and practically all of the organizations were imparting Product Specific Education). General Risk Management Education includes a number of topics, all aiming at increasing the community's general awareness of risk and of ways to manage the risks. Listed below are some of the commonalities emerging from the General Risk Management Education imparted by the organizations:

- Conceptualizing the risks relevant to the community,
- Conceptualizing the basic promise of insurance,
- Exploring the traditional risk management strategies and juxtaposing the shortcomings with the advantages of insurance, and
- Addressing (possible) pre-existing notions of insurance.

A number of organizations have come up with innovative methods for conceptualizing insurance, which will be discussed in more detail through examples in the “Tools for Insurance Education” section.

#### *Motivations for Imparting General Risk Management Education*

Insurance education is often only one contributing element to the achievement of the goals set by an organization. There are some organizations with the core function of providing insurance education, and these organizations are propelled by the motivation to address the community need to have the option of insurance coverage. Many of these organizations conducted insurance education by providing general information about insurance as a concept and as a tool for managing risks. In some cases, such as in the case of FUNDASEG, the organizations are contacted by the insurance companies, who ask them to conduct the workshops in order to increase awareness. The workshops give attendants general information about the insurance opportunities already available through local insurers.

Only a small portion of the organizations interviewed for the report focus solely on General Risk Management education as their core function. The majority of these organizations consist of government-mandated and government-funded bodies. Such education is perhaps better understood as an effort to invest in insurance education as a public good rather than as an activity immediately linked to a profit-seeking behavior.

Besides assisting governments to build institutional capacity to enable a framework for microinsurance, a number of donor agencies are active in supporting General Risk Management Education projects to kick-start the market for microinsurance in countries where it is only emerging.

*" Many MFIs and credit cooperatives working on insurance felt that the General Risk Management Education indirectly improved the general financial literacy of their customers and was seen as a valuable goal in its own right. On the other hand, when a life insurance policy was included as a compulsory component (credit life) of a credit scheme, there was a tendency to place less effort in conceptualizing the insurance component of the package."*

*Box 9: Direct Donor Involvement in the Insurance Education Process*

In Ghana, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), in collaboration with the Ministry of Finance and Economical Planning and the National Insurance Commission, has developed educational material on five product ranges: loans, savings, investments, insurance and microinsurance. The educational tools are non-product specific. The goal is to provide general information on the various products, without aligning it to a specific product or company.

A representative of GTZ Ghana notes that, "their goal is that financial institutions would see financial education as a key element to the value of their products and not as something which is separate from the product."

Many MFIs and credit cooperatives working on insurance felt that the General Risk Management Education indirectly improved the general financial literacy of their customers and was seen as a valuable goal in its own right. On the other hand, when a life insurance policy was included as a compulsory component (credit life) of a credit scheme, there was a tendency to place less effort in conceptualizing the insurance component of the package.

Few notable exceptions did not see the need for any General Risk Management Education and focused solely on Product Specific Education. While it is hard to generalize the outcomes of such approaches in terms of impact vis-à-vis the use of financial resources, what can be gathered from the interviews is clear: these organizations had significantly lower levels of interaction with the communities with which they worked and lacked a holistic development perspective.

Product Specific Education

*Motivation for Imparting Product Specific Education*

Organizations use insurance education programs to increase demand for insurance and to increase sales. Though most of the organizations running this type of program recognized the importance of providing some general education as a foundation, they usually conduct very product-specific programs. In many cases, these organizations would teach about insurance as a concept only as it relates to the insurance product(s) they were selling. However, many organizations regard some form of General Risk Management Education as a pivotal component of their business models. NacionalVida considers General Risk Management Education to be an activity that is improving life in Bolivia at the same time that it is improving their business. As a representative stated, "For us, it's not just a business opportunity, but also an educational opportunity for the people. We consider that these belts of poverty, like in Bolivia, are where insurance is so important."

Educating the target audience in the specific product features presented a number of challenges to the organizations. The often illiterate audience needs to be educated in the specifics of concepts such as premium, exclusion, etc., which are essentially alien concepts for them. Turning them into a tangible value proposition calls for innovative approaches. These methods vary widely, and the various tools and channels of delivery will be discussed in more detail in the following chapter. Below are examples of organizations using participatory and interactive product specific education, which can often engage the community in ways that traditional lecture-style education cannot. Role-play and games allow the participants to act out the process of insurance -- generally a more successful approach. Often these teaching methods are catered to the community's specific needs.

*Box 10: Participatory Product Specific Education - Choosing Healthplans All Together*

The Micro Insurance Academy uses an interactive game-like tool called CHAT (Choosing Healthplans All Together<sup>6</sup>), designed to help poor communities manage the trade-offs when considering healthcare benefits. This tool allows members to jointly define the benefit package that covers their most relevant needs. In CHAT, even illiterate and innumerate persons can participate and decide on the composition and price of their health insurance. The game requires very little in terms of logistical setup and can be played in modest settings (e.g. where no electricity is available etc.).

Individual participants are provided with a CHAT board, which displays different forms of insurable risks, along with a number of stickers representing the available funds. The participants then place the stickers on the board according to which risks they want to be insured against. In the second round, the exercise is conducted in a group of approximately 15 participants. Through discussions, the participants will reach consensus on the particular risks against which the community wants to be insured. The process creates transparency and introduces democratic choices as an integral part of designing insurance.

*Box 11: Insurance Process Role-Play*

As part of its ARYHMIP health insurance scheme conducted in South India, Biocon Foundation's training events include a role-play in which the prospective policy holder goes to a hospital and shows his/her ARYHMIP card before going into detail about the reason for his/her visit, to ensure s/he receives assistance and kind service. The entire hospital enrollment process is played out in the trainings at the workshops.

Biocon Foundation also tries to have a coordinator in all the hospitals where the scheme is operational—especially in hospitals that Biocon Foun-

<sup>6</sup> For more on CHAT (including synopsis, publications and a video), please see: <http://www.microinsuranceacademy.org/chat>

dation feels are not the most conducive to giving their clients the attention they need. This ensures that when customers are confronted with a confusing situation with regard to their insurance policies, they can speak with someone who is affiliated with the company and can walk them through their issues.

*Box 12: Taking Local Knowledge into Account*

World Bank has partnered with local organizations in a weather insurance scheme that protects policy holders in the Indian state of Andhra Pradesh, where poor farmers in drought prone, non-irrigated land were targeted.

The parameters of the weather insurance product were originally based on rain fall measurements in millimeters, which was not the traditional form of understanding amongst the farmers, who instead use soil moisture as an indicator. As part of the design of the educational module, World Bank collaborated with scientists from local universities to convert the millimeter model into a model of soil moisture, which would be more easily understood by the farmers.

*Challenges*

Many of the trainers imparting insurance education have no expertise in insurance. This is not only true in regards to trainers chosen from the community, but it pertains to many staff members who are usually trained at a workshop or through a manual to impart training to the community.

This seems to hold true specifically for MFI agents, who according to many respondents, can initially have very low levels of awareness pertaining to the difference between credit and insurance. This can obviously be harmful in case the misunderstanding is passed to the end-user through education.

While the trainers' low knowledge base regarding insurance was rarely mentioned as a significant problem by the interviewees, a large majority of the organizations who did not have a (professional) team of trainers felt that their capacity for imparting education—as well as achieving desired results—would be significantly better if more resources could be dedicated to training.

## **Tools for Insurance Education**

This part of the report discusses the tools that are used in the insurance education programs conducted by the organizations that took part in the in-depth interview. The authors of this report did not have access to the actual tools used by the organizations; therefore, the analysis of these tools is limited to the information that could be gained from the interviews. While the limitation this poses on analysis of these tools is evident, a more compre-

hensive review of the tools will be conducted at a later stage by the WG as a part of the Virtual Library project.

In this report, tools are broadly categorized into three sections, based on the distribution channels they are imparted through:

- Individual settings,
- Group settings (including training of trainers), and
- Mass media.

The pros and cons of using each distribution channel are as follows:

Distribution Channel	Pros	Cons
Individual	Ability to ensure complete understanding of each participant.	Inefficient with regard to time and program cost.
Group	Usually classroom-sized groups of people allow for interaction between participants, the use of role-play, games, etc, as well as to piggyback of existing structures (MFIs, SHGs etc.) to reduce costs.	Outreach is still slow, and participants might not each have full comprehension at the conclusion.
Mass Media	Reaches large populations at a time.	The detail of the education is usually compromised, because it cannot be catered to the specific population, and is usually limited in time. Often this is more like advertisement than education.

Most of the tools discussed in this section are directed toward end-users of microinsurance products as the targets of insurance education. The 'training of trainers' subsection of the Group settings section is an exception; these tools are used for educating staff members (and consultants) who conduct insurance education to the end-users or to facilitators, who in turn conduct insurance education to end-users in local communities on behalf of the respondent organizations. Each section includes a brief discussion on objectives of the tools, contents of the tools, and challenges that organizations face in developing or using the tools. This section ends with a segment that looks at the process of developing the tools through three examples taken from the in-depth interviews.

### Individual Setting

Microinsurance education calls for a markedly different educational approach compared to traditional insurance products in developed markets. While the latter has historically been directed towards individual customers, in the con-

text of microinsurance, the high costs associated with individual marketing are a prohibitive factor. Most organizations therefore opt for utilizing delivery channels which can aggregate customers through pre-existing structures, such as Self Help Groups (SHGs), savings cooperatives, etc.

Despite the high costs associated with conducting a door-to-door campaign, a number of organizations considered it as an efficient means of approaching potential policy holders. This was the case especially with organizations that already had previous links with the community, in most cases smaller MFIs. Besides verbal communication, information can be imparted through brochures and handouts during these door-to-door visits.

Organizations face challenges regarding door-to-door visits when target communities are scattered across a large geographical area, when they do not have enough staff to visit each household, or when the visitors are unfamiliar in the community and people do not trust them.

*Box 13: Door-to-Door Visits*

Many communities are tightly knit, and an outsider, especially one asking the members of the community to part with their money, can sometimes be met with suspicion. Testimonials are often used as a form of bearing witness from past beneficiaries, in order to distribute messages of satisfaction and teach people the advantages of using insurance products for risk management.

Every year Biocon Foundation trainers visit villages in South India with community members who have benefited from the insurance, e.g. who have had an otherwise costly operation which was covered by the insurance scheme. Such people are used as efficient endorsers of the product, going house-to-house explaining the process and benefits as per their own experience. These examples are then incorporated into the educational material prepared for the following year.

Group Setting

Group meetings are a common education method used for providing insurance education in rural and urban areas. Organizations noted that they reach target populations to organize group meetings through community leaders, pre-existing group settings such as SHGs, cooperatives, churches, mosques, schools, etc.

The tools used in group meetings vary depending on the type of organization providing education and on the profile of the participants. Tools listed by the organizations include: flip charts, drawings/comics, PowerPoint presentations and testimonials. Other, more interactive tools are used to engage participation. These included: games, theatre plays, role-plays, dances, puppet shows, and short videos & songs.

*Box 14: Interactive Insurance Simulation*

Some organizations chose to conceptualize insurance through various forms of role play. This was perceived as an effective and interactive method for providing individuals a chance to address questions concerning insurance.

As part of its insurance education program, Hollard Insurance of South Africa organizes a three hour workshop, in which the participants are introduced to a “conversational map” – a map representing a community with houses, shops, factories, hospitals, etc. The map features a number of 'insurance events' the participant will come across, including both life and non-life insurance. The trainer “walks” the workshop participants through the map, explaining the benefits an insurance policy would provide in each event, as well as the rights and responsibilities of both the insurer and the insured.

Various games are also frequently used as an interactive teaching technique to explain the logic of insurance. Besides being interactive, they also have the added advantage of being able to include a larger number of participants than a role play type of exercise.

*Box 15: Use of Games as an Interactive Learning Tool*

Highlighting the value proposition of health insurance, the Treasure Pot Game – designed by Micro Insurance Academy (MIA) – enables illiterate community members to understand the notion of insurance and how pooling risks offers better financial outcomes than out-of-pocket spending. The game, which can be easily set up and played in practically any environment and with a limited amount of staff members, involves a simulation of real life using health event cards (symbolizing real-life events) and candy (symbolizing money).

In the first round of the game, each participant pays the health event determined by the random health event card from out of pocket; by the end of the round a number of participants are left bankrupt and some with very little funds. After this, the trainer discusses the shortcomings of some of the common means for securing funding for these health events, such as using money lenders, selling one's property, etc.

In the second round of the game, the concept of insurance is introduced to the participants. In this round, each participant is asked to contribute part of their funds to an insurance 'scheme' -- the Treasure Pot -- and the game is repeated using the same health event cards and the same amount of initial funds as in the first round. Thanks to risk pooling, in the second round all the participants can deal with the health events they encounter and are left with some funds at the end of the game<sup>7</sup>.

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<sup>7</sup> For a synopsis of the game, and examples of the game being played in India and Fiji, please see: <http://www.microinsuranceacademy.org/treasurepot>

Some organizations also make use of songs and theatrical plays. These may be very effective at portraying events specific to the community and are sometimes written through collaboration with local musicians and playwrights, in order to give the performances a more locally relevant angle.

Both in and out of group settings, various print materials such as handouts, fliers, pamphlets and brochures can be circulated. Some organizations may construct a plain language guide and focus on the “dos and don'ts” of choosing suitable insurance policies. Handouts can be customized according to the awareness level of the community and can be distributed in workshops, during door-to-door visits and in various public spaces, including schools, churches and libraries. In the case that the organization does not have its own local staff present in the target communities, it may use facilitators to distribute handouts. In addition to handouts, print material such as posters are widely used to spread information. Similarly, wall paintings and writings work to convey messages to target communities. Many organizations deem these effective because they draw people's attention effectively.

A number of organizations chose to use videos and DVDs for the comparative ease of their distribution and duplication. However, despite their usefulness, there remain some challenges in using them. Some organizations note that videos would be useful, but they are too expensive and too hard to use in rural areas because of lack of basic infrastructure (electricity, etc.).

Many organizations incorporated several of the tools mentioned above into their educational programs and reported successful experiences. While the authors of the report had no means of verifying the success of the education imparted by the organizations, it appeared that organizations which had integrated various different tools in their education seemed relatively satisfied with the results. It seems that a generally emerging best practice in financial education is to integrate various channels and tools, and to use these to convey consistent messages over a long period of time.

*Box 16: Mixing Tools for Successful Outcomes*

Healing Fields in India used various tools for their workshops: including discussions, PowerPoint presentations, videos, songs, dances and theatrical plays. One of the education programs was started by Healing Fields in 2006, before which the prospective policy holders had no previous knowledge of health insurance. Today many of the members of this program are renewing the scheme for the third year in a row, even though they have not had any health events requiring medical attention.

*Training of Trainers*

Some organizations, such as insurance companies, provide education through external facilitators, since they do not have close contacts with local com-

munities. These include staff of local NGOs, MFIs and community-based organizations that work directly with the target communities as facilitators. Training of staff often takes the form of attending forums and seminars.

*Box 17: Systematic Training of In-house Trainers*

Service of Support to Local Initiatives of Development (SAILD) in Cameroon trains its own staff and does not use any external training expertise. SAILD has a four-person training team, and each trainer is in charge of five to six community-based health insurance schemes. Each trainer visits villages that s/he is in charge of twice a month, and a supervisor visits the villages once a month to oversee the work. Each visit is prepared at the head office where issues of training, technical support or evaluation needs are discussed in advance.

*Box 18: Training of Outsourced Trainers*

The South African Insurance Association (SAIA) in South Africa outsources the training activities to community members who act as facilitators at workshops. Each education project will have a separate facilitator specializing in the delivery of that particular project. This person comes from the community where the project will be implemented.

The facilitator seeks out a person with ties to the community, whom they can approach first. The person could be the tribal leader, church leader or the local school headmaster. The community structure is important, and the community is included in the training as holistically as possible, e.g. local food providers are used at the trainings.

Although staff at organizations (especially MFIs) have better financial literacy than end-users of the insurance product, using them as facilitators for insurance education may not be easy. In few instances, trainers of external facilitators found out that even those from local MFIs are suspicious about insurance.

Many interviewees noted that finding qualified training staff is very difficult, as microinsurance education is a relatively new field. There also exist financial constraints in organizing trainings. A number of interviewees noted that it is particularly difficult to obtain funding for conducting trainings. One of the solutions seems to be external assistance from governments and insurance companies.

### Mass Media

Some organizations use mass media, especially organizations working in large

"The level of preliminary research done for creating educational tools appeared to be a good indicator in identifying the capacity of the organization to conduct effective insurance education. This is not to say that the time and resources spent on preliminary research would automatically result in effective tools; however, there seemed to be a correlation with substantial preliminary research and successful outcomes."

geographical areas. However, the number of organizations who could narrate a clear description of their overall media strategy was limited. The tools used for imparting communication are:

- Radio,
- TV, and
- Internet.

Community radio channels broadcasting in local languages seem to be the most common form of broadcasting tool, and can be used to diffuse messages widely and are relatively cost-effective.

*Box 19: Nation-wide Radio Broadcasting: Diffusing Messages Widely*

NacionalVida designs its own radio ads and teaching materials in Bolivia. To do this, they first prepare by conducting market studies on public perceptions of insurance, and then they decide on the desired geographical range of the campaign, the central message and the manner of distribution. This method allows them to reach large numbers of people at once.

TV (including films, sitcoms and other visual broadcasting material) is perceived as a useful education resource. Material broadcasted in TV is perceived as particularly effective, and some respondents noted that TV provides audiences an easy way to relate with successful stories of microinsurance. However, due to financial and/or technological constraints, most organizations do not consider TV as a realistic instrument for their educational efforts.

*Box 20: Nation-wide TV Channels: Diffusing Messages Widely*

Samris focuses on broadcasting media for their insurance education in Cameroon. They developed standardized ads for the purpose of insurance education, and the ads are currently broadcasted on two nation-wide TV channels.

Internet is still a marginal channel in insurance education. While some organizations – mostly catering to urban and higher-income segments – have started to incorporate internet into their education programs, the lack of connectivity and computer illiteracy among the target communities limits the use of internet-based technologies in directly educating the end-users of microinsurance.

Development and Implementation Processes

The level of preliminary research done for creating educational tools appeared to be a good indicator in identifying the capacity of the organization

to conduct effective insurance education. This is not to say that the time and resources spent on preliminary research would automatically result in effective tools; however, there seemed to be a correlation with substantial preliminary research and successful outcomes. Preliminary research enables organizations to understand the needs of the community, and to find out the existing levels of financial literacy and awareness regarding insurance – both prerequisites for successful planning of educational tools. Consulting the target populations or their representatives, such as village elders, doctors, headmasters, etc., for customizing tools continuously before implementation also seems to be a key to developing effective tools. The context-specific nature of the insurance education approach can be formed in this way. Preliminary research can also help to identify the target populations of insurance education. Some organizations provided insurance education to populations other than potential clients, including government officials or other non-profit actors.

However, despite the usefulness of preliminary research, many organizations skip this due to a lack of human resources, lack of funding to hire external assistance, etc. The lack of preliminary research can indicate that those organizations have limited knowledge regarding the socio-cultural make-up of the communities, the risk profiles of the communities and the communities' understanding of insurance. This might lead to the exclusion of a number of potentially valuable pedagogic instruments which could be adapted and incorporated into their education events. With small community-based organizations that are tightly linked with the community they work with, the need for an extensive preliminary research and consultation process might not be as relevant.

The following provides examples of how tools are developed and used by three organizations working in different fields of microinsurance.

*Box 2.1: Systematic Preliminary Research for Designing Tools & Partnering for Implementation*

Weather Risk Management Services uses the help of their own local teams, representatives of local communities and other organizations' local office staff in India. Their local teams conduct preliminary research on demographics of the population. The feedback is sent to its marketing section, which is responsible for designing the educational tools. The majority of the staff in the section has some background knowledge in agriculture. Tools are customized according to the awareness level of target audiences. For examples, in the state of Punjab farmers are fairly well-versed with the concept of insurance, whereas in the state of Jharkand the awareness level is much lower. Therefore, the message needs to be more elementary in the latter, and the trainers need to explain not only the specific weather insurance product, but also the value of risk management in general.

At the implementation stage, as Weather Risk Management Services works with a broad geographic and linguistic set of clients, their local teams versed in the local language usually conduct the trainings. Throughout the whole process, the local teams use the help of village leaders or leaders of farmers.

*Box 22 Mock Trainings to Test the Tools*

Uplift India has systematic methods of developing and using tools. It conducts audits in the field to understand types of tools suitable for specific communities, which currently include games, videos, pictorial and audio-visual materials, and a 24-hour help line. Based on this information, the tools are designed and approved by Uplift India's representative committee. The tools are tested during in-house mock training sessions before they are taken to the field workers. The trainings are audited by Uplift India members. The final part of the process is to get approval of the tool from the community leaders.

All the materials are presented with examples for easier understanding. For instance, instead of presenting exclusion as a technical insurance concept, Uplift India uses diabetes as an example to explain why exclusion takes place. Also, given the complexity of insurance, the information needs to be broken down into graspable forms. Thus information is transformed into words that easily communicate to the target audience. Similarly, breaking down the information into small comprehensible components is important.

*Box 23: Partnering for Preliminary Research*

World Education Australia focuses on assisting communities to improve their living standards through livelihood development programs, and by improving their access to financial services in the Asia Pacific region. The organization conducts extensive research before providing trainings. For example, before organizing a workshop in Nepal, they asked the local ILO office to provide them with the most recent research and also approached the regulatory authorities dealing with insurance. They also rely on research done by other organizations that are based in the target country, and therefore more familiar with it.

World Education Australia has collaborated with microfinance institutions, which act as experts concerning local knowledge. In order to fine-tune their materials, all the partners are asked to list down their objectives (needs analysis) before trainings, through which strategic planning of partners is incorporated into trainings.

Tools are developed and insurance education is provided, but this should not be the end of the process. Tools should be continuously modified, and insurance education should be a long-term scheme. This will be discussed in more detail in the final chapter “Monitoring and Evaluation.”

Some organizations noted that insurance education cannot be a one-time effort, but needs to be an ongoing activity. They cannot provide education only during the sales process and then forget about the customers. In their view, insurance education really begins only after the individuals have enrolled in the scheme – people constantly need to be replenished with information. Only a handful of organizations specifically mentioned that they are actively involved in continuous Product Specific Education with their target community. Whether the large majority of the organizations perceive Product Specific Education as a “one-off” event cannot be concluded from the interviews. What can be noted is that an overwhelming majority of interviewees did not specifically mention that they actively conduct trainings for already existing policy holders.

## Monitoring and Evaluation

Questions regarding monitoring and evaluation (M&E) were exclusively used in the in-depth interviews portion of the study, while the on-line survey focused on provision of insurance education and did not deal with M&E. The authors consider M&E to be any stocktaking activities, either qualitative or quantitative, that give the organization a sense of the success and reach of the program, and/or the client satisfaction and response to the program. This is done through, for example, surveys, discussions, statistical indicators, etc. M&E is an important activity for insurance education programs at all stages of development, as it allows the organization to determine whether it is achieving the goals of the program, and how to successfully move forward.

In the in-depth interviews, it was found that a relatively small number of organizations conduct or have systematic methods for conducting M&E, regardless of the type of the organization. However, even organizations that do not carry out any form of M&E are often aware of its importance and wish they had more resources, including expertise, funds, technology and various tools to carry out M&E.

Although currently M&E is not conducted widely, what the organizations measure and the methods they use vary. The following section will look at why M&E is conducted, what is measured, the methods and impacts of insurance education identified, and challenges that prevent organizations from conducting M&E.

Most organizations expressed the need for systematic M&E activities, and when lacking it, often recognized that lack as a serious hindrance in their program development. However, not all organizations have sufficient funding, staff and/or expertise to incorporate M&E into their insurance education

programs. It became evident that organizations with a more solid funding base and specialized training staff were conducting more systematic M&E, and that this more sophisticated use of M&E usually served as an indicator of the capacity of the organization. This does not necessarily indicate that these more formal M&E efforts are more effective than those of smaller organizations, whose M&E needs and solutions can be very different and do not necessarily require the same amount of effort to conduct, or that the core function of these organizations is conducted in a more effective way. However, the organizations with sophisticated M&E activities could often provide a more detailed and analytic account of their operations, including possible shortcomings of the M&E efforts. This kind of self-awareness probably indicates that the organizations with systematic M&E activities had learned more from the activities, and were subsequently more capable of responding to the lessons therein, as compared to smaller organizations that could not elaborate on M&E activities.

It should be noted that there appeared to be a significant reporting bias with regards to the question of the organizations' M&E efforts. A majority of the organizations would report conducting M&E, but when asked to provide details of the M&E activities, a significant number of organizations could not specify and/or further elaborate on these activities in detail.

Also worth noting is that while answering the question, many organizations were in fact talking about the general M&E activities conducted as part of the micro insurance program, and not about specifics of insurance education. In this regard many organizations would often perceive a direct causal link between increase in enrollment in a particular insurance product and their use of insurance education, without taking into account other factors possibly affecting the success of the insurance scheme.

### What is Measured in M&E

Broadly, according to the in-depth interviews, the objective of M&E is to measure the impacts of insurance education and improve the insurance education programs according to the findings of M&E. The impacts can be measured on the level of outreach, changes in the level of communities' understanding on micro insurance, satisfaction of participants, changes in participants' behavior, etc. In order to do this, organizations measure and analyse various factors. The major objectives of M&E programs raised in the interviews are the following:

- To examine how perceptions and behavior of the participants changed,
- To compare the above with the perception and behavior of those not receiving the education component,
- To measure communities' knowledge and understanding regarding particular aspects of financial literacy, including those regarding insurance programs,
- To evaluate training sessions (especially the ones which started in new communities),

- To measure the levels of satisfaction of participants,
- To examine the quality of information given in trainings,
- To examine the quantity of information given in trainings,
- To measure the levels of outreach of insurance education,
- To measure trends in the nature of participants,
- To follow rates of renewals,
- To track new sign-ups by first -time users, and
- To examine whether new micro insurance products emerge after the trainings.

Few organizations have dedicated teams or full-time staff for M&E, while some organizations outsourced their M&E activities. In either case, various tools for M&E were reported: Workshops and meetings were most commonly reported to be used as tools for M&E. These were usually held with communities or trainers, where feedback is gathered, often through interviews. These may involve mutuals, community representatives, branch offices, etc. There are also meetings of coordinators with the head office, following the collection of data and feedback in the field. Other tools included questionnaires (Before and after trainings) to measure communities understanding of insurance, software for statistical analysis, mock sessions to evaluate training sessions, feedback from doctors and hospital staff with whom an organization worked (in case of health insurance) as well as sales indicators (e.g. number of clients and sales before and after a program).

*Box 24: Ongoing Monitoring and Research (M&E) by Specialized Department*

SogeSol in Haiti is an MFI that offers health and funeral insurance in addition to its credit services. The organization has a dedicated M&E department, which carries out on an ongoing basis all M&E activities related to insurance education and program assessment. They conduct statistical analysis of the program through two different software programs. The distinctive feature of this organization is that there is a fully-fledged separate department for M&E, which combines design of M&E, insurance education tools and internal training of staff.

One of the components of an M&E program is the frequency of use. Some organizations conduct it once a month, while some others do it once a year, every two to five years, or in a certain period after each training program.

*Box 25: Periodic Monitoring and Evaluation (M&E)*

Société Ivoirienne de Gestion d'Expertise et de Management (SIGEM) in Cote d'Ivoire has developed a continuous M&E system and dedicated software with a fixed calendar of activities that improves the level of transparency for all actors involved.

Monthly, a managing committee with a representative from the beneficiaries meets to evaluate activities, including insurance education. Quarterly, a management control body meets with the managing board to evaluate the work done. Every six months, a comprehensive evaluation of all actors and bodies involved is conducted. Yearly, external assessment is carried out and the results are presented to the general assembly.

### Impacts of Insurance Education Identified Through M&E

Some organizations identified positive impacts of their insurance education on local communities as follows. It should however be noted that, by and large, there was no clear evidence of evaluation in the sense of scientific impact assessment.

Participants of insurance education programs:

- Improved their financial literacy,
- Recognized the need for insurance,
- Recognized the accessibility of insurance,
- Understood how insurance works,
- Chose insurance over credit as a risk management tool, and
- Changed behaviors in their daily lives to improve their health conditions (in the case of health insurance).

#### *Box 26: Positive Findings from Monitoring and Evaluation (M&E) of Insurance Education Programs*

A representative of Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) in Ghana reported that the focus group discussions they conducted during their baseline survey process revealed that after having gone through the training material and answering questions the participants had regarding insurance, on average around 80 percent of the participants expressed their interest and were inquiring where they could purchase insurance. This was despite the fact that a number of the participants had a negative preconception regarding insurance, due to previous malpractices of some insurance providers.

Many organizations, according to what they reported, engage in ongoing re-design of insurance education tools, given the feedback from the M&E.

*Box 27: Findings Through Monitoring and Evaluation (M&E): Changes in Risk Management Behaviors*

FUNDASEG of Colombia has begun to conduct M&E through interviews that are done five months after the initiation of the program, in order to judge the changes in perception and behavior that participants have experienced. They have found that after the sessions, participants have come to believe that insurance is something simple, accessible, and necessary, and that they have begun to choose insurance over credit in order to deal with risks. The M&E also shows that the participants have reduced their high-risk behaviors by vaccinating children, blowing out candles before leaving a house, refraining from building houses near rivers, saving money in banks instead of inside a house, etc.

Examples of M&E such as the previous two, which are conducted through interviews, discussions, focus groups, etc, are a type of qualitative collection of data that can serve as a very good start for M&E. However, this type of approach is usually limited without some kind of systematic quantitative analysis of the programs, and is often not sufficient as a stand-alone method. More data will be available in 2011/2012 from a dozen of current evaluations in Columbia, Brazil, Ghana, Kenya, South Africa and India. Until then, the lessons based on the qualitative experience of practitioners serve as the best guide for those designing new consumer education programs.

## Part 3 – Organizational Profiles

These briefs were not chosen to represent all the types of organizations partaking in the survey per se, and they do not offer a statistical breakdown in terms of types and sizes of organization, geographical location and language. As such, inclusion in the brief does not pretend to imply a perception of higher quality of insurance education activities, and the briefs should rather be viewed as a snapshot of respondent organizations active in insurance education at the time the interviews were conducted.

## Alternative Insurance company (AIC) – Haiti

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Interviewee: Isabelle Delpeche

### *Organizational Profile*

AIC started in 2001 as a traditional insurance company but quickly felt the need to offer the same types of financial tools adopted to the needs of the general population, of which 76 percent lives with 1 to 2 US dollars per day. AIC launched their first product, credit-life, in 2007 through a partnership with the largest MFI in Haiti, FONKOZE, which works among solidarity groups in rural areas and has a strong grassroots presence.

### *Community*

The community AIC works with consists mostly of small merchants living in rural areas. Out of the 60 000 clients, 99% are women, of whom the majority are uneducated and have not been exposed to insurance or other financial tools. Haiti does not have a culture of prevention and one of the aims of AIC is to create a behavioral change in the population they targeted. One of the biggest difficulties is in offering a non-tangible product in a country going through significant financial difficulties.

### *Educational Tools*

Education starts with the partner: educating their administrative staff, and their credit agents on the field so that the same language and same terms are transcended to the client. This is done through the use of pamphlets with images. The educational material is very image based, because of the high rates of illiteracy among the target community, as well as because AIC believes that images are a more powerful method over verbal education, as they evoke more reactions. The education touches on different aspects of insurance and is done through community radio and direct contact through focus group settings. Training at the community level is imparted by credit agents. Besides having been trained by representatives of AIC, the trainers also have support documents which explain the particular product in a transparent manner.

When conceptualizing the educational tools, AIC draws from detailed demographic data of their target community, which they have through the partnership with FONKOZE, so AIC believes they have a fairly accurate picture of the potential clientele. AIC has also conducted educational campaigns on general risk management, e.g. how to deal with disease such as: fever, diarrhea, etc., why should one wash fruits and vegetables etc.

### *Monitoring and Evaluation*

Performance indicators are used, as well as basic questionnaires and use the services of an external consultants to conduct monitoring and evaluation.

## **Asociación Mexicana de Uniones de Crédito del Sector Social A.C. – Mexico**

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**Interviewee: Alicia Govea**

### *Organizational Profile*

AMUCSS is an institution with the mission of bringing financial services to the rural areas of Mexico. Micro-insurance is a part of these financial services, and their goal is to get as many people protected as possible. To do this, they work to improve the distribution channel and infrastructure of financial services in order to make them more accessible to rural populations. They connect small microfinance institutions that would otherwise spend a lot of money on distribution/marketing with intermediary organizations, which are in charge of selling these financial products. The intermediaries group together many MFIs, so they can be more efficient and cost-effective. This also allows the MFIs to charge less for their financial products, as they spend less reaching their target populations, which then benefit from lower premiums. AMUSCC has conducted some preliminary research, including focus groups that gave them a better picture of the community and its needs, as well as a survey on vulnerability that is to be published internationally. Research is ongoing for the organization, so they can always keep informed about the needs of rural Mexico.

### *Community*

The communities they work with are typically indigenous, and often the people do not speak Spanish or have a steady income, which provides some challenges for AMUCSS. Training the educators to work with indigenous populations can be difficult because many of the potential trainers (who are capable of speaking the languages) have themselves had little education. They also experience constant challenges in designing tools to teach financial education, because of language, education, and literacy barriers.

### *Educational Tools*

AMUCSS tends to depend heavily on pamphlets that explain very plainly the products offered, and they also work through campaigns for financial education in schools. AMUCSS has tried to use some education methodologies that are renowned internationally, but have found in many cases that they don't fit for their situation, and must be adapted for target populations. They work on a case by case basis with the MFIs and intermediary groups to design their methodology. Though they like to collaborate internationally, ultimately they feel like they know the population better than anyone else, so they have to make their own teaching tools. They are still finalizing the materials that they will use as baseline guides for financial education, and they expect these tools to be ready in December.

### *Monitoring and Evaluation*

They do not conduct monitoring and evaluation, since they haven't yet developed a system. However, they are planning on implementing financial and social impact indicators this year.

## Association Intermonde – Senegal

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Interviewee: Babcar Mbaye

### *Organizational Profile*

Intermonde is part of the global NGO network of Enda Tiers Monde and is active in Senegal in the fields of health mutuals, health education and insurance education. Its main activities are the technical support of health mutuals, training of mutual staff and health education on prevention issues. It is supported by larger non-governmental and financial organizations based in Switzerland.

### *Community*

Intermonde works in the suburbs of the capital of Senegal, Dakar, and targets the weaker section of those communities, with a specific focus on women and children. Solidarity is held to be a crucial element for tackling health issues and as a consequence, the organization has also developed a holistic training approach that reaches all key actors, including health professionals, communal bodies, local leaders and politicians.

### *Educational Tools*

Intermonde uses a wide range of tools and delivery channels in insurance education. These include a mobilization kit that targets women on the advantages of health insurance (designed and provided by an international partner), neighborhood-specific theatrical plays written in collaboration with a local playwright, radio broadcasting on community channels, leaflets, brochures and educational boards. They have also designed a comic in collaboration with private partners that tells the parallel stories of two families – one without any health insurance coverage and one that is part of a mutual. This is used to reach illiterate groups in particular. All tools are in Wolof. The tools are designed through interaction with members of the target community and with the technical and material support of international partners. A community committee takes care of all the direct mobilization and educational activities on the ground.

Intermonde trains the administrative staff of the mutuals and the mobilization committees that are then responsible for training the population directly. Long-term trainees will usually become trainers. Internal training is carried out on an ongoing basis to adapt to new strategies and needs, and the staff regularly attends national/international seminars as training opportunities.

### *Monitoring and Evaluation*

M&E activities take place continuously, both internally (whereby objectives and strategies are assessed and updated) and through external actors. Yearly M&E activities are also carried out through partners and with the mutuals' General Assemblies – representatives from the whole network and staff.

The major challenges the organization faces are the systematic lack of awareness and prejudices on health issues (from the preference to use traditional medicines to the prejudices on anticipated payments of unforeseeable health expenditures), financial restraints and, most of all, a reported unavailability of in-house training resources.

## Biocon Foundation – India

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**Interviewee: Rani Desai**

### *Organizational Profile*

Biocon Foundation is the corporate social responsibility (CSR) arm of Biocon Ltd, an Indian healthcare company working in the field of biopharmaceuticals. Set up in 2004, Biocon Foundation's mission is to make healthcare more affordable and accessible, improving the delivery of healthcare to low-income communities in India. Their first project was to launch a micro health insurance program titled Arogya Raksha Yojana Health Micro Insurance Plan (ARYHMIP) in 2005. The team conducting insurance education-related activities consists of members from three stakeholders: Biocon Foundation, the insurance company and ARYHMIP.

### *Community*

ARYHMIP was initiated in the state of Karnataka, South India in locations close to the Biocon Foundation facilities. They work with rural communities near their facilities. It was later launched in the city of Bangalore, South India in 2008.

The interviewee perceives the communities' knowledge pertaining to insurance to be at a decent level in Karnataka. The communities with which Biocon Foundation works have at least a vague idea about the various products and the overall concept of insurance. The difficulty lies in getting people to understand that while health is a high risk, it is also a risk which can be managed in a similar manner as these communities manage the financial risk concerning their daughters' marriages (setting aside money for the dowry) or finding employment for their son (setting money aside for education). People do not set aside money for managing health risks in the same manner as they would do with the above-mentioned risks, which becomes obvious when they are required to pay the first premium during enrollment to the health insurance scheme.

### *Educational Tools*

Biocon Foundation looks for local partners in order to gain access to the communities. The local partner then hires or deposes people to sell the insurance in the community. These persons will be trained accordingly to be able to efficiently explain the product and the benefits it offers, as well as how it is used. These training events can consist of, for example, role plays conducted in the village, in which the prospective policy holder goes to a hospital and shows his/her ARYHMIP card before going into detail about the reason for his/her visit, then receives assistance and kind service.

To reach the community, Biocon Foundation works through two channels: direct interaction with the community or interaction through a partner organization. When doing a retail operation, Biocon Foundation will go directly to the community. When working with partner organizations, Biocon Foundation trains its staff to reach the community. Biocon Foundation employs local trainers, who are given a training manual explaining the basic features of the insurance scheme, with all the FAQs with which they are likely to be confronted. After the initial training session, these trainers must return for further trainings at regular intervals, as Biocon Foundation recognizes that it is difficult to grasp the specifics of the entire scheme in one session.

The educational material is an organic product of four years of need-based research. Biocon Foundation approached the communities to explain the product and the educational tools have been constantly redeveloped.

oped according to the questions and needs identified by the communities. In the beginning of the insurance scheme, Biocon Foundation had no background data regarding the perception of insurance and healthcare the communities held.

The tools are customized according to the needs and perceptions of different communities with which Biocon Foundation works. The interviewee emphasizes the foundation's commitment to tailoring the tools for each community. The educational tools are always designed in collaboration with representatives from the community, who offer advice on whether the tool is too complicated, whether there should be more detailed information included, etc.

Biocon Foundation has occasionally received some technical assistance from organizations such as ILO, but these have been one-off occasions and have been informal in nature. The funding for conducting the insurance education comes from the Biocon Foundation. The interviewee can see the funding pattern changing in the future when the scheme is expanded into other states.

### *Monitoring and Evaluation*

Biocon Foundation monitors its own insurance education activities, as well as those conducted by partner organizations. This monitoring and evaluation process includes filing reports on the number of trainings conducted, collecting feedback, etc. This is not a standardized format, as it is a rather interactive event.

## Centre for Microfinance – India

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**Interviewee: Nilesh Fernando**

### *Organizational Profile*

The Centre for Microfinance has been conducting a US Aid-funded research study since 2006 that focuses on discovering the major barriers to effective risk management in developing countries. This involves a statistical analysis of microinsurance products and a study of the efficacy of insurance education in convincing a greater percentage of people to buy coverage. They recognize two necessary requirements that clients must meet to benefit from insurance: that they have a basic understanding of insurance, and that they make decisions that are consistent with an understanding of the products and their usefulness in risk management.

### *Community*

As a part of the study, insurance education was provided to populations of interest in order to understand what the barriers to adoption of insurance products were. They sought to determine the relationship between education and subsequent purchasing of insurance. The population was entirely rural, and was limited by the reach of their partner organization, SABER. This organization was chosen because it already had plans to offer microinsurance. Much of the education is about the specific product used in the study, but the organizations also discussed topics such as the right amount of coverage and how to make better decisions. Challenges they face with the community include limited financial literacy and general literacy levels, as well as difficulties in explaining the products. Though there was already some familiarity with insurance in the target population, due to the availability of some insurance options, this familiarity was also quite low.

### *Educational Tools*

To conduct insurance education in the study, the Centre for Microfinance used a lot of different videos. They chose videos because they felt it was more interactive and inclusive of illiterate populations, but a part of the research strategy was to evaluate which videos had the greatest impact among viewers. This allowed them to learn generally about the most effective teaching methodologies. They also used some brochures. They could not provide education in a custom-tailored way that was based on community needs, because it would have compromised the randomized nature of the study of efficacy of insurance education tools. The interviewee said the program would benefit from more interactive forms of insurance education.

### *Monitoring and Evaluation*

Monitoring of the program is delegated to SABER, but the evaluation portion of the program is the point of the study, and they are in that phase of the program. So far they have found that people seem to understand insurance better after the education program, but often they still aren't buying coverage.

## Community Finance Resource Center – Vietnam

Interviewee: **Phuong Ha Tran**

### *Organizational Profile*

Community Finance Resource Center is an international non-profit that has initiated a microinsurance project along with Microfinance Opportunities and seven MFIs in four different locations in Vietnam. Community Finance Resource Center will implement the project by providing an insurance product to the client. However, the first part of this project is to conduct insurance education in the target communities.

### *Community*

Community Finance Resource Center works mostly with ethnic minorities in mountainous areas, and they focus especially on women. They face difficulties with low education levels when working with this community, and sometimes the issue of language and local customs can lead to misunderstandings (especially with respect to the role of women in the societies, which is often different from the trainers' perspective).

### *Educational Tools*

Community Finance Resource Center conducts training of trainers, transferring skills to local MFI staff members, who work directly with the target communities. Educational material is received from Microfinance Opportunities as part of the Global Financial Educational Program. This material is adapted to the context of the local MFIs, and the local staff is educated accordingly. Community Finance Resource Center also designs its own educational tools. They provide these especially for well-established MFIs that have long-standing experience in microcredit but no experience in microinsurance.

The tools include role plays, stories, puppet shows, games and brochures. Due to illiteracy, a large part of the training is conducted in an interactive manner.

Community Finance Resource Center helps the local MFIs to conduct general insurance education, especially in the rural areas where insurance companies have a bad reputation due to unregulated practices. Sometimes the staff members of the MFIs that Community Finance Resource Center trains are also suspicious towards insurance due to the malpractices of commercial insurance providers. Therefore, they need to focus the training on the concept that microinsurance is designed specifically for poor people. Research is conducted before training begins, but it is not done directly by Community Finance Resource Center. The organization consults field staff from other organizations to conduct the research. By gaining insight into the needs of the clients, the educational tools can be customized to the community.

The interviewee notes that there is available funding for the development of the insurance product, but no funding to conduct the insurance education. In order to conduct trainings, they have to reallocate their budget and staffing duties. Another issue pertains to the staffing needs of the organization. Community Finance Resource Center does not have full-time trainers, so staff members must divide their time between training and other duties in the organization. The mountainous area where they operate also poses logistical challenges.

Currently, Community Finance Resource Center is able to conduct two trainings of trainers per month, but they would like to increase this number significantly if they had the required resources.

### *Monitoring and Evaluation*

Community Finance Resource Center is in the process of looking at ways to increase and improve their activities in the field of monitoring and evaluation. Currently, monitoring and evaluation is mostly done by e-mail with the MFIs to which they have provided trainings.

Two months after each training of trainers, a letter is sent requesting information on how many trainings have been conducted, what has been the socio-economic profile of the participants, etc. This data is analyzed, and if possible, the educational material is revised accordingly. The interviewee notes that a lack of resources prevents Community Finance Resource Center from scaling up the monitoring and evaluation process.

## FINCA – Peru

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**Interviewee: Viviana Salinas**

### *Organizational Profile*

FINCA Peru works in poor communities by providing a variety of financial services to low-income populations, including credit, savings and financial education. In November 2008, they added insurance to their repertoire when they launched FINCA Vida in Peru, which is a separate entity that sells life insurance. At this time, they do not provide health insurance, as much as they would like to, because they feel the healthcare infrastructure in rural populations is so poor that it wouldn't work out. FINCA's involvement in insurance education is exclusively used to promote their product in areas where FINCA already has a foothold. They do not educate about other insurance opportunities that are available. They began educating people about the insurance they provide and why it is a good investment, because they found through preliminary studies of the market that the populations they serve were confused and wary about spending money on insurance. They wanted potential customers to see insurance as a type of smart savings for future emergencies.

### *Community*

Thirty percent of the communities that FINCA operates in are rural communities, and in most of these places the people had no access to insurance before FINCA Vida came along. They began the program to target these communities, and specifically the women in them that had lost family already. The communities provide a challenge because the people are both uneducated and superstitious about insurance. Many believe that buying insurance is like calling death to them, and don't see it as an investment, but rather a monthly payment with no benefit.

### *Educational Tools*

FINCA has worked with Freedom from Hunger to develop the tools it uses for insurance education. These materials focus on very visual, illustrative methods to teach the women in these communities. They are interactive, participative and simple. Because the trainers work in rural areas and are required to move around a lot, it is not convenient for them to carry electronic equipment like projectors. Therefore, FINCA relies on drawings in place of more high-tech tools like Power Point. Since the populations they work with are all very similar, they do not change their tools for different areas, except with populations that only speak Quechua. In terms of tools they don't have access to, they think videos and radio would be useful for them, but these are too expensive, and too hard to use in rural areas.

### *Monitoring and Evaluation*

At this time, FINCA Peru is not conducting any monitoring and evaluation of their insurance education, since the program is so young.

## Freedom from Hunger – USA

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**Interviewee: Marcia Metcalfe**

### *Organizational Profile*

Freedom from Hunger has been involved with a Gates-funded initiative called the Microfinance and Health Protection Initiative for the past four years. In this project, they work with five microfinance institutions around the world to design, develop and test integrated packages of health protection services. One of the MFIs is working on micro health insurance, so Freedom from Hunger works with them to develop an insurance education program. Freedom from Hunger is also a grantee of ILO's Micro Insurance Innovation Facility, so they have support from ILO in developing education modules. Their goal is to increase consumer knowledge and to provide consumers with the ability to make informed decisions about health insurance.

### *Community*

The target community for this project is the rural poor, and they face challenges because of too few insurance products that are both available and appropriate for the population. Often there aren't any insurance choices yet at all, and this can make insurance education ineffective. The lack of adequate health care providers also has the same effect.

### *Educational Tools*

In order to develop their education modules, they draw on their experience providing lots of different kinds of education around the world in the past ten years, as well as their expertise in adult education techniques. They draft a product and then they work closely with their local partners to test the products in the field. Next, they try to make the module as adaptable as possible to the individual setting. This is much more difficult for their insurance education project than it has been in the past with other kinds of education (i.e. breastfeeding, diarrhea), because it cannot be the same for all regions. The education topics must change based on what kinds of healthcare and insurance are available. They also train the trainers of their local partner organizations.

They use the same types of tools for all areas, because they have found in their experience that their system works well. It is very brief and very interactive, so they can engage people and make the program relevant to their situation and choices. The organization feels it could benefit from reinforcement of insurance education messages through posters, written materials where the population is literate, radio, theater, etc. that could be provided by outside sources.

### *Monitoring and Evaluation*

Freedom from Hunger supports its local partners in putting together monitoring and evaluation programs. They use these programs to track how much education is being provided, performance management, impact, efficiency, and changes in knowledge and behavior.

## Fundación de Aseguradores Colombianos – Colombia

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**Interviewee: Alejandra Diaz**

### *Organizational Profile*

FUNDASEG is an organization that works with the urban poor in Colombia. It first began in 2007 with the development of strategy and methodologies to educate people of low income. The organization partnered up with Microfinance Opportunities to achieve this. In 2008, after they finished all the preliminary research, they began adapting the general strategies for a specifically Colombian program. This program launched in February of 2009.

FUNDASEG has an alliance with the government of Colombia, which has agreed to help pay the trainers / instructors from their organization. It also receives financial help from the insurance companies that it partners with, which typically pay the costs of classroom rent, and are in charge of recruitment of participants.

In order to develop their program, FUNDASEG conducted some preliminary research about risks people face, how they face them and their concepts of insurance. They accomplished this through household surveys and focus groups. They found that people often confuse savings and insurance, and that they don't understand basic concepts of insurance. People were mostly using credit to respond to emergencies.

### *Community*

FUNDASEG works with the poorest of the poor, but also with populations that are just starting to overcome poverty. They often target unemployed populations that are receiving government aid. They work only in urban areas, since most of the poor in Colombia are living in cities. There are also very few insurance options for rural populations, and as they do not offer insurance products, they have to accept that insurance education would be quite useless in those areas at this point. FUNDASEG is usually contacted by the insurance companies, which ask them to conduct the workshops in order to increase awareness. The workshops give attendants information about the insurance opportunities already available through local businesses, and they only work in areas where they are certain that the people will have access to some kind of insurance.

### *Educational Tools*

Insurance education is the primary function of FUNDASEG. The objectives of the workshops that FUNDASEG conducts are to make people conscious of risks and how to respond to them, to make people understand different financial tools (credit, savings, insurance) and the advantages and disadvantages of them, and to teach people about different kinds of insurance. The idea is that this education will lead to better decision-making, and will change the behavior of people who are facing risks or emergencies.

The workshops are held through hour-long sessions in classrooms, where they conduct group activities, theater presentations, games and discussions. The trainer is not considered a teacher, but rather a facilitator for the activities. This allows them to learn about insurance and act out the insurance process. Most of the communities they work in have very similar characteristics, so they do not need to change their methods depending on the area in which they work. Occasionally, when they work with illiterate populations, they instruct trainers to request drawings in place of written work.

On top of tools they already have, FUNDASEG would like to have access to complimentary tools, such as radio, TV and internet. They feel that the methods they are already employing are the best methods for teaching people, but that access to mass media would be nice in order to draw more people in to the program. However, these are too expensive for the organization. They don't really use fliers or brochures very much, because so many people aren't able to read them. Another challenge they face is that of low participation, so they have had to look for ways to convince people to attend. They have used incentives such as giving away school supplies for the children and providing refreshments.

### *Monitoring and Evaluation*

FUNDASEG has also begun to conduct monitoring and evaluation through interviews, five months after the initiation of the program, in order to judge the changes in perception and behavior that participants have experienced. They have found that after the sessions, participants come to believe that insurance is something simple, accessible, and necessary, and that they have begun to choose insurance over credit in dealing with risks. These studies also show participants reducing their high-risk behaviors by vaccinating children, blowing out candles before leaving the house, refraining from building houses near the river, saving money in banks instead of inside the house, etc.

## German Technical Cooperation (Deutsche Gesellschaft für Technische Zusammenarbeit) – Ghana

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Interviewee: Hanna Schommer

### *Organizational Profile*

GTZ supports partners in the countries where they operate to build capacity through technical assistance. In Ghana, the program has two major focal areas: development of the private sector and support of the development of the financial sector. In the area of financial systems development, GTZ works closely with the Ministry of Finance and Economical Planning and the National Insurance Commission. GTZ supports the national financial literacy campaign, which is coordinated by the Ministry of Finance. The campaign started in 2008. GTZ helps with the implementation of the national financial literacy week and assists in development of educational material. They do this specifically through road shows, which have been conducted in various rural areas. In terms of microinsurance, GTZ works together with the National Insurance Commission.

### *Community*

GTZ does not choose a particular community with which to work, but rather they work with the communities with which their partners have contact. Because of the current insurance landscape, most of the policies being sold are in the capital Accra and its vicinity. The products are mostly life insurance policies. A household survey that was conducted in three regions of Ghana consisted of clients of an insurance policy, as well as a control group of non-policy holders. The major finding in terms of the clients was that there was a big lack of understanding of insurance concepts: clients were not very aware of what an insurance policy is and how it differs from a savings policy. The policy holders often did not understand the terms of the policy and were not sure how to make claims, and therefore they often would not make them. What could be gathered was that insurance policies were often bought from an insurance agent, but the policies were not usually renewed.

### *Educational Tools*

GTZ has worked in collaboration with the Ministry of Finance and Economical Planning and the National Insurance Commission to develop educational material, such as posters and brochures on five product ranges: loans, savings, investments, insurance, and as of last year, also microinsurance. Another education activity has been the road shows in rural areas, which consist of theater plays. However, so far these have not included microinsurance as a theme. These educational tools are non-product specific; the goal is to provide general information on the various products, without aligning it to a specific product or a company.

At the moment GTZ does not have a “clear” tool-box for education purposes, but it is in the process of being planned and will be implemented in 2010. This will include a broader theme of financial literacy, with more detailed educational tools for the different product ranges, including microinsurance. In terms of microinsurance, this will include tools for training of MFIs, as well as tools for training the potential clients of these institutions. The goal is to make these tools very interactive.

When the material is ready it will be printed and distributed to the companies that GTZ has previously worked with, for example in trainings which they have organized for insurance providers. This is also done in the context of a mentoring program, which includes three microinsurance providers. The material will also be disseminated in national events organized by the Ministry of Finance and Economical Planning and the Na-

tional Insurance Commission. In the process of designing the educational material, the potential policy holders are consulted in a number of ways. The baseline survey (conducted by an external research organization) served as the basis for planning the material, and the first draft of the materials was reviewed in focus group discussions in both rural and urban settings. The drafts were further modified based on the feedback of the discussions. Other organizations were also consulted in the process.

After having gone through the training material and also answering questions the participants in the focus group discussions had regarding insurance, on average around 80 percent of the participants expressed their interest and were inquiring where they could purchase insurance. This was despite the fact that a number of the participants had a negative preconception regarding insurance, due to previous malpractices of some insurance providers.

Difficulties emerge because GTZ is not always directly linked with the target groups. Therefore, it can sometimes be difficult to really understand the existing knowledge of the target groups and how a particular material might help them, especially when it comes to how illiterate and semi-illiterate participants perceive the training material. To address this, GTZ used local consultants to develop the material; however, they still sometimes felt that even the local consultants might not be truly linked with the target communities.

GTZ funds the education themselves but received in-kind assistance from government and other stakeholders. The interviewee noted that when starting to conceptualize the educational material, they were hoping to find information on existing resources. After contacting a number of institutions, they realized that gaining access to existing material is challenging, as it is usually protected by ownership rights. They were not able to find a cohesive resource link (or were not aware of one) where they could have found information on what other people having been doing in other countries, which they felt would have been helpful for them. Another challenge they face is to make the material more interactive. While brochures, pocket guides and posters are informative, the level of understanding tends to be much better when it is conducted interactively.

GTZ is also in collaboration with the Ministry of Education to find ways in which they could develop subjects on financial literacy in the high school curricula, or perhaps even in elementary school. The government sees key potential here for educating the basics of financial literacy.

The plan for implementing the future educational activities is to work with an international NGO and to develop a tool-box and a training program, which would consist of training the trainers to impart the education in the communities, as well as training the MFI. GTZ believes that strengthening both segments is extremely important. The goal would be for financial institutions to see financial education as a key element to the value of their products and not necessarily something which is separate. The challenges GTZ expects to face when implementing the training program would be a lack of expertise in some areas, and building up the capacity in the institutions, but also on the trainers' level.

### *Monitoring and Evaluation*

The interviewee notes that it is difficult to evaluate what people get out of the educational programs, but impact assessments were conducted about three months after the road shows took place, and those showed that in the MFIs there was an increase in the number of clients and that the clients had a far better understanding of the products involved. This does not, however, relate directly with the microinsurance education. In terms of the printed educational material on microinsurance, GTZ is discussing options for M&E activities with their microinsurance provider partners to see how they use the material and what questions they have which could flow into the tool-box. So far there is not a clear M&E framework, but GTZ is in close contact with their partners to see how valuable it would be for their partners.

## **Groupe d’Echange et de Recherché pour la promotion de la Mutualite et de la micro Entreprise – Benin**

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**Interviewee: M. Orou Sabi Yo**

### *Organizational Profile*

GERME (an NGO founded in 2006) is engaged in the set-up of health mutuals across the network of local health centers in Benin since 2008. The organization builds its expertise in the field of insurance education on its director’s experience within CEDH-Benin, a national human rights education organization.

### *Community*

GERME’s target is low- and irregular income segments in both urban and rural areas, with a specific focus on the health needs of women and orphans. Given the weak level of education among the targeted communities and the very recent introduction of microinsurance products in Benin, the organization faces a critical lack of understanding of concepts such as financial risk management, insurance, contributions and contingency funds. Insurance education activities are aimed primarily at positively impacting superstitious beliefs linked to financing unforeseeable expenditure for healthcare, which is seen as inauspicious.

### *Educational Tools*

GERME has developed a successful and holistic community relay process through community facilitators present on the field and in the health centers. Insurance education activities are planned month by month in the community in which the mutual is / will be set up. Insurance education activities like radio broadcasting in the local language on community radios, public events with video presentations, meetings and debates, training of mutual officers and the community, etc. are adapted by microinsurance coordinators to each target community according to the socio-economic features and location (urban or rural).

Microinsurance coordinators are trained in-house on mobilization techniques and are permanent figures of the health mutuals. They are supported in their work by the availability of manuals produced by the NGO.

### *Monitoring and Evaluation*

Monitoring and evaluation activities on the insurance education program are carried out by each mutual on a monthly basis as a part of a holistic assessment and review process of the mutual. This includes meetings of the NGO with the mutual’s General Assembly and its elected officers. The results inform the choices and strategy on insurance education and training each mutual will take in the following month. Each mutual has a dedicated committee and uses paper-based processes and standard indicators defined by GERME.

Beyond the low awareness levels of the community, the main challenges experienced by the organization are financial restraints making both the sustainability of the mutuals difficult and the option of external consultancies unaffordable; the lack of partnership and training opportunities to tackle the coordinator’s lack of specialist knowledge in contract and risk issues in microinsurance also remains a major constraint.

## Healing Fields – India

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**Interviewee: Mukti Bosco**

### *Organizational Profile*

Founded in 2002, Healing Fields has provided insurance coverage to over 65,000 individuals from low-income communities across four states in India. This has been done in partnership with over 50 hospitals and 19 NGOs. Healing Fields currently works in the fields of life, health, crop, accident and property insurance. Microinsurance is their core activity. Healing Fields' microinsurance activities were rolled out after two years of research on the financing patterns of health risks of low-income communities in rural areas and urban slums.

### *Community*

Healing Fields works with a number of low-income communities in India, which they divide into three segments: rural, urban and tribal. Some communities have some knowledge of the concept of insurance, while others have none. The communities Healing Fields work with have no existing risk management tools (with the exception of a few communities who had some forms of informal funeral pooling practices).

### *Educational Tools*

Healing Fields starts from the notion that all educational tools need to be customized according to the specific needs of the communities. Their educational tools are developed while always keeping the policy holders' needs in mind; therefore, they analyze the needs of the end-user in much detail in order to guarantee that their needs are met.

When starting an awareness creation program in a community, Healing Fields first conducts a baseline survey to understand the specific health needs, health expenditure, and understanding of insurance in the community. Educational tools are then conceptualized based on the results of the survey, as well as on further discussions with community members. The specific tools used depend on the community. Their portfolio of educational tools include: group discussions, PowerPoint presentations, FAQ sessions, posters, videos, songs, dances and theater.

Most of their end beneficiaries are members of MFIs, NGOs and/or CBOs. As Healing Fields works through partnerships with local organizations, the first target group for awareness creation is the leaders of these groups, since they will be the ones directly involved in running the insurance schemes (collecting premiums, etc).

Difficulties are faced at the implementation level of the educational tools, rather than at conceptualization and design stages. The capacity of the partnering organizations is not always en par with the expectations (e.g. there might not be enough skilled staff or the priorities of the organizations change). The interviewee perceives the lack of available funding channels for capacity building and awareness creation as one of the most significant problems in the field of insurance education.

### *Monitoring and Evaluation*

Pre-training and post-training tests measuring the communities' understanding of the insurance program are

always conducted. Feedback is also gathered after the trainings to further improve the training tools. Mock sessions on trainings are conducted on a regular basis to further evaluate them and always when a training of trainers is started in a new community. The amount of these trainings depends on the staff and time constraints of the partnering organizations.

One of the pilots was started by Healing Fields four years ago, during which the prospective policy holders had no previous knowledge of health insurance. Today many of the members of this pilot program are renewing premiums for the third year in a row, even though they haven't had any health events requiring medical attention during that time.

## Hollard Insurance – South Africa

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**Interviewee: Bipin Bhagwan**

### *Organizational Profile*

Hollard Insurance began offering microinsurance products to low-income markets in response to a national legislative requirement. They began an insurance education program to complement it. They have partnered up with a service provider that conducts the education in the community, and this provider has done previous research on adult training techniques.

### *Community*

The target communities of this program are low-income communities in both rural and urban areas. The service provider goes into pre-established group meetings and instructs the people already gathered in these places. They face difficulties with the language barrier, a lack of understanding of insurance concepts, and a lack of appropriate insurance products.

### *Educational Tools*

Though they traditionally used a more general financial education plan, they now have a specific insurance education program. This consists of workshops in which they use pictures and a “conversational map” of various different insurance scenarios to teach. Previously they used regular lecture-style classroom teaching, but they have found this method to be more effective. They also use theatre and radio ads as tools. They have tried to make the insurance education program as general as possible so that it can apply to many different kinds of insurance, including kinds not offered by the company. They face challenges with funding the program at the moment.

### *Monitoring and Evaluation*

They are unable to conduct monitoring and evaluation at the moment because they do not have the funding, but it is something they would like to do in the future.

## MetLife – USA

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**Interviewee: Felipe Botero**

### *Organizational Profile*

MetLife is the largest life insurance company in the US and the top insurer in the world. They have been in business for over 140 years. MetLife's origin and main strategy came from their identity as an insurance company for the working class in America that sold very cheap insurance to laborers. They have now migrated up the wealth scale, but nevertheless maintain a strong presence in the low to moderate income market. They have also expanded by developing products, including micro insurance products, for low-income groups in developing countries. MetLife typically does not present the first insurance options in these areas, but it expands insurance availability.

Insurance education is a core value of the company, and one of the pillars of their business. They have invested in education throughout the life of the company because they believe that an informed customer is a better customer. They have a number of different education initiatives, which include insurance education, but also health/lifestyle education, which improves their underwriting experience, is helpful for clients, and increases profitability.

### *Community*

MetLife was one of few organizations to respond in the survey that they have reached over two million people with education efforts. These numbers have been reached over the last 10 years, and a good portion of this number comes from low-income communities in developing countries, though the interviewee could not provide a breakdown of which percentages of the numbers came from which countries. The two million educated is probably an estimate put together by the sales team, but it isn't the number of sales made, but rather an estimate that is made by working backward from the number of sales made. The number includes people educated by mass media and classroom-style training, plus customers. The interviewee could not say how many from the two million could be accounted for by people who were reached solely by mass media or marketing campaigns. Somewhere between 20 and 50 percent of people reached by their insurance education end up buying a product from MetLife.

### *Educational Tools*

The Life Advice initiative of MetLife utilizes a set of brochures that deal with different life events and how insurance can help manage the risks involved with these events. These are not product-specific, but rather are general educational materials developed by independent sources that are hired by the company. MetLife has also partnered with Sesame Street to create workshops that promote good health habits, which the MetLife Foundation supports with grants to grow the program. The MetLife Foundation is an organization that provides investments to non-profits that promote health, education, art and culture.

The interviewee also insists that insurance education is built into the whole sales process, through face to face interaction between individual insurers and potential customers. Though MetLife uses mass media to increase awareness among low-income populations, they put a higher value on education materials that are designed for use through the distribution channels. Many of these materials are also product-neutral, and they are put together by a cross-disciplined team, using both primary and secondary research results. These

programs vary depending on the country and the specific products offered in the area, but education programs are not tailored for each community.

MetLife practices training of the trainers by teaching all sales staff, managers and wholesalers to deliver the same consistent messages to customers and potential customers. Employees make up a large part of the insurance education that MetLife conducts. Wholesalers must also train partner MFIs in order to ensure better results and more profitable business. They also play some part in training media and policy makers.

In these education initiatives, MetLife uses brochures, Web sites, TV, radio and face-to-face interaction. With such a wide reach spanning many countries and many different initiatives, it is understandable that the interviewee struggled to provide very specific information about each program, but these are examples that he was able to provide.

### *Monitoring and Evaluation*

MetLife monitors all its sales channels and does audits through management teams. This is an ongoing process that helps them keep track of numbers and progress.

## Microfinance Opportunities – USA

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Interviewee: Monique Cohen

### *Organizational Profile*

Microfinance Opportunities has a global financial education program, which is targeted at low-income households in developing countries, and this includes a module on managing risk and micro insurance. The goal is that people in low-income communities will correctly assess the value proposition for them and conclude that it is a valuable product. They offer training of trainers for either private clients (brokers, associations, insurance providers) or they conduct the training in a particular region and invite people from all over the area to come and participate.

### *Community*

Their clients and their clients' needs vary greatly, so their expertise eventually reaches people from all kinds of different low-income communities around the world. Microfinance Opportunities began its insurance education program by evaluating the demand for insurance through studies they conducted. Through these studies, they became aware of how little people really understood about insurance and how little they thought about managing risks in a proactive way. Their approach tended to be entirely reactive. Therefore, the organization found the need to start a program like this.

### *Educational Tools*

The organization is not involved with distribution of training materials, but they do all kinds of variations on their work with training the trainers. Typically, the process includes first conducting market research to determine the priorities of the target population, and then adapting their generic product for the appropriate context. Sometimes they are required to design more education tools, depending on the needs of the clients.

### *Monitoring and Evaluation*

They also conduct monitoring and evaluation, both for their own work, and for their clients' programs. It is a very complicated process, measuring outreach, outcomes and impact. They track their own monitoring and evaluation every six months, and they try to stay in touch with their clients so that they can get a lot of feedback over time.

## Micro Insurance Academy (MIA) – India

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**Interviewee: Ralf Radermacher**

### *Organizational Profile*

The Micro Insurance Academy is a technical service provider for community-based insurance and the largest microinsurance resource center globally. Through collaboration with local partners that have close ties with their communities – usually MFIs, NGOs or cooperatives – MIA is able to work with these local communities to create a mutual insurance scheme, the specifics of which have been partially determined by members of the community. The community takes ownership of the insurance scheme and is responsible for the operation of it, with the help of the local MFI / NGO, which acts as a promoter and enabler.

The Micro Insurance Academy also has various insurance education programs, both in connection with its work in aiding the launch of grassroots microinsurance schemes and independent of it.

### *Community*

The Micro Insurance Academy collaborates with organizations based in rural communities of Asia. Because the model they have developed empowers poor communities to access and manage financial risks through tailored insurance solutions that match the community members' needs and ability to pay, the organization facilitates preliminary research prior to designing the insurance program, as well as educational tools and training materials. This is done through baseline and endline surveys, which include qualitative and quantitative components.

### *Educational Tools*

Prior to implementing the insurance schemes, the Micro Insurance Academy conducts Awareness Workshops with representatives of the MFI / NGO and of the community. In these workshops, participants create insurance education tools and identify delivery channels and potential facilitators.

An example of a tool used to engage the community in the insurance development process is CHAT: Choosing Healthplans All Together. Through this process, the benefits options are presented to the community in a workshop setting, and the community has the opportunity to match its preferences to the right benefit package. The community must then make a formal decision to join the scheme.

They also must conduct a training of the ground structure with those who will be in charge of governance and administration of the scheme. This is done through multiple training sessions in the community, and it covers the Management Information System and other functions of microinsurance. Healthcare providers are also sometimes educated using this system.

MIA also conducts training of trainers (community facilitators) for the awareness campaigns. These are called Facilitator Trainings for Awareness Campaign. The facilitators learn to apply the tools adapted in the Awareness Workshop and a detailed roadmap of progression is developed, which is monitored by the NGO / MFI. After this is complete, the awareness campaign is implemented in the field and prospective members are familiarized with the value proposition of insurance in a program of two months.

### *Monitoring and Evaluation*

The Micro Insurance Academy's research (and notably the Baselines studies it conducts prior to launching insurance education activities) provides a solid basis for monitoring and evaluation activities. In addition, the MIA has a Process Mapping and Documentation (PMD) process which entails producing detailed "Operating Instructions", complete with guidelines, checklists, timeline etc. and all supporting documentation needed. Apart from the obvious benefits of PMD in making the model more robust and consistent, this exercise also guides new staff and all stakeholders through the complex, multi-stage rollout process with the benefit of tried-&-tested experience. PMD thus enhances transparency and clarity of what the MIA does (both within MIA and with partner NGOs), and acts as a "continuous improvement" mechanism for the MIA's delivery of insurance education.

## **Nacional Vida Seguros de Personas, S.A. – Bolivia**

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**Interviewee: Luis Fernando Lopez**

### *Organizational Profile*

Nacional Vida is an insurance company that sells insurance products to people from all different socioeconomic levels in Bolivia, which includes a microinsurance product designed for the lowest classes. Four years ago, they began working in insurance education, as both a marketing strategy to promote their company and an effort to educate generally about insurance. According to the survey they conducted, 80 percent of Bolivians are uneducated or misinformed about insurance. They consider insurance education to be good for the company, but also for the people of Bolivia. They have set a goal to become a company that is renowned around Bolivia within the next 10 years, and will use strategically designed and aggressive insurance education campaigns to achieve this.

### *Community*

The company serves all socioeconomic levels, especially middle and lower classes in Bolivia.

### *Educational Tools*

Nacional Vida targets the middle and lower classes in their education campaigns and uses two main outlets to disperse insurance information. They have 300 agents stationed around Bolivia who are charged with selling insurance products, but also with educating local people about insurance. They have also implemented nation-wide radio campaigns, which have proven to be effective for them. Nacional Vida designs its own radio ads and teaching materials. To do this, they first prepare by conducting market studies on public perceptions of insurance, and then they decide on the desired range of the campaign, the central message and the manner of distribution.

### *Monitoring and Evaluation*

The company does not currently use monitoring and evaluation, but they look at sales before and after education campaigns as an indicator of success.

## North West Special FuHnd for ealth – Cameroon

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**Interviewee: Mildred Kongla Njamnsi**

### *Organizational Profile*

This is a regional organization that was initiated in 2004. The microinsurance initiative started in 2007. As a contributing effort to their work for the advancement of the people of Cameroon, this program that provides quality healthcare has become one of the priorities of the organization. According to the interviewee, many people do not have access to quality health care and they still live on traditional health care systems and medicines. When a local council presented a five-year strategic plan in a trade fair to a donor organization (GTZ), it caught attention. Funds were approved to carry out the feasibility studies and the new concept of microinsurance was taken up.

### *Community*

The community is mainly rural, and they tend to have few avenues of employment and irregular sources of income. The organization strongly feels that sensitization is required in this new concept, and people need to be mobilized on the benefits and importance of health insurance. The main problem that impedes in the efforts is the lack of attitude and awareness on insurance education. Since there is no law on insurance education and adequate health services are not provided by the government, these services are not considered a right of the people. The organization faces difficulties with adverse selection and irregular insurance payments from participants, which is probably due to clients' irregular income. However, with the intervention of the NGO, people have started to recognize the benefits of microinsurance and to participate actively in it.

### *Educational Tools*

The organization works to educate participants on the priority of some investments over others, especially with such limited income. The training materials they use vary according to the awareness level of the participants. There are illiterate and literate populations. Training materials are thus designed on a need-based approach to suit different kinds of audience. They are prepared both in local dialects and also in English. Understanding this difference, the NGO prepares posters, fliers, radio messages and songs for them, while for the literate community, journals and newsletters are distributed to ensure complete inclusion of all. They also make sure to use regular follow-ups, one-to-one contact and group discussions to impart the messages. There are various delivery channels used at places like churches and mosques, which are seen as places of solidarity. The market place is also targeted, using the traditional method of the 'gong' to collect people.

## MIAN / Nyenrode Business Universiteit – The Netherlands

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**Interviewee: Toon Bullens**

### *Organizational Profile*

The interviewee has often been approached by development economists to help them deal with either economical or social risk related problems, which eventually led him to work in microinsurance. His current post at the Nyenrode Business Universiteit is fairly recent; prior to this he has gained a wealth of experience in the field of the cooperative financial sector. The focus of the interview was on the work of the Micro Insurance Association (MIAN), which has collaborated on insurance education projects with NGOs and microfinance institutions in India, Sri Lanka, Tanzania, etc.

MIAN always acts as a consultant; the direction of the project is always in the hands of local organizations, such as microfinance institutions. Funding is also the responsibility of the partner organizations. MIAN does not seek funding on its educational aspects independently. The partner organizations working in the field often receive funding from large development organizations such as Oxfam Novib (Dutch Oxfam) to conduct insurance education.

### *Community*

As an association of cooperative insurers, MIAN's interest is to get the whole society involved in a holistic cooperative framework, hence no specific target community can be identified (although in developing countries the communities they work with, in collaboration with local organizations, usually consist of the low-income strata).

### *Educational Tools*

The courses the Dutch Association of Cooperative Insurers organizes are geared mostly towards intermediaries (e.g. social workers, field workers, management and staff of local NGOs and microfinance institutions etc). The main aim is to create awareness about the functioning of financial services, namely microinsurance. They also emphasize the fact that microinsurance should not be portrayed only as a risk management tool for the poor, but also as an instrument that allows for financial security to collect funding for long term investments.

The course is based around a training manual. Other tools MIAN has produced in collaboration with local organizations to support the training manual include a (Bollywood style) film in India, cartoons in Tanzania and street plays in Sri Lanka.

Design of these tools is based on a model where the long term experience and lessons learned from developing countries of cooperative insurance schemes are combined with the specific cultural input from local NGO and microfinance institutions. The design is always done in close collaboration with the target groups. Prior to starting a training course, the target group would be consulted in order to understand the specific challenges they face and to document the already existing knowledge. This serves as the basis for identifying the gap between the knowledge the community already has regarding insurance and what needs to be further developed. Therefore, the MIAN would never undertake a project in which they would be the sole body designing the educational tools. All programs are conducted in collaboration with local stakeholders, be it through training of trainers, or extensive dialogue with the partner organizations before initiating a training

process.

The interviewee notes that given the early stage of development of microinsurance education tools, there is potential for more work on the field, and further sharing of information regarding this would be welcome.

#### *Monitoring and Evaluation*

MIAN places high importance on monitoring and evaluation. The process is mostly conducted through evaluation forms and in-depth questionnaires and interviews. At MIAN there is a team focused on evaluating the trainings.

## ParaLife Colombia, S.A. – Colombia

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**Interviewee: Alfonso Ponton**

### *Organizational Profile*

ParaLife is an organization dedicated to financial protection for low-income families and families of the disabled. It designs and sells insurance products for these groups that attend to their specific needs. ParaLife is a multinational company whose biggest branch is located in Mexico, and their second biggest branch is the Colombia branch that participated.

### *Community*

ParaLife works through other entities that group target clients together, and use the opportunity to conduct training. These entities can include churches, NGOs, sports groups, MFIs, organizations, etc. They work with both rural and urban clients, and in some cases the community already has some access to insurance, especially insurance on credit. Many MFIs had already had experience with insurance, but ParaLife's goal is to improve their experience, and thus their opinion of insurance.

### *Educational Tools*

ParaLife believes that the insurance industry has designed tools based on modern life and a “transaction culture” that does not work well with the lower rungs of the financial pyramid. ATMs and electronic systems are hard to adapt to low-income communities, but also much of the process is meant for people who already have some understanding of financial systems. ParaLife strives to make sure that all clients have a positive experience with simple and fast insurance transactions, in order to foster a good insurance culture in low-income communities.

ParaLife conducts trainings with the people in charge of the grouping entities (church leaders, MFI leaders, etc.) and these are the people who actually practice insurance education with the low-income communities.

For example, in the case of an MFI, the same person who teaches people about the MFI's other products will educate about microinsurance as well. ParaLife simply trains the trainers. They seldom conduct training directly in the community, but they do often participate in forums and seminars with others of the insurance world. The trainers' work involves not only teaching about insurance, but more broadly, about general financial planning. This is based on the idea that everyone should predict their financial behavior in the future based on four factors that dictate spending: consumption, protection, savings, and taxes. The “protection” aspect of a household spending is how they approach insurance in their education. They often use games and presentations to teach people, but the training is designed on a case by case basis at the moment.

### *Monitoring and Evaluation*

Their training is geared toward a successful business transaction, so they don't really practice monitoring and evaluation, rather they later evaluate who bought and who didn't.

## Quadrant Consultants Ltd – India

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**Interviewee: Arman Oza**

### *Organizational Profile*

The interviewee has a background of nearly 20 years in various insurance organizations in India in the fields of risk management, microinsurance and training. Currently, he works as an independent consultant at Quadrant Consultants Ltd.

### *Community*

The interviewee offers consumer education regardless of socioeconomic standing. He argues that bizarre parameters for making decisions regarding the choice of insurance policies occur in all segments of society in India; hence, he does not wish to focus on particular communities. Training is provided to insurance agents, consumers and corporate clients.

Through Quadrant Consultants Ltd, the interviewee reaches out to people who are interested in insurance policies, but do not have sufficient knowledge of the concept of insurance to make the ideal choice. He believes that the lack of a clear understanding of the concept of insurance is mainly due to people's contacts with agents that pitch a particular insurance product and focus on highly detailed information, while the prospective customers are lacking the basic understanding on which to build the needed knowledge.

The interviewee is associated with number of consumer organizations and keeps coming across complaints regarding mis-selling, deficient claims services and other fraudulent activities in the insurance field. He believes in promoting the concept that an informed consumer is in the interests of everyone, not just on the demand side but also on the supply side. A consumer fully comprehending the concept of insurance is likely to subscribe for more policies. He also emphasizes that an informed consumer is always an opportunity for insurance companies, and not a threat.

### *Educational Tools*

The interviewee has developed content for e-learning providers on health insurance, life insurance, microinsurance and risk management. As a consultant, he has developed large numbers of presentations and written journal articles in the field of risk management over the years.

He is in the process of constructing a website, which will serve as a comprehensive guide for choosing insurance policies. Besides basic content on risk management, the website will include an inquiry section, where inquiries regarding insurance policies will be answered free of charge within 48 hours. This is different from other existing web platforms in India, which are operated by intermediaries of insurance companies. The project is currently self-funded, but once the information has been uploaded and the website is functional, he will look for prospective funding bodies. Currently, the interviewee is also in the process of preparing a booklet for a consumer organization. It will take the shape of a simple language guide, focusing on the "do's and don't's" of choosing a suitable insurance policy.

He has no systematic method for designing the educational tools; it depends entirely on the target audience. So far, the educational material has been distributed and implemented through partner organizations that

have access to the specific markets. As a consultant, he has little direct contact with the communities. The largest difficulty he perceives in his field of work lies in carrying the insurance education material to the consumers in large volumes, as existing support platforms are either owned or sponsored by the supply-side actors, and the information is inherently one-sided.

### *Monitoring and Evaluation*

While he recognizes the importance of monitoring and evaluation activities, the interviewee perceives it as a difficult endeavor, due to the informal setting of the trainings Quadrant Consultants Ltd organizes. Another difficulty he perceives is that he has no direct contact with the end-users of the products he provides trainings for, which further complicates monitoring and evaluation.

## Royal Insurance Corporation of Bhutan Ltd – Bhutan

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Interviewee: Kezang Wangmo

### *Organizational Profile*

Royal Insurance Corporation of Bhutan Ltd was established in 1975, and it is the only insurance company in Bhutan. Their insurance portfolio is fairly large, covering all the standard policies that larger insurance companies offer.

### *Community Profile*

Being the only insurance company, Royal Insurance Corporation of Bhutan targets the whole population; however, there are a number of different policies that are targeted at different communities. Insurance is still a fairly new concept in Bhutan, so as part of their operations Royal Insurance Corporation of Bhutan conducts training on insurance, which they recognize as a prerequisite for extending their business.

### *Educational Tools*

Insurance education is done mostly through both audio and visual advertisements, seminars and workshops. Agents are also trained, and they travel around the villages educating communities about the products they offer. Design of the education tools is done by the marketing department, which looks into the needs of the market and plans the educational tools accordingly. The interviewee identifies a lack of technical skills as the main problem they face in developing tools. Most employees are recent graduates with very little experience in insurance. According to the interviewee, as a small developing nation, Bhutan does not have the required capacity for a creating a systematic insurance education programme. The Royal Insurance Corporation of Bhutan is to some degree dependent on foreign (particularly Indian) expertise and assistance. She recognizes that there must be a number of better educational tools and material for insurance education available.

There is no systematic way of conducting trainings. Sometimes their own staff conducts training, sometimes they train external agents to conduct trainings, and sometimes they seek out assistance from foreign experts (mostly Indians). The interviewee emphasizes that the insurance education is done on an ad-hoc basis, and there does not exist a structured culture of conducting education.

### *Monitoring and Evaluation*

At the end of the year, a customer survey unit sends all the customers a survey that includes questions regarding the products that Royal Insurance Corporation of Bhutan offers them. The data is analyzed, and changes are made to the products according to the needs of the customers.

## Services d'Appui aux Initiatives Locales de Développement – Cameroon

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**Interviewee: Mlle. Nouke**

### *Organizational Profile*

SAILD is an NGO with 20-plus years of experience in rural Cameroon. The interviewee referred to the activities of SAILD in the Western provinces of Cameroon only, where the organization is engaged in setting up and supporting community-based health insurance schemes.

### *Community*

In West Cameroon, SAILD works exclusively in rural areas in communities dedicated to agriculture. The literacy rate in the population is 97 percent, but the level of education remains low. Insurance in the area is still a new product, and people are not aware of its workings or the potential impact it has on the way they manage financial risk.

### *Educational Tools*

The activities of SAILD as a support structure to CBHI include carrying out a feasibility study at the outset, launching direct health training programs in the community, setting up a community office, and the monitoring, evaluation and ongoing support of the CBHI. The minimum number of beneficiaries needed to run the CBHI is typically set to 1000. Sections of the target community are involved at every stage of the process, starting with a meeting with local leaders, traditional authorities and the major of the village.

SAILD's main delivery channels of insurance education are video projections, workshops and public awareness meetings. Its most successful insurance education tools are a quarterly journal (*la Voix du Paysan*) on rural issues and PowerPoint presentations shown in public awareness events on holidays, which gather 400 to 500 participants on average.

SAILD has a four-person training team, and each trainer is in charge of five to six CBHI schemes. Each trainer visits his/her villages twice a month, and the supervisor visits the villages once a month. Each visit is prepared at the head office, and issues of training, technical support or evaluation needs are discussed in advance. SAILD does not use any external training expertise.

### *Monitoring and Evaluation*

M&E activities are carried out monthly by each scheme on internally-developed paper-based tools. SAILD collects monthly M&E forms and analyzes ownership of the program, its outreach, trends in membership composition, level of satisfaction and the financial data available. Yearly comprehensive M&E is carried out by the General Assembly of the scheme.

The main constraints the organization faces are difficulties in securing international partnerships, a lack of human resources (particularly trained facilitators at the local level) and limited funds.

## Société Ivoirienne de Gestion d'Expertise et de Management (SIGEM) – Cote d'Ivoire

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Interviewee: **Brahima Traore**

### *Organizational Profile*

SIGEM is a private consultant that offers technical support to the set-up and management of micro health insurance schemes in private environments since 2000. SIGEM carries out feasibility studies and system design, and supports the administration and management of such schemes through training and ongoing support.

### *Community*

SIGEM targets only the formal sector in urban areas – i.e. enterprises and other actors like cooperatives or professional associations without the resources to finance social security schemes for their members. The average entity SIGEM works with is made up of 2000 to 3000 people, with 2/3 of the industry represented by trade unions. The specific target implies the need to interact not only with the end-users of the microinsurance product (workers or members), but also with the managerial levels and the trade unions, in order to convince all stakeholders of the advantages of microinsurance schemes. Typically, all actors involved feel the need for a low-investment mechanism of social protection, but are not aware of the possibilities offered by microinsurance, nor do they have the expertise to adapt the concept to their needs.

SIGEM typically follows a set process by which it creates a “community of reflection” with representatives from all groups involved. This allows them to discuss the option of microinsurance. SIGEM can then carry out a feasibility study, quantitative and qualitative surveys, and a workshop, as well as define a tailored design for the scheme. Before the start of the scheme, a general meeting with all beneficiaries is called.

### *Educational Tools*

Microinsurance education tools used by SIGEM are witness stories from past beneficiaries (with the possibility of later personal contacts with them), videos, the diffusion of messages of satisfaction and a website. SIGEM believes in the need to know closely the beneficiaries of its work and seeks to adapt its tools to its audience, in particular with movies, posters, TV and radio broadcasting, among the most popular media in Cote d'Ivoire.

SIGEM is also a government-approved training center at the national level, and it supports many training solutions, including three-day workshops for microinsurance managers, one-day workshop meetings for working groups and larger groups of participants, or 30-minute events on microinsurance during general assemblies of workers. SIGEM has an internal training team that attends training events nationally and regionally and refers to external partners (consultants) occasionally.

### *Monitoring and Evaluation*

SIGEM has developed a continuous M&E system and dedicated software with a fixed calendar of activities, allowing a level of transparency satisfactory to all actors involved. Monthly, a managing committee with a representative from the beneficiaries meets to evaluate activities (including insurance education). Quarterly, a management control body meets with the managing board to evaluate the work done. Every six months, they conduct a comprehensive evaluation of all actors and bodies involved and of their work. Yearly, external

assessment is carried out and the results are presented to the General Assembly. The main difficulties SIGEM faces are linked to the novelty of the sector in the country. Investment in training or M&E is, for example, not considered a chapter worth large sums, which can result in lack of funds for SIGEM.

## Small Farmer Development Bank – Nepal

Interviewee: Nar Raj Simkhada

### *Organizational Profile*

The Small Farmer Development Bank targets microfinance clients in order to increase their risk-mitigating capacity in the case of an unexpected event threatening to endanger their microfinance scheme. The aim of the organization is to provide complete financial services to low-income populations, as a way to work towards the eradication of poverty in rural Nepal.

The organization offers training for three microinsurance products: life insurance, livestock insurance and health insurance. They operate through partnerships and provide training to organizations that want to establish a microinsurance scheme along an already existing microfinance scheme. The organization receives funding from local donors and occasionally from the government.

### *Community*

The Small Farmer Development Bank focuses on rural communities, as they believe that in urban areas the poor have other options, as well as better access to insurance options.

The difficulties they face with education are mostly related to educating the management of microfinance institutions that will be responsible for designing the insurance product, the amount of the premiums and the customer base. Sometimes these managers don't pay attention to the design process and instead just copy existing schemes, which do not work in their ground structure.

### *Educational Tools*

Currently, the education efforts of the Small Farmer Development Bank are somewhat unfocused. Some work is conducted, but it is not done in a coherent manner. They have not yet designed a sound curriculum for training, but they are in the process of developing one. Relevant education material regarding the importance of insurance and the design of insurance products is not yet complete enough for them to organize systematic trainings.

The Small Farmer Development Bank is also looking at the possibility of customizing ILO-developed material in microinsurance to suit the particular needs and circumstances in Nepal.

Currently, their method for imparting insurance education is to link insurance themes with the microfinance education. While giving a training on e.g. loan management, they also conduct a section on insurance, but they do not have comprehensive tools for this yet. The existing educational material the organization has designed is related to livestock insurance, in the form of a how-to-manual. The manual is supported by flipchart presentations, PowerPoint presentations, handouts, focus group discussions and posters.

As an example of a training event, the interviewee narrated a frequent scenario. When a partner organization is running a microfinance scheme and suddenly has an increase in default clients who are unable to repay their loans, representatives from the organization often find that the reason for the defaults is a large loss of cattle. As a response, they then plan a livestock insurance product in collaboration with the microfinance organiza-

tion. This product is then tested in one cooperative and subsequently replicated in others.

### *Monitoring and Evaluation*

Currently, the Small Farmer Development Bank has no monitoring and evaluation activities.

## SogeSol – Haiti

**Interviewee: Daphné Louissaint**

### *Organizational Profile*

SogeSol is an MFI that has approached microinsurance as a response to the needs of risk management expressed by the beneficiaries of its microfinance products since 2007. Its mission is to promote Haitian entrepreneurship through adapting traditional banking methods to respond to the needs of micro and small entrepreneurs.

Since 2007, SogeSol has focused on two microinsurance products – a health insurance product developed in partnership with a 15-year-old network of health insurance providers and offered in the capital, Port-au-Prince, and a pilot for funeral insurance also available in the surrounding rural areas, for which the organization is currently an agent of an insurance company. The target population, structure and process differ between the two products.

### *Community*

With regard to the health insurance, SogeSol does not target the “poorest of the poor,” but small entrepreneurs who have access to loans inferior to \$1700 and who won't have access, as a consequence, to classic insurance products (the criteria have been defined by the pre-existing network). The target pool in Port-au-Prince is of 3700 individuals (10 to 27 percent of the network customers in the capital), out of which 1000 has already been reached. The major problem faced when working with this group is the lack of understanding of the concepts of insurance and premium mechanisms (still a new product). As a result, most people would tend to drop out of the health insurance scheme in cases where they do not face any relevant health expenditures within the first six months of subscription. With regard to the funeral insurance, cultural barriers are even higher; although the financial need for supporting funeral expenditure is highly felt, the premium mechanism is seen as inauspicious. The main challenge is thus to decode the needs of the population and convey the benefits an insurance product can offer to their specific needs.

### *Educational Tools*

The tools used are mainly resources acquired from the insurance network (for the health insurance) and the insurance company (for the funeral insurance). These were translated into the local language (Creole) and adapted to the specific target groups. For example, given that small entrepreneurs would observe only one day of rest per week, that time had to be maximized and tools synthesized for improved outreach. Given the homogeneity of the target group, SogeSol uses only one set of tools adapted to the microentrepreneurs' communities. Common tools are presentations, PowerPoint presentations, group discussions and public meetings supported by the use of audio-visual material. Tools are designed, updated and improved constantly through qualitative research carried out by a dedicated department that especially focuses on groups of population samples and surveys. In the next two to three years, SogeSol plans to move on to tools it believes will have a higher impact and reach, particularly video projections, TV ads and audio broadcasting on community radios.

SogeSol has an in-house training program – supported by external consultants when needed – that develops training modules to feed the continuous learning process for the staff. SogeSol also does in-house training directly with health specialists from the targeted community to allow them to work as facilitators.

### *Monitoring and Evaluation*

SogeSol has a dedicated M&E, Research and Training department which carries out on an ongoing basis all M&E activities related to insurance education and program assessment. Two different software applications (including SPSS) are used for statistical analysis.

The main challenge the organization faces is the difference between the microinsurance and microfinance business process. As the activities related to the micro health insurance are still limited in terms of numbers, the staff that have training in microfinance – SogeSol's traditional focus – are also carrying out microinsurance activities. Yet, it was underlined by the interviewee how the microinsurance business process is much longer than the microfinance process, as the former entails winning cultural taboos and introducing concepts of insurance and its workings, which can be effectively conveyed only over the mid-term.

Although training is available, mainly in-house, the optimal option would be to create a different structure with different human resources for the two sectors of activity, in order to reduce inefficiency and improve impact and reach.

## South African Insurance Association (SAIA) – South Africa

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Interviewee: **Viviene Pearson**

### *Organizational Profile*

South African Insurance Association (SAIA) represents the short-term insurance companies of South Africa, which currently includes approximately 90 percent of the organizations working in the South African insurance market. Membership is voluntarily. SAIA's mandate is to increase inclusion of low-income customers in financial products as a whole. SAIA started its consumer education program in 2004.

SAIA has a two-fold role: to increase access to financial products (including microinsurance) and to provide consumer education. The latter is conducted in order to assure that the products created for the low-income market suit the potential clients' needs and that the communities using them are aware of what they entail. Microinsurance education is one of SAIA's key activities.

### *Community*

All education projects SAIA conducts must be national projects, non-discriminatory (therefore conducted in all the nine provinces of South Africa, even those that are more well-off in socioeconomic terms) and have no rural / urban distinction. The target population of this education is the segments of each community that fall into the bottom half of the living standard indicators.

SAIA has created a system in which they request their members (i.e. insurance companies) not to implement individual education projects, as this would go against the holistic and non-discriminatory nature of SAIA's program. Instead, they have asked for the members to pool their money, which is then used by SAIA to conduct the nationwide campaign.

### *Educational Tools*

SAIA has produced an extensive portfolio of educational tools in collaboration with external experts in the three specific fields in which SAIA operates: community workshops, teacher development programs and awareness programs in the media.

In order to assure the non-discriminatory nature of the project, material is produced in all languages of South Africa. The tools are customized to some degree, but the message communicated remains the same. As a rule, no matter what material is used, there will be a workshop supporting it. The core message remains the same, but the method of delivery will be highly specialized.

The aim is to increase financial literacy amongst the low-income segments, so that they may mitigate risks and economically empower themselves. SAIA acknowledges that insurance providers cannot enter a market with low financial literacy levels without first creating generic financial literacy among the target communities. Funding for the insurance education is provided by the member organizations of SAIA.

SAIA outsources the training activities to community members who act as facilitators at the workshops. They consult a network of service providers within the communities to find out who is the person to approach, be it the tribal leader, church leader or the local school headmaster. The existing delivery channels, community structure and leadership of the particular area are always used. Local food and food providers are used when

conducting a workshop, as well.

Local communities are included in all the processes, from conceptualization of the educational tools to the monitoring and evaluation process. Each education project has a separate service provider that specializes in the delivery of that particular project. This person comes from the community where the project will be implemented.

The design of the educational tools is also outsourced to external experts, e.g. accredited education experts and teachers work together with the Department of Education, media experts plan the awareness campaign (which has a daily reach of 14 million commuters), etc. A Consumer Education Committee identifies particular service providers who are then invited to come up with project proposals. So far the same projects have been repeated for many consecutive years, as they have been found to be working well and the feedback has been positive. However, they have been modified on a yearly basis.

### *Monitoring and Evaluation*

All the educational tools include a monitoring and evaluation component. The methods used for this change on a project-to-project basis. For example, for the awareness campaign (media) project SAIA hired an outside company to conduct research before and after the two month media campaign to measure the increase in knowledge regarding particular aspects of financial literacy. Similar before and after questionnaires are also done at all the community workshops and the teacher development program.

In response to monitoring and evaluation, changes in the current project will be undertaken, as the overall financial literacy has been increasing across the whole low-income segment. In the future, the education will focus even more specifically on insurance.

## Uplift India – India

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Interviewee: Kumar Shilabh

### *Organizational Profile*

Uplift India was established in 2004, and it has operations in several districts in the state of Maharashtra, India. One of its core functions is to run a community-based health insurance scheme. Other risks covered under this scheme include life and funeral. Client education was initiated as a separate project in 2005, but it has been part of the operations of the Uplift India model since the beginning.

### *Community*

The organization works primarily in urban slums, where the majority of the people belong to the unorganized sector. The average income of these people is approximately two to four dollars per day, and these include small entrepreneurs such as vegetable sellers, tailors, etc. Women work mostly as domestic help or as day laborers. Uplift India also has clients in rural areas, where the population is made up mostly of landless laborers and small-scale farmers.

As Uplift India is currently scaling up their project, they are creating new modules to ensure that the information is given to the people on a regular and systematic basis.

The interviewee emphasizes that insurance education cannot be a one-time effort, but rather needs to be an ongoing activity. Uplift does not believe it should provide education only during the sales process and then forget about the customer. He notes that the education really begins only after the individual has enrolled in the scheme. Clients need to be constantly replenished with information.

### *Educational Tools*

The first step in conceptualizing the educational tools is to make a clear-cut plan for the topics Uplift India will address in the education program and how that will be communicated to the target audience. All the material needs to be easily understood and presented with examples. For example, instead of presenting exclusion as a technical insurance concept, Uplift India uses diabetes as an example to explain why exclusion takes place. Given the complexity of the topic of insurance, the information needs to be broken down into graspable forms. The key is in transforming the information as Uplift India understands it into a language in which it can be easily communicated to the target audience.

Besides the contextual issues like language, one of the main difficulties Uplift India faces lies in the fact that human memory is often short and the messages need to be repeated on a constant basis. According to the interviewee, time is a major constraint in urban areas. In rural areas, there is more time to conduct trainings and make use of the interactive games they play, which they complete in about 1.5 hours. These need to be shortened down to 40 minute games for urban settings.

Aside from educating people on the advantages of insurance and the specifics of the product, a lot of information on health awareness is dispersed. Every month they prepare a health class dealing with a different topic, such as on the swine flu, its symptoms, how to avoid it, how to treat it, etc.

Uplift India is in the process of producing a film of their training, which can then be used instead of live train-

ing events. This is used to prevent the risk of a trainer giving out the wrong message (especially in the case of new trainers). The interviewee is of the view that audio/visual and pictorial materials are the best way to maintain peoples' interest during trainings.

Besides translating material into local languages, Uplift India does not customize its educational material according to different groups, since the populations they work with are more or less socio-economically homogenous. According to the interviewee, breaking down the information into small comprehensible components is the key.

As with all the products Uplift India designs, the final validation comes from the target community. Reactions and responses of the community members in areas where the educational tools are tested serve as the data according to which changes are made. This is done through third-party observation of the training events.

Uplift India perceives insurance education as a two-way tool, and they are interested in creating more interactive methods of allowing their clients getting back to them with information. They currently have a 24/7 helpline and are also looking at creating an interactive voice response system, which members of the scheme will be able to access by mobile phone.

Uplift India's method of education is through training of trainers. The process begins by Uplift India conducting an audit in the field to get an understanding of the types of tools that would be suitable for the specific community. Based on this information, the tool is designed and approved by Uplift India's representative committee. The tools are tested during an in-house mock training session before they are taken to the field workers, who are then trained in the use of it. The training is audited by Uplift India staff members. The final part of the process is to get approval of the tool from the community leaders.

Uplift India has no specifically designated training team. The interviewee notes that they do not have enough resources and no in-house translator, which means getting the translations done is time consuming. Also, the lack of an available pool of information regarding what other organizations have done in the field of insurance education is a hindrance. The interviewee notes that financial difficulties are common, as there is no separate funding allocated for producing the educational tools.

### *Monitoring and Evaluation*

Uplift India has a dedicated team for monitoring and evaluation, which monitors the quality of the information given in their trainings. Factors evaluated by this M&E also include the methods used in providing the information, how interactive it is, the frequency of information, how members are responding to it, etc.

A monthly audit of the trainings is conducted and changes are made if it is found that some aspects of the training are not effective. Branch audit visits that look at the functionality of the branch to make sure it coincides with Uplift India's internal standard requirements are conducted on a monthly basis. A quarterly audit of the entire insurance process also takes place.

## Weather Risk Management Services Ltd – India

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Interviewee: Anuj Kumbhat

### *Organizational Profile*

Weather Risk Management Services was established in 2004. It is working towards structuring and promoting weather insurance in India by offering comprehensive risk management services to farmers. Weather insurance is a new concept in India and little update on agriculture and weather insurance services exist in India. Weather Risk Management Services aims to ensure that claim settlements for customers are faster and that the farmers gain confidence in risk management services as a way to improve their livelihoods.

### *Community*

The organization serves farmers from all economic and demographic backgrounds. The products that Weather Risk Management Services offer apply to almost all the crops grown by participating farmers. The organization has an outreach across India in states of West Bengal, Uttar Pradesh, Punjab, Tamil Nadu, Maharashtra, Haryana, Rajasthan and Andhra Pradesh.

Around 60 percent of the customers are poor farmers. In some states nearly all farmers are poor, whereas in some states Weather Risk Management Services works with large farmers, which connotes a higher economic standing. Even though Weather Risk Management Services works with a broad geographic and linguistic set of clients, it does not cause major difficulties, as they have local teams versed in the local languages that usually conduct the trainings. In other cases, the trainings are outsourced to partner organizations. Instead, the interviewee sees a major difficulty in making farmers understand the concept of weather insurance.

This is particularly challenging because Weather Risk Management Services does not provide coverage the crop, rather to something proxy to the crop – the weather conditions affecting it. Therefore, they need to make sure the farmer understands how particular weather conditions impact certain crops. This is done by looking at historical examples of how particular weather conditions impact crops in the geographical area where the training is conducted, in order to create a comprehensible link. Another difficulty they face concerns the understanding of premium. In many areas where the farmers are familiar with the concept of life insurance, they expect an endowment similar to that of a life insurance policy. Therefore, the trainers need to emphasize that the premium is something that they will not get back unless there is a claim.

### *Educational Tools*

Weather Risk Management Services conducts insurance education as part of their marketing efforts. Material and presentations are prepared in a number of Indian languages. The primary research is done by the local teams, which provide feedback for the marketing section staff responsible for designing the educational tools (the majority of the marketing team has a background in agriculture). This serves as the basis for designing the educational material. Other NGOs working in the field of agriculture in the particular geographical area are also consulted.

In the case that Weather Risk Management Services has no representatives active in a certain area, the organization conducts training of trainers of partner organizations that then take the trainings to the grassroots level. The educational tools used consist mostly of pictorial material: slides, brochures, posters and videos that explain in Hindi the benefits of risk management. These tools are customized according to the awareness level

of the target audience. There are significant discrepancies between states; for example, in Punjab farmers are fairly well-versed with the concepts of insurance and agricultural insurance, whereas in Jharkand the awareness level is lot lower, so the message needs to be more elementary. In these situations, the trainers need to explain not only the specific weather insurance product, but also the value of risk management in general.

The interviewee considers the high cost of conducting customized training events to be a concern. Deciding whether to conduct a training in a particular geographic area can be difficult, since they need to be sure that the volume of premiums will be sufficient enough to cover the costs of the training. He further notes that if funding were allocated for the educational component by a multilateral agency, then trainings could be undertaken in areas where Weather Risk Management Services does not currently operate, due to the risk of financial loss.

Weather Risk Management Services interacts with farmers directly if they have a team in the specific area, using the help of the village leader or a leader of the farmers. In areas where they do not have a presence, they work in collaboration with local organizations that conduct the trainings. These organizations are trained by Weather Risk Management Services in product understanding, but the farmer meetings are conducted by the local organizations. This was the case in the state of Andhra Pradesh where CARE India was the partner organization conducting the trainings.

#### *Monitoring and Evaluation*

Monitoring and evaluation is not a distinctly separate activity. The main monitoring effort is to follow the rate of renewals. Other than that, Weather Risk Management Services does not have any benchmarks. The interviewee recognizes the importance of monitoring and evaluation, and the organization is looking into increasing their efforts at this front.

## World Bank – USA

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**Interviewee: Xavier Gine**

### *Organizational Profile*

Since 2004, the World Bank research department has been involved with the monitoring and evaluation of insurance education in Andhra Pradesh, South India. With support from World Bank, Indian insurance provider ICIC Lombard created a weather insurance scheme that protects policy holders against the loss of crops caused by extreme changes in weather patterns.

### *Community*

The targeted community is fairly homogenous. In the project conducted in Andhra Pradesh, poor farmers on drought-prone, non-irrigated land were targeted. In other forthcoming projects in the field of weather insurance, similar communities such as poor small-scale farmers will be targeted in various locations in Africa.

In the case of Andhra Pradesh, the interviewee notes some difficulties in delivering insurance education. The community was not very well-organized, which adversely affected the communication flow. The most effective way for delivering education was to do door-to-door marketing, but it is an expensive method for raising awareness.

Another concern raised by the interviewee considers the overall understanding of the concept of insurance. He emphasizes the importance of insurance education, but notes that often it is unclear who should be providing the education. The insurance company often does not have the capacity to educate people in general aspects of insurance. The distributors selling the product have a large portfolio to handle and usually have no capacity for education, other than on the detailed information regarding a specific product. Finding the most cost-effective way of delivering education is therefore of importance for World Bank.

### *Educational Tools*

World Bank provides for the training of trainers; the insurance company and the organization distributing the insurance policy (be it farmers organization, MFI, etc.) are entirely in charge of running the insurance scheme. World Bank hires people who they train to deliver the training. Representatives from the insurance company are also present in this stage of the training process.

In the case of Andhra Pradesh, the parameters of the weather insurance product were originally based in rain fall measurements in millimeters, which was not the traditional form of understanding amongst the farmers, who look at soil moisture as an indicator. As part of the design of the educational module, World Bank collaborated with scientists to convert the millimeter model into a model of soil moisture, which would be more easily understood by the farmers. Flip-charts and leaflets were prepared to support the door-to-door visits.

During the door-to-door visits, which lasted approximately 30 minutes, farmers were offered the insurance package, an educational model and some money to compensate for the visit (whether they decided to purchase the insurance policy or not). From a research perspective, World Bank was particularly interested in the trust aspect of the insurance in a situation in which the prospective policy holders were unfamiliar with the company delivering the pay-out. The marketers were also new to the villages and had had no previous in-

teraction with the community. In some instances, endorsement visits were organized. The marketer would be accompanied with a well-respected member of the community, who would endorse the visit. This correlated with an increased likelihood of enrollment in the insurance scheme.

The average length of a visit was 30 minutes. However, it was found that when the educational model specifically designed for the particular insurance product was included in the visit, the length of the visit increased only by two minutes, which indicated that the education component was inadequate. Similar exercises will be conducted in Kenya and Malawi, with more focus placed on the planning of the educational component. According to the interviewee, the exercises in Andhra Pradesh were done without sufficient interaction with target population in an early stage. This played a part in the initial failure of the scheme. To avoid this in the future, the communities will be engaged more actively in the design of the educational tools to ensure that the message resonates better.

The interviewee feels that World Bank has sufficient knowledge regarding the communities they work with to develop effective educational tools, using external consultants in the design stage. According to his experience, most of the educational material produced by insurance companies and other organizations seems to have been produced on a non-systematic and ad-hoc basis. The interviewee strongly believes that World Bank should be developing its own training material.

### *Monitoring and Evaluation*

A core role of World Bank in the weather insurance education project was monitoring and evaluation. World Bank did not design the product and it did not implement the product. Its role was to provide the impact evaluation. The mechanism for this was threefold, including a baseline survey, intervention and follow-up. Afterward, the baseline survey tools are designed. Intervention is done in the form of randomized control trials; in the case of the education component, this would mean that insurance education would be provided to only part of the population. Follow-up includes measuring the impact and conducting the analysis of how the insurance education component affects the behavior of the people vis-a-vis those not receiving the education component.

## World Education Australia – Australia

Interviewee: Guy Winship

### *Organizational Profile*

World Education Australia is an international development aid agency and is part of the World Education Network established in India in 1951. It operates in the field of healthcare and education and has been active in microfinance since the late 1970s. World Education Australia was established in 2002. The organization acts as the microfinance resource for world education and provides assistance in microfinance education to all the World Education Network country offices. In practice, due to staff limitations they focus their work on nine offices located in Asia.

World Education Australia started working on microinsurance education in 2004 with a project aiming to help vulnerable low-income groups in developing countries as well as in Australia. The educational component of the project was targeting three audiences: their country officers, partners they worked with, and the community and governments in those countries. The objective was two-fold – first, to raise awareness and build understanding of microinsurance as a tool to reduce vulnerability of low-income people and communities, and second (more specific to their MFI partners), to promote best practices. Some of the MFI partners (banks and credit cooperatives) they work with were planning on establishing insurance schemes without adequate legal knowledge and without fully comprehending the risks involved in insurance. For World Education Australia, this mostly meant promoting the partner-agent model and in some cases, providing direct insurance services when it was deemed appropriate.

### *Community*

As an agency, World Education Australia does not work directly with communities, but with partners. However, according to a survey, approximately two-thirds of the community is rural, and women constitute 80 percent of the targeted communities.

In regards to microinsurance education, World Education Australia has worked in three countries: Nepal, Sri Lanka and Australia. They have developed a workshop titled “Introduction to Microinsurance.” The material for this workshop was merged from three main sources: the Microinsurance Center, ILO and some of the work conducted in Uganda by Mr. Winship. The workshop was run in Nepal and Australia, and through an agent in Sri Lanka. It was also conducted in Laos, Cambodia, Papua New Guinea and East-Timor. In these countries, the focus was on discouraging partners to undertake microinsurance activities, as they did not see the services the partners were planning on offering as realistically functional.

The interviewee notes that World Education Australia manages to overcome most issues relating to cultural, linguistic and geographical challenges, due to having local staff in the countries in which they work.

### *Educational Tools*

The main objective of World Education Australia focuses on introducing and promoting the benefits of microinsurance, but also on outlining the potential risks and costs of providing insurance. The topics they cover include: what is insurance, what types of insurance are there, how does insurance suit low-income households, and the various provision models and regulatory issues.

The education is conducted in the form of a workshop. The workshop consists of two main themes. One is to promote the sector to insurance companies, donors, the health sector, MFIs and regulatory authorities. The other is to highlight the cost and risk of microinsurance and to promote the partner-agent approach. In this regard, the interviewee notes that interestingly a large part of the work that World Education Australia does is to discourage their partners from engaging in microinsurance. This happens when they believe that the partner has not looked at the delivery channels and regulation in enough detail and does not have the proper partnerships to realistically provide sustainable service to their clients.

World Education Australia always conducts research before conducting training in a new country. For example, before organizing a workshop in Nepal, they asked the local ILO office to provide them with the most recent research, and they also approached the regulatory authorities that deal with insurance. This information was then incorporated into the workshop.

The sources of information for designing educational tools used by World Education Australia include MFIs they have collaborated with for a significant time that act as experts concerning local knowledge, secondary research from other organizations in the particular country, and local World Education Australia staff. They develop training material following the organization's own principles of education. One of such principles is to recognize prior learning. Therefore, the training material is always contextual and uses material such as local case studies.

World Education Australia also incorporates the strategic planning of the partner organization into the training. Before the training, all the partners are asked to list their objectives, so that World Education Australia can do a simple needs-analysis for the organization. The training is then customized according to this analysis (whenever possible). This does not mean a complete redesign of educational material, but rather a fine-tuning of it to better serve the needs of the specific organization that is planning on engaging in microinsurance.

The interviewee notes conceptual difficulties, namely the lack of understanding of insurance, as the organization's greatest education challenge. This sometimes occurs to such a degree that some of the World Education Australia trainers have themselves refused to take an insurance policy.

The interviewee is sure that there are better educational tools available for specific purposes. He gave examples of tools that could be improved on, and these include educational tools regarding costing and pricing, tools that educate on how to undertake product development, and material for explaining microinsurance to regulatory authorities.

### *Monitoring and Evaluation*

World Education Australia always collects feedback from all the participants after the training. They also have a systematic tracking of outcomes that focuses on documenting new microinsurance products that emerge after the training.

They have full-time staff doing monitoring and evaluation, as well as both computerized and non-computerized monitoring mechanisms at project and program level, but they are not specifically monitoring only the microinsurance education. The interviewee notes that their monitoring and evaluation processes are not as extensive as he would like them to be. The reason for this is a lack of resources, but he also mentions poor take-up regarding their trainings, which he interprets as a lack of demand for microinsurance in their target communities.

The Micro Insurance Academy (MIA) is a not-for-profit organization dedicated to providing technical assistance in insurance domain-knowledge to organizations that focus on grassroots communities. In collaboration with its partners (clients from grassroots, the civil society, bi- and multilateral development agencies, insurance industry and governments), and through its research, training and advisory services, the MIA helps integrating microinsurance into the financial sector and social protection programs. The unique features of the MIA model enable empowering poor people to obtain insurance that suits their needs and their ability to pay.

<http://www.microinsuranceacademy.org>