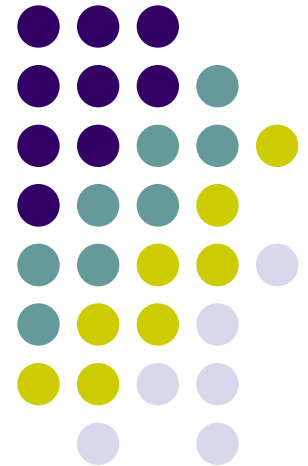
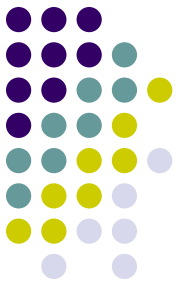


Emerging Practices in Consumer Education

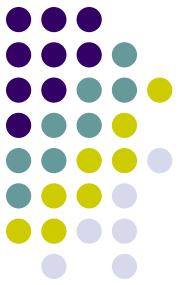
Aparna Dalal



Briefing Note



- Microinsurance Network's Insurance Education Group - Iddo Dror & Michal Matul
- Experiences of practitioners
 - A Landscape Study of Microinsurance Education
 - South African Insurance Association Consumer Education Programme
 - Explaining Insurance: Implementing Consumer Education in CARE India's Insure Lives and Livelihoods Program



Consumer Education

Systematic effort to teach risk management strategies and role of insurance

- Content
- Delivery
- Sustainability and Impact

Long-term integrated approach

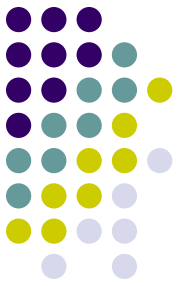
Content



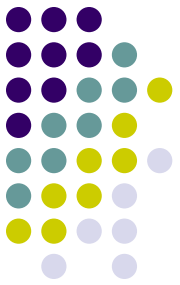
- Breadth of content
- Focus on risk management and insurance
- Layer other financial concepts

QuickTime™ and a
decompressor
are needed to see this picture.

Content



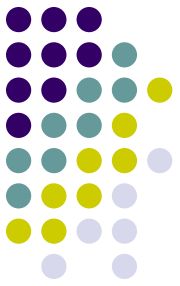
- Base education on what people know about insurance and how they think about risks
- Relate to their previous risk exposure



Delivery

- Use mix of channels and tools
 - Understand specific purpose
 - Example - mass media vs. workshops
 - Multiple channels to reinforce messages
- Make education participatory
 - CnSeg using community to create and disseminate educational videos
 - Interactive games

Delivery

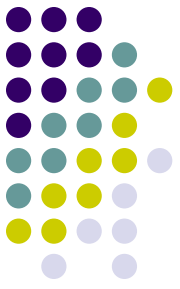


- Deliver ongoing education
 - Consistent messages, multiple channels
 - Ad-hoc sessions are often ineffective
 - Consider shorter sessions spread over time
 - Freedom from Hunger's "learning conversations"
 - Stories, role play, visual aids
 - Shorter refresher sessions



Delivery

- Link education and products
- Opportunity to act on education
- ICICI Prudential - Video Volunteers
 - Videos on social issues made by community youth
 - Provide information on products during screenings



Sustainability & Impact

- Challenging to fund comprehensive program
- Leverage existing institutions and pool resources where possible
 - SAIA - pooling industry resources
- Incorporate monitoring and evaluation activities from the start
 - Cost-effectiveness of different approaches
 - Impact on institutions
 - Client satisfaction surveys, qualitative analysis
 - Experimental research
 - Impact on client understanding and well-being

Insurance Literacy to Low income Clients Experiences of CARE in India

CARE India

**6th International Micro Insurance Conference
Manila, Philippines
November 2010**



Lessons Learned

- Understand the existing knowledge level and past experiences of communities
- Always use and build on local anecdotes
- Encourage experience sharing by claimants
- Claims distribution in public helps build confidence
- Establish brand image of the insurer, although it is the NGO identity that drives communities
- Focus on leaders, opinion makers and other centers of influence
- Do not encourage field staff to decide on behalf of the communities
- Do not let them short cut processes
- Do not let them for mis-selling
- Take care of cultural sensitivities



Lessons Learned

- Invest on building the capacity of NGO intermediaries
- Adopt a saturation approach – SHG level, village level, cluster level
- Establish a continuous flow of feedback from the communities
- Continuously monitor the awareness levels
- Evaluate client satisfaction levels

Client education should be an on-going process



Thank You



Insurance Literacy to Low income Clients Experiences of CARE in India

CARE India

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Manila, Philippines
November 2010**



Background

- CARE is an international humanitarian aid cum development organization
- Present and working in India since 1950
- Emergency response, health, education and livelihoods are the thematic focus areas
- One of the agencies to respond immediately to the Tsunami 2004
- Following relief operations, CARE introduced a number of programs to support affected communities – community micro projects, psychosocial care, water and sanitation, shelter, community based disaster preparedness, and long term livelihoods restoration program
- Livelihoods included access to micro finance and micro insurance services



Micro Insurance in India

- Insurance penetration in India – one of the lowest – 4.6 %
- Over 90 percent of the population is excluded from access to insurance
- Micro insurance penetration is abysmally low – just about 2 % of the poor only reached
- Largely supply driven, credit linked
- Promotion of micro insurance presents a huge potential and opportunity – estimated to be around US \$ 2 billion
- Regulatory environment is also favourable
 - Rural and social sector obligations for insurers
 - Micro insurance guidelines
 - Presence of a large no. of insurers from both private and public



CARE's Micro Insurance Program

- Insure Lives and Livelihoods

- CARE viewed micro insurance as a livelihood protection strategy
- Found opportunities to integrate MI with community based disaster preparedness and other interventions
- Commenced a micro insurance program in the Tsunami affected districts in 2007 with grant support from Allianz SE, Germany
- Would Micro Insurance work in a disaster context?
 - CARE commissioned a demand cum risk assessment study
 - Developed products and identified local NGOs to take on MI intermediation
 - CARE played the role of aggregator / facilitator



Understanding the Target Population

- Coastal and Rural poor – directly or indirectly affected by tsunami with a particular focus on women and socially marginalized
- Many livelihood resources affected
- Weakened micro finance structures after tsunami – Self Help Groups (SHGs)
- High dependency on government and aid agencies – lack of confidence in self initiatives
- Change in attitude towards free / subsidized programs
- Low literacy level
- Low awareness on insurance
- Myths around insurance



Distribution Channel

- SHGs – the most established channel
- Majority of the poor, members of SHGs
- Helped focus on women; over 95 % of SHGs are women SHGs
- Other non-conventional channels also attempted – religious associations (anbiam), farmers' organizations, associations of unorganized sector workers, youth clubs
- Panchayat Raj Institutions



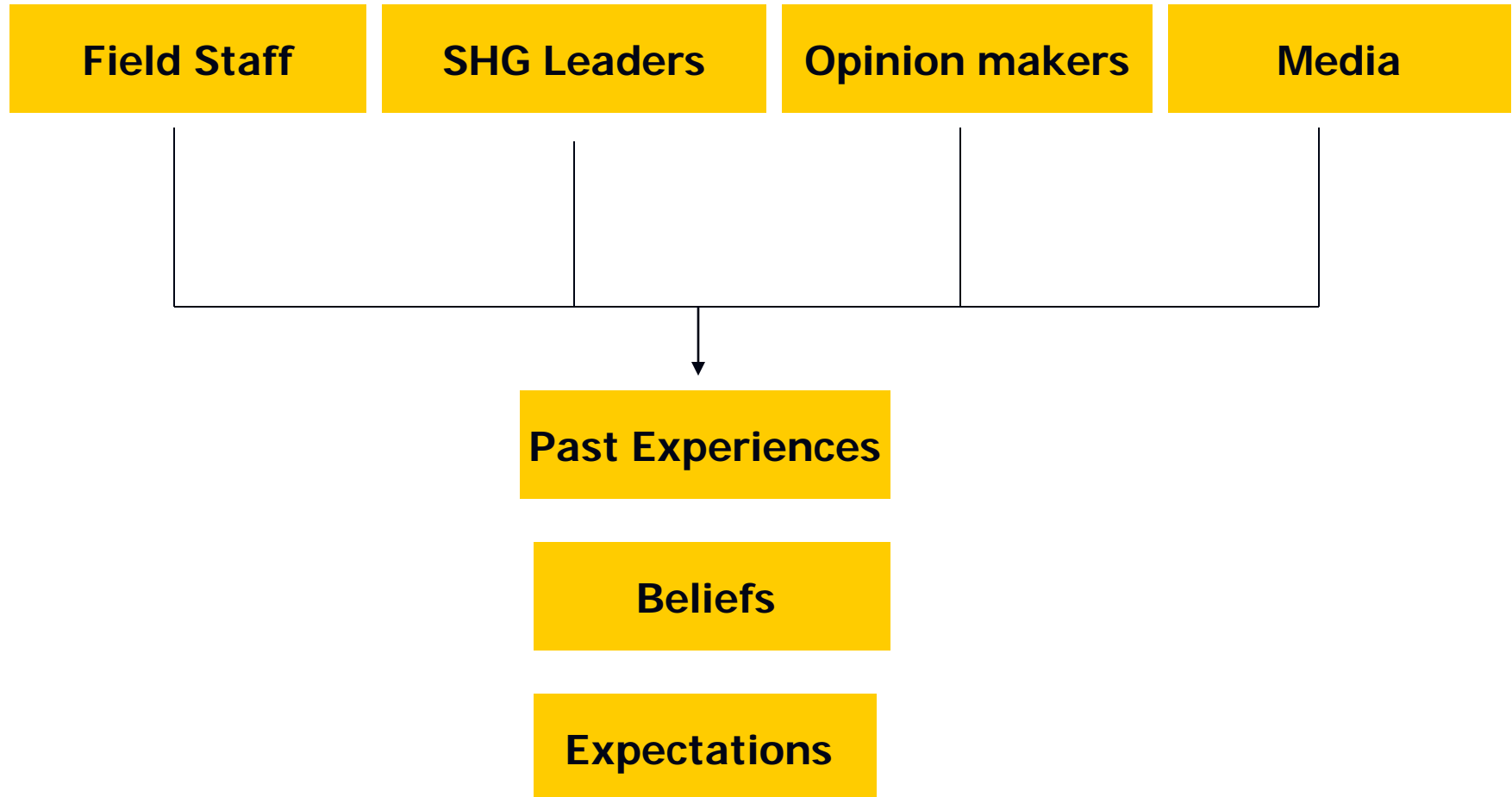
Approach to Client Education

- Build the capacity of all cadres – including CEOs, Project coordinators, Field level functionaries – formal training programs and on-the-job handholding support
- Structured curriculum for all training programs – understanding basic principles of micro insurance, its relevance, operational issues, communication skills etc
- Insurance is not a one-off solution; requires a long term engagement
- Requires change in attitude; need to build a culture of insurance
- Community needs to be educated – to take informed decisions, to understand and appreciate the significance of micro insurance as a value add to the financial services



Communication strategies

- Identifying the forces of Influence



Communication strategies

- Developing comprehensive focus

- Key contents identified and focused

Risk Education

What are risks, risk management mechanisms, Traditional coping practices,

Insurance Education

What is micro insurance/Principles of insurance/
Why micro insurance / difference between Savings and Insurance

Product Education

Introduce CARE, BA, ILAL/ Explain Life and General Insurance products / Premium / coverage/ Exclusions ..

Product Logistics

How to pay premiums, how to get enrolled/ how to file claims/ documents required for enrollment, claims etc



Communication strategies

- Developing appropriate tools

- A range of tools developed to suit the context
 - Flip charts
 - Pamphlets
 - Posters
 - FAQs
 - Folk songs, folk art (villupattu, puppet show, kala jathas), street plays, video films



Communication strategies

- Outreach mechanisms

- Reaching at different levels
 - SHG members
 - SHG Leaders
 - Village level campaigns
 - Mass awareness campaigns



Communication strategies....



Members from nearby Panchayats mobilized
About 500 people gather
Exhibition & enrollment stall



Folk programs to educate
Claims settlement
Sharing of experiences by claimants



Mass awareness program



Puppet show



Claimant sharing experience



IEC materials



Key Questions

- How could the client education processes be sustained at the level of partner NGOs?
- Are there better, cost effective ways to reach out and educate such masses?
- How do we ensure that insurance literacy programs result in actual enrollment of communities into insurance plans?
- How do we generate interest amongst insurance companies to support this?
- How do we develop synergy among various stakeholders – governments, insurers, research and academic institutions, facilitators and MI practitioners – to make client education as a fundamental agenda for promotion of micro insurance?



Thank You

