






# HEALTH MICROINSURANCE EVOLUTION AT BRITAM

# ABOUT BRITAM



- Started in 1965, Britam is a diversified financial services group, listed on the Nairobi Securities exchange
- Offers a wide range of financial products and services in insurance, asset management and property
- Britam is the largest life insurance and among the top 5 general insurance providers in Kenya\*
- Britam started microinsurance provision in 2007 and is the largest MI provider in Kenya\*\*

\*SOURCES: IRA & AKI ANNUAL REPORTS 2017

	KINGA YA MKULIMA	AFYA TELE	RIZIKI COVER
<b>BENEFITS</b>	 Inpatient cover with additional surgical & funeral covers	 Inpatient and optional outpatient cover	 Daily hospital cash benefit
<b>TYPE OF COVER</b>	Voluntary family and individual cover	Group family and individual cover (mandatory within the group)	Voluntary family and individual cover
<b>TARGET CUSTOMER</b>	Small scale tea farmers	Registered groups of 10 or more members	MNO (Equitel) subscribers
<b>DISTRIBUTION</b>	Majani brokers (at tea factories)	Brokers and agents	Digital (Equity insurance agency, Equitel and Inclusivity solutions)
<b>OUTREACH</b>	>0.5 million lives	>40,000 lives	>160,000 lives
<b>PREMIUM RANGE</b>	\$0.55 to \$3.60 paid per month per adult member	\$ 30 to \$ 110 paid annually per adult member	\$1.4 Per month (individual) \$ 6.2 Per month (family)

## INSIGHT 1: CUSTOMER RESEARCH IS KEY TO IMPROVING PRODUCT DESIGN

- In 2007, Britam Partnered with Kenya Tea Development Agency (KTDA) to start an insurance Product for small scale tea farmers
  - KTDA membership: 600,000 farmers
  - Initial Product: Funeral benefit for the farmer and spouse with 2 benefit options
  - Modified product: Inpatient with additional surgical benefit
- Business challenge:** Low enrollments after first Year

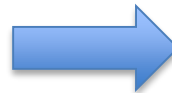
CLIENT INSIGHTS	INFERENCES	CHANGES MADE
<ul style="list-style-type: none"> <li>Culturally, the whole community contributes towards funeral expenses</li> <li>Hospitalization expenses are borne by the family alone</li> </ul>	Customers will value a hospitalization cover more than a funeral cover	Product was redesigned to a hospitalization and surgical cover with a small funeral benefit
<ul style="list-style-type: none"> <li>Farmers wanted to cover their children under insurance</li> </ul>	Insurance should be designed to Protect the entire family	New Product Provisioned coverage for children for additional Premium
<ul style="list-style-type: none"> <li>Need for more benefit options (from 2) based on farmers' needs and ability to Pay</li> </ul>	Choice is important for uptake	8 benefit options were introduced

## INSIGHT 2: CO-CREATION WITH DISTRIBUTION PARTNERS LEADS TO BETTER PRODUCTS & PROCESSES

- Product: AFYA TELE
- In 2011, Britam partnered with 3 large MFIs in KENYA
- Product and processes has evolved over time based on insights from the partner
- Target market has expanded from MFIs borrower groups to any registered group of 10 or more members

PRODUCT FEATURE	PARTNER INSIGHT	SOLUTION
BENEFITS	HEALTH AS THE KEY RISK	DEVELOP MICRO HEALTH INSURANCE
	WOMEN MFI MEMBERS IN REPRODUCTIVE AGE	LIMITED MATERNITY BENEFIT WITHIN INPATIENT COVERAGE
PREMIUM PAYMENT	ONE TIME UPFRONT PREMIUM MAY BE HIGH	MFI FINANCED HEALTH INSURANCE LOAN
CUSTOMER SERVICE	PAYMENT AT THE TIME OF ADMISSION IS CHALLENGING	NETWORK OF HOSPITALS LINKED TO MFI BRANCHES
	PRODUCT UNDERSTANDING	MICRO CUSTOMER HELPLINE

	LINDA JAMII	RIZIKI COVER	CHANGES
<b>PRODUCT</b>	Comprehensive health insurance covering inpatient and outpatient	Simple inpatient coverage only with fixed per day benefit	<ul style="list-style-type: none"> <li>Simple for customer to understand</li> <li>Less risk exposure for Britam</li> <li>Adverse selection is less likely due to no outpatient cover</li> </ul>
<b>EXPOSURE</b>	Britam retained most of the risk	Britam has a risk sharing arrangement with RGA	<ul style="list-style-type: none"> <li>Less exposure</li> <li>Changing retention based on claims experience</li> </ul>
<b>CUSTOMER JOURNEY</b>	Included submission of physical KYC documents after digital enrollment	<ul style="list-style-type: none"> <li>Digital enrolment that uses Equitel KYC</li> <li>Digital claims submission using whatsapp</li> </ul>	<ul style="list-style-type: none"> <li>Digital product</li> <li>Simple for customer to enroll and claim</li> <li>Minimal costs for customer</li> </ul>



## RESULTS & CURRENT STATUS

**0.7M**

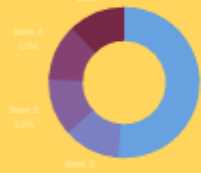
**INSURED LIVES**

lives have been insured under different microinsurance products since inception



**MARKET SHARE**

**42%**



is the share held by Britam out of total Microinsurance market in Kenya

**\$6.4M**

**PREMIUM**

worth premium was underwritten in 2017 under all microinsurance products



- Overall, health microinsurance portfolio is profitable
- Health care provision is made possible through a network of more than 300 hospitals
- Administration is complex and expensive
- Government's social health insurance scheme NHIF is a major threat

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# THANK YOU

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With you every step of the way

KENYA | UGANDA | TANZANIA | RWANDA  
SOUTH SUDAN | MOZAMBIQUE | MALAWI