



TEA INDUSTRY VALUE CHAIN INSURANCE

APA INSURANCE & ILO'S IMPACT INSURANCE FACILITY



APA INSURANCE

Established in 2003 after the merger of the general insurance businesses of Apollo Insurance Company and Pan Africa General Insurance.

- One of the first insurance companies of Kenya to implement the National Crop Insurance Scheme (AYII) and Kenya Livestock Insurance Programme (NDVI based) with the Government of Kenya
- First insurance company to introduce an Aquaculture Insurance product in Kenya
- Have been awarded grants by International Labour Organization & MasterCard Foundation's Fund for Rural Prosperity



TARGET MARKET

TEA ESTATE PICKERS

- Employed by factory
- Average monthly revenue from tea: USD 70 (USD 2.3/ day)
- Low season average monthly revenue: USD 24 (USD 0.8/ day)
- Free housing, basic healthcare, primary education

TEA FARMERS

- Average land-holding: (0.25 - 2 acres)
- Average monthly revenue from tea: USD 75 (USD 2.5/ day)
- Limited diversification



PROBLEM

How to explain and build trust with a new, complex concept to a person with limited insurance literacy, who is unlikely to pay today for a benefit in a distant future

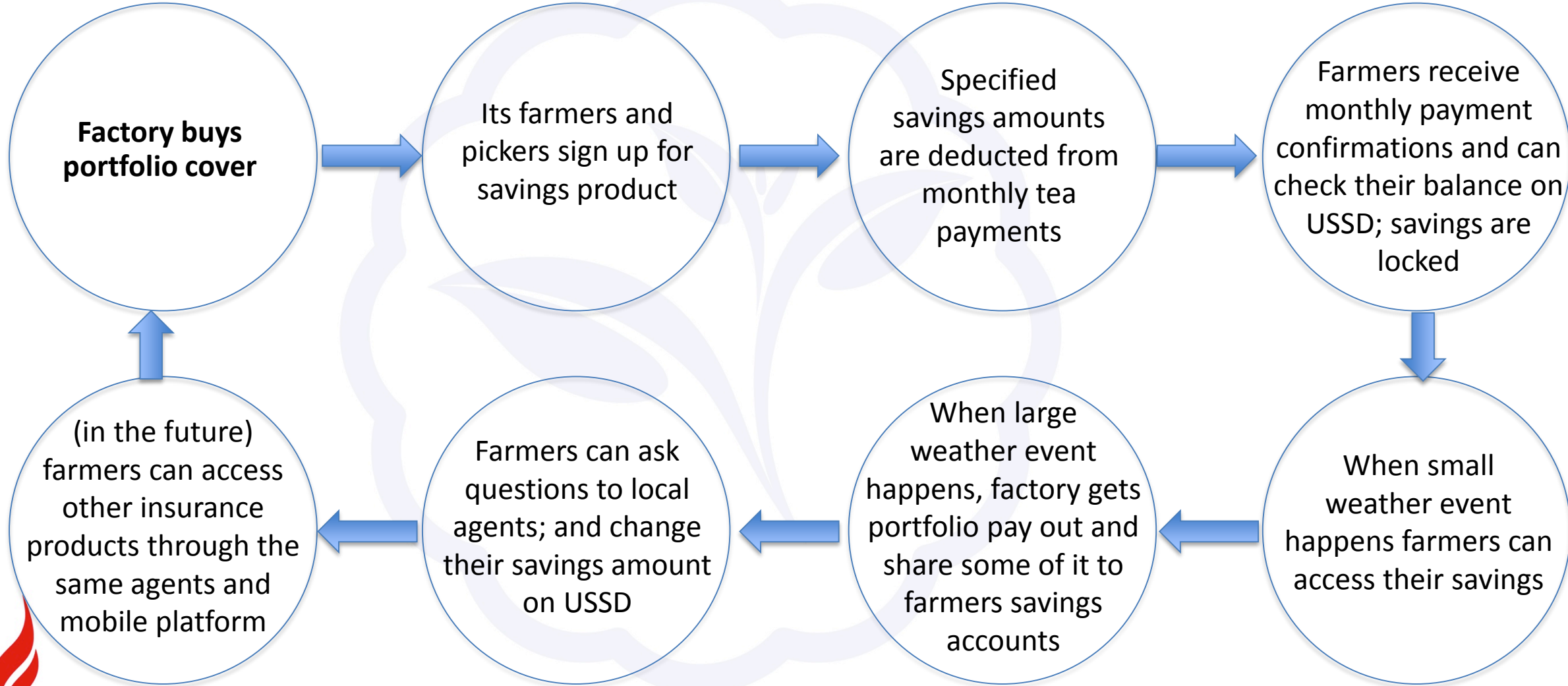


PROPOSED COVER

- A hybrid solution sold to and through tea factories
- Portfolio catastrophic insurance cover for tea factories
- Integrated savings accounts for tea farmers and pickers
- This type of product can potentially impact the entire value chain
- The savings component is vital to compliment farmers' and pickers' livelihoods and to avoid dehumanising activities



CUSTOMER JOURNEY



KEY LEARNINGS/ CONSIDERATIONS

- Value proposition to factories had to be key
- Do we go for a catastrophic cover or not
- How should the savings component be structured
- How to structure processes and product considering informal payment methods to pickers, areas where technology could bridge operational gaps, lack of trust & awareness of insurance





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