



REACHING THE UNREACHABLE



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Presentation Outline

APA Insurance Limited Kenya

Dissemination Challenges

APA's Approach

Impact



About APA

APA Insurance Limited is one of the largest insurance companies in Kenya, serving both individuals and corporates across the country with its wide range of insurance solutions as well as services that go beyond insurance.

The flagship company was formed after the merger of the general businesses of Apollo Insurance Company and Pan Africa Insurance. With a combined experience of over 100 years (Pan Africa – 1946 and Apollo –1977), APA has become one of the largest insurance firms in industry providing a range of innovative in product offering.



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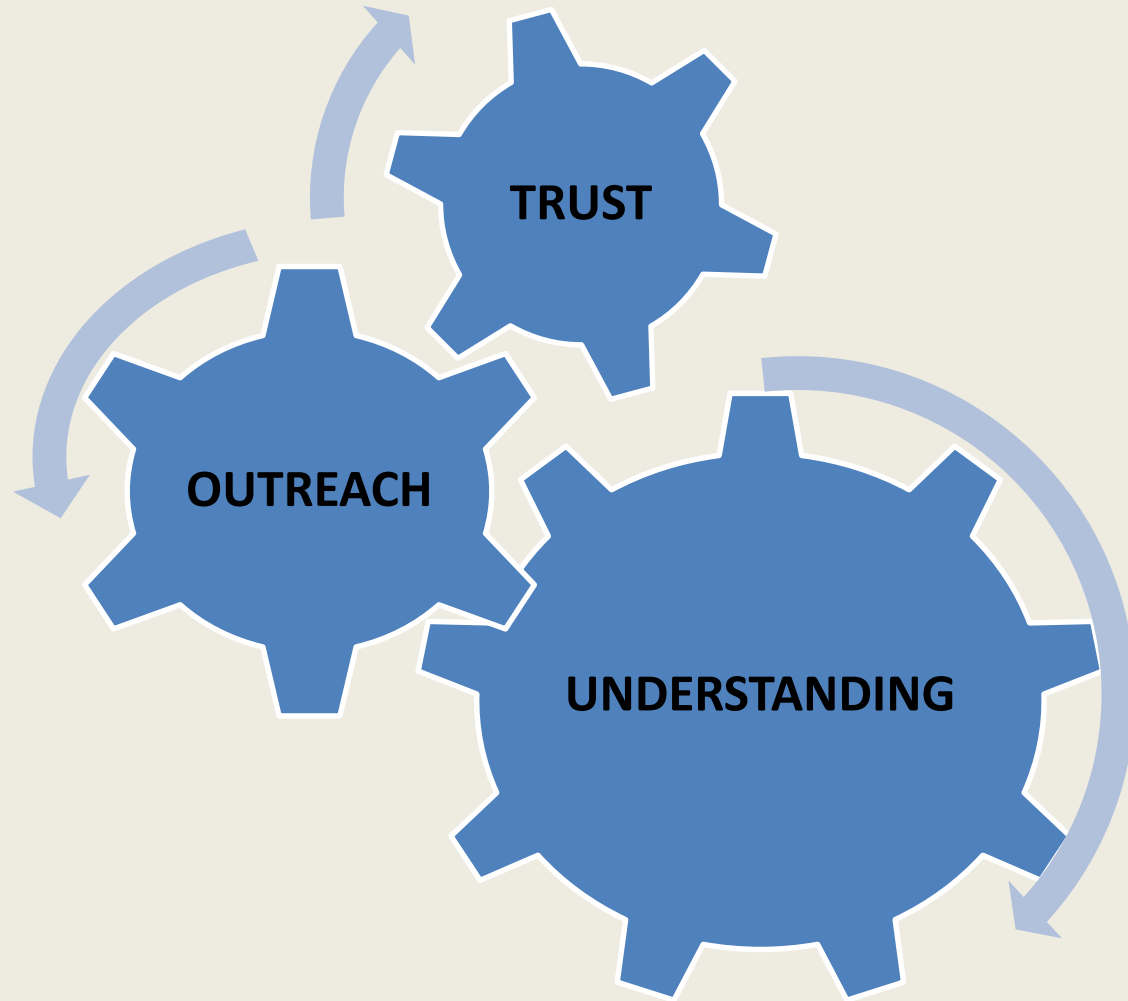
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Distribution Challenges



- Insurance is invisible and the insurance sales person is a stranger, but premium is tangible- How can the customer trust?
- Cost of reaching the customer is way higher than the premium itself and developing agents in rural/remote areas is difficult
- Lack of customer understanding: Critical illness VS critically ill, death VS death due to accident, pest attack VS uncontrollable pest attack –leads to mis-selling or misunderstanding



APA's Approach to Solving Challenges

Outreach

Identifying partners who have feet on street (Agri Input companies, PayGOSolar, local NGOs, Church & International Development Organizations)

Developing existing community based resources (Village Representatives, County Coordinators) to work seasonally to build own low cost channel

Using technology to ease the process of enrollment and claims (Mpesa for Premium collection and claim payment), and leverage partners' platforms

Trust

Using a tangible product to bundle insurance

Partnering with organisation having existing relationship with agriculture household

Publicize claim payouts
Information about claims paid from multiple partners helps a lot

Understanding

Simplified & transparent policy conditions make it easier for agents to explain and rural customers to understand the policies

Community meetings before sales ensure that farmers get answers to their questions and gain confidence by peer learning

Community meetings before claim disbursement have shown great results in terms of renewal as question related to claims calculation are addressed



Pay GO Solar

- Azuri has a network of ground agents who are well trusted in the community and understand the local culture.
- Azuri Agents visits the rural households daily and sell Azur solar lights
- Customer has a choice to buy solar lights in daily, weekly or monthly installments
- During the solar installation Azuri agent also explains to customers about hospoicash insurance & Funeral Cover
- Once customer consent is gained, insurance cover is is bundled with there weekly subscription to make it easy and affordable for them
- In case of a claim, customer informs the Azuri call center and submits the required documents
- Azuri forwards the documents to APA and after approval claim payment is paid to client by Azuri through Mpesa
- APA & Azuri is planning to offer agriculture insurance during 2020 Long rains



Church Organisation

- Catholic Diocese of Kitui (CARITAS) is a church organisation working in various parts of Kenya
- CARITAS has a development arm which works with farming community very closely
- APA in partnership with World Food Program (WFP) is offering Area Yield Index Insurance Program since 2017 through CARITAS
- In the beginning of the season, Community meetings are organised and all partners join these sensitization meeting to discuss the crop insurance with farmers
- Once the sales window is open CARITUS & WFP enroll the farmers under the program
- CARITUS also support APA during the Crop Cuts exercise
- Once a payout is confirmed, Community meetings are organised to explain farmers how claim has been calculated



NGO

- One Acre Fund (OAF) is a nonprofit social enterprise working with more than 300,000 farmers in various parts of Kenya
- OAF supplies smallholder farmers asset-based loans, Input deliveries, Trainings and market facilitation
- OAF has huge staff on ground for enrollment, training and crop cuts
- APA is covering these farmers under Govt sponsored crop insurance scheme
- The insurance is bundled in the membership
- Enrollment data is shared by OAF in the beginning of each season with APA
- OAF does the crop cutting experiments on ground and APA audits the same
- In case a payout triggers APA pays to OAF and OAF transfers payout via M-pesa to farmers

ONE ACRE FUND



IMPACT

PayGOSolar - Reached 50,000 rural household and insured 15,000 customers so far under Hospicash and property insurance

NGO – Insuring 300,000 farmers annually under Kenya Agriculture Insurance Program. These farmers are also covered under life and Hospitalization policies

Church & Development Organisation – Insuring 10,000 annually farmers in Arid areas

Village Representative & County Coordinators – Insuring 50,000 farmers and pastoralists through this channel



Awareness & Training



Kenya Agriculture Insurance Program

Kenya Agriculture Insurance Program (KAIP) was created by the Government of Kenya and the State Department of crop development to protect farmers against losses suffered due to crop failure on account of yield shortfall. The program is implemented by 7 insurance companies in 33 selected counties. The Government will subsidize 50% of your insurance premium for maize when you insure crop under KAIP.

What is covered?

This program covers yield shortfall of maize below the historical average yield in a Unit Area of Insurance (UAI).

Farming areas are divided up into insurance units (UAI) - if actual production in the UAI falls below its threshold, all farmers who have enrolled for KAIP in the UAI receive payout. This is known as Crop Area Yield Index Insurance (CAYI).

How this program works

Each UAI has an average historical yield expected per crop, based on that, the value of your insurance is calculated. Each UAI will have a different premium price for each crop. The maximum number of acres for which the Government will subsidise your KAIP premium is limited and varies as per UAI. However, if you work, you can pay the full KAIP premium and cover your additional acreage.

Period of Cover

This is a seasonal cover. It starts when the season begins at the onset of rains and ends when the crop is ready for harvesting.

How and When to enroll under this program

The program will be publicized through various platforms like newspaper, Ministry of Agriculture Offices, radio and by posters with detailed information about enrollment opening and closing dates, however you can get more information from your nearest Ministry of Agriculture Office or any of the following insurance companies offices within your locality.

Partners

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