

Summary

Microinsurance Conference 2008

5–7 November 2008,
Centro De Convenciones y Exposiciones
Cartagena, Colombia



Session 6 – Capacity building for financial literacy

Michael McCann, Mutual & Federal, South Africa
Microinsurance and the link with consumer's financial literacy

It is becoming increasingly clear that consumer financial literacy is a vital aspect of microinsurance. Consumers in this space are very vulnerable. Financial literacy not only leads to informed consumers empowering them to make the right decisions for their unique situations, but also provides the confidence that consumers need to use microinsurance and other microfinance products as tools to improve their lives.

The South African Insurance Association (SAIA) has been active in the microinsurance and consumer financial literacy fields since 2004. In accordance with the Financial Sector Charter, all financial institutions in South Africa are required to meet certain requirements with regards to making available appropriate products to the lower income groups in South Africa. They are also required to spend 0.2% of their after tax profits on consumer financial education. The SAIA represents 54 non-life insurance companies in South Africa and has been managing, leading and facilitating efforts of our members companies with regards to both improving access to financial services and successfully implementing consumer financial literacy projects for the lower income groups. These consumer financial literacy projects have provided excellent insight into the need for, and the value of, consumer financial literacy projects in the lower income groups.

The SAIA would like to share its practical experience in this field with the delegates to the next Microinsurance Conference.

Key messages:

The importance of consumer financial literacy in the microinsurance space

Practical experience for the South African Insurance Association in this field.

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