

## FEASIBILITY STUDY – FACTSHEET

<b>Feasibility Study</b>	<b>SCBF FSW-10: Kenya Housing Microinsurance Feasibility Study</b>
<b>Country / Region</b>	<b>Kenya</b>
<b>Partner Financial Institution</b>	<b>Kenya Commercial Bank</b>
<b>Grantee</b>	<b>Habitat for Humanity International</b> , endorsed by Swiss Re
<b>Overall Budget</b>	CHF 147'000 (27% self-contribution)
<b>SCBF Contribution</b>	<b>CHF 106'872</b> (73% SCBF funding share)
<b>Date of Approval</b>	06.05.2014
<b>Duration</b>	09.2014 until 03.2015
<b>Context</b>	<p>Thanks to the efforts of many players, financial inclusion in Kenya has improved over the past years. In particular, the proportion of the adult population using different forms of financial services has risen to 66,7% in 2013 compared to 41,3% in 2009. People are moving towards the use of broader portfolios of financial services.</p> <p>As a stand-alone policy, however, property and housing microinsurance is uncommon in Kenya specifically and Africa generally. The primary impetus for this study, and the innovation in pro-poor financial services that is sought, is a viable insurance strategy for addressing this deficit and improving low-income populations' access to formal risk mitigation measures for housing loss. Kenya Commercial Bank (KCB)'s size and scope offers a great opportunity for exploring distribution through financial institutional channels.</p>
<b>Current Status of the MFI</b>	KCB is East Africa's largest commercial bank. Having started in Mombasa in 1896, it has operated for over 117 years. The KCB group is represented in six countries and has a total of 177 branches in Kenya. KCB launched a microcredit unit in 2008 as a strategy to expand the bank's market share by offering innovative solutions to the unbanked, economically active segments of the population. Its entry into housing microfinance in 2014 is meant to deepen its outreach to excluded market segments. The support offered by SCBF addresses key barriers to developing a novel and innovative product like housing microinsurance, such as uncertainty around demand and the lack of capacity, skills and pricing data at the institutional level.
<b>Objective and Main Activities</b>	The study's purpose is to determine the business case for housing microinsurance for low-income homeowners in Kenya and explore distribution strategies through KCB and other financial institution channels. The study will include a 1) market mapping report that investigates the supply side of property microinsurance in Kenya; 2) demand-side research to explore the property risks KCB's clients face and how they cope with shocks as well as to investigate their demand and willingness to pay for housing microinsurance; 3) preliminary product prototype design and validation. Upon project completion, KCB and other financial service providers will be in a position to rigorously assess the potential of housing microinsurance and engage in a comprehensive product development and piloting process, if the study points to success.
<b>Next Steps</b>	If there is evidence of a market opportunity, considerable demand and a feasible institutional delivery model, the next step will be to enter a formal product development process with institution(s) who demonstrate an eagerness to capture the market. Scaling up and replicating successful housing microinsurance products is the ultimate goal of the process initiated by this feasibility study, so bringing in additional financial institutions into the market and delivering these products to clients is a priority for Habitat for Humanity International.