

# Financial education campaign for microinsurance, risk transfer mechanisms and savings-linked malaria insurance by Stonestep and VisionFund in Myanmar

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## 1. FINANCIAL EDUCATION (FE) CONTEXT

The Myanmar government has been increasingly focusing on financial inclusion as a strategy to reduce poverty over the past years. Myanmar supports the development of various affordable, quality, and effective financial services. The usage of formal financial services increased from 30% in 2014 to 48% by 2018, and adults using more than one financial product from 6% to 17%. Adults are now less dependent on only informal financial services, with 48% of adults being formally served and 50% informally served. These results are largely due to the growth within MFIs and Cooperative sectors. Another noticeable trend is the growing phone ownership and emerging mobile money uptake, which provides an opportunity to reach low-income populations through new distribution channels.

Overall, 83% of the population is not able to plan their finances, mostly due to lack of income. Major and unexpected expenses are still financed through savings and borrowing from friends and family. Furthermore, most of the population faces considerable financial risk but experience barriers to take up insurance, including high fees of insurance and insufficient education on the benefits of insurance. Traditionally, risk is being mitigated by ensuring households have access to assets such as savings, gold, jewelry or livestock, which can be accessed or sold in case of unexpected financial expenses.

Myanmar's Ministry of Finance and Revenue helps coordinating customer education and customer protection measures to ensure that customers make the best use of services and their trust in providers is protected. Furthermore, the capacity of financial institutions operating at micro level is being built to better serve low-income populations by offering relevant products through accessible distribution channels. Reform of several institutions, including government banks, microfinance institutions (MFIs), cooperatives and others, results in better coordination, delivery of services and customer education.

## 2. INTERVENTION APPROACH

### Financial literacy needs assessment

The lack of understanding of insurance and its benefits is a major obstacle to the expansion of microinsurance in Myanmar. Awareness of risk transfer is extremely low. Therefore, insurance education is an integral part of microinsurance schemes, a win-win solution that should add value to clients and providers and contribute to good practices and consumer protection. Stonestep's consumer survey conducted in December 2018 of VisionFund Myanmar's (VFM) clientele shows that they have a very low understanding of insurance and its benefits and digital literacy in general. Only 3% of VFM respondents were confident that they understand what insurance is, and less than 1% had ever bought insurance.

The FE campaign closes this gap with activities to improve the financial literacy of VFM staff and their clients, educating them about the basics of insurance its benefits. Keeping in mind that insurance can aid the resilience of the poor and drive financial inclusion, capacitation of partner staff and promotional activities enables low-income clients of VFM (86% whom are women) to better understand key insurance concepts, insurance products features, how to file claims, etc. Therefore, the FE campaign will help VFM clients to be able to understand and make use of the insurance product (Malaria Benefit) provided to them. The FE establishes the baseline and foundation to offer more complex products in the future.

### Main activity areas (goal, targets, resources & time frame) and outputs

The pilot provided Malaria Benefit to any VFM client with an active savings account at no additional cost. The Malaria Benefit package, as improved savings product, consisted of a maximum reimbursement of MMK 50'000 (CHF 33), which is paid to clients based on proof of diagnosis. Malaria Benefits were chosen in line with the Government of Myanmar's (GoM) plan to eliminate malaria. From September 1<sup>st</sup>, 2019 until January

31<sup>st</sup>, 2020, the improved savings product has been rolled out in the following 15 VFM branches: Pathein, Myan Aung, Hinthada, Ingapu, Myaung Mya, Maubin, Wakema, Einme and Pyapon (Ayerawaddy region), Wetlet, Monywa and Shwebo (Sagain region), Demoso and Loikaw (Kayah state).

The main activities and outcomes in this financial education project are:

- a) **Development of FE materials** to introduce the improved savings product (Malaria Benefits), general (Micro)Insurance, product specific materials (brochures, posters, terms and conditions, claim forms), operational processes for the Malaria Benefit product upscaling, and customer service support for any customer queries.
- b) **Capacity building / training materials for VFM branch staff and clients.** 100 VFM staff to receive face-to-face trainings (train the trainer) on the concepts of the malaria cover, risk transfer and microinsurance. VFM staff in turn would train 30'000 VFM clients (85% women). To introduce the FE contents of this campaign to VFM Clients, Stonestep leveraged the existing disbursement sessions where VFM Branch staff provide FE (loans and savings) to new clients.
- c) **Five animated video stories educating low-income customers about risk and insurance**, each approx. 60 seconds in length.
- d) **Digital education campaign** using the animation series through Facebook to increase microinsurance awareness, general information, and specific product information. Facebook is the primary channel for information sharing in Myanmar and a great platform for sharing educational videos. Stonestep promoted its videos on VFM's page which reached 10'000 people.
- e) **Establishment of a Stonestep customer service line** using VFM's preferred telecommunications mobile provider (MPT). The customer service line operated on business days (Monday to Friday), 9 AM to 5 PM for clients to call about claims and general questions.

### Additional funders

Since July 2018, Stonestep is the recipient of a 2-year matching grant (Business Innovation Window) by the DaNa Facility, a DFID program in Myanmar. Some of the funds were used to cover the product upscaling costs of the Malaria Benefit that the SCBF FEW supports and complements, such as promotional materials and training expenses (CHF 2'898.50) and animated video stories expenses (CHF 8'668.74).

### Partner financial institution(s)

VFM is one of the largest, longest serving, and most strategically positioned MFIs addressing the financial needs of the poor in Myanmar. VFM is serving over 214'000 clients in 67 townships in Myanmar. Target clients are rural underserved women and disadvantaged populations in Myanmar (86% women, 61% from rural areas). It offers lending with a total loan portfolio of USD 70m and USD 10m in savings (291'152 compulsory Savings Accounts).

VFM has a team of over 900 staff in Myanmar. As part of VisionFund International's global network, VFM benefits from technical backstopping support, monitoring, oversight and a global set of standards from regional and global experts.

## 3. RESULTS ACHIEVED AND NOT ACHIEVED

### Client level

Upon project completion, our targeted outputs were successfully achieved. As part of the training campaign, 268 VFM staff received on-site training of trainers (ToT). One month after the ToT workshop, an online refreshment training was provided for all branches. The training package included information about microinsurance and the malaria benefit package specifically, as well as promotional techniques. **From July 1<sup>st</sup>, 2019, to January 31<sup>st</sup>, 2020, 41'679 VFM clients attended the orientation session to be informed about the Malaria Benefit by the VFM branch staff that had been trained by Stonestep**, surpassing the originally intended 30'000 clients. VFM staff used promotional materials such as posters (30 printed and delivered) and brochures (90'000 printed and delivered) to support their knowledge sharing to VFM clients.

As part of this project, Stonestep put together a digital financial campaign for VMF to reach the 10'000 clients projected at the beginning of the FE project. To support that effort, Stonestep successfully developed five animated video stories to support the introduction of microinsurance, the Malaria Benefit and future insurance

products. Additionally, five Facebook posts were published to focus on some elements of the Malaria Benefit package and to provide as much information as possible to potential clients. Myanmar population uses Facebook as their main source of information, and to make sure that the videos and the posts were seen by the targeted population, a Facebook promotional campaign was set to target women, from 25 to 60 years old, from the areas of Ayeyarwady, Sagaing and Kayah. These criteria match the profile of VFM clients that were targeted by the Malaria Benefit program. The educational animated video campaign was a success and surpassed the milestone set 37 times. **A total of 377'000+ people reached by the video and the posts. The main video story reached 292'000+ people, 91'000+ unique viewers, 66% women and 80% of them from the selected areas.** The video can be seen here:

<https://www.facebook.com/watch/?v=538411070242172>

After the project implementation phase, a final survey was conducted to determine client understanding of the Malaria Benefit as well as satisfaction and future needs. The answers of 425 VFM clients helped us to better understand the impact and success of the project.

59% of the VFM clients surveyed had knowledge of the Malaria Benefit. During the needs assessment, it was discovered that only 42% of the VFM clients knew of the existing insurance benefits that had been provided for over two years (credit life benefits which are compulsory when obtaining a loan). Therefore, 59% is a great success given that it was a new product which had been introduced less than six months before the survey.

Of those who had received knowledge about the Malaria Benefit, 74.6% had heard about it during the disbursement session, and 63.3% through a VFM staff. Whereas only 20% stated that they had seen a brochure. This was still more than any of the other promotional material. Nevertheless, the survey shows that clients strongly prefer 1-on-1 interactions when being explained a new product.

In terms of product specific knowledge, most of those who had knowledge of the Malaria Benefit understood the details of it. 67% knew that the Malaria Benefit covered both the client, their spouse and children under 18 years old, as well as the total claim compensation of MMK 50'000. A similar number of clients (65%) also knew that as part of the product campaign, Malaria diagnosis and treatment were provided for free at those hospitals and clinics selected for the project. Finally, 80% knew that in the event of a claim they need to get in contact with a VFM staff in their designated branch.

The survey included several questions to determine client's satisfaction. The first one inquired about the benefit offered (MMK 50'000) and 42% of the respondents felt that the benefit was moderately enough, while 55% said it was not enough. In addition, 91% of the respondents would recommend their friends to open a savings account so they could get the Malaria Benefit. Moreover, when asked about the satisfaction level upon Malaria Benefit, on a scale of 1 to 5 (5 being the highest), 44% answered that their level of satisfaction was 5 and 43% responded 4. Finally, when asked how much they would be willing to pay for the Malaria Benefit, 21% said that they would be willing to pay more than MMK 1'000 or more, 35% MMK 1'000 MMK and 21% MMK 500. The remaining 23% responded that they do not want Malaria Benefit (note that the Malaria Benefit is priced at MMK 179 per family) which allows us to determine that the clients were interested in the product (and / or similar products) and that the information will be very useful to determine new product offers.

### Client profile: Thin Thin Aye

Thin Thin Aye is 36 years old and lives with her family in Loi Kaw, Kayah state. She sells flowers for a living. Thin Thin Aye said "After I attended the training provided by VisionFund Myanmar, I'm always cautious my family does not get malaria. Since I learned that we need to get enough sleep and not get bitten by mosquitoes, I shared this knowledge with my friends. My husband once experienced malaria while he was working in the forest. I was not aware that people staying in the forest get the disease more easily, especially during the rainy season."



Figure 1: Thin Thin Aye in her flower stand

“The benefits of joining the training are that we learned about the severe disease conditions and symptoms such as vomiting, dizziness and high fever. Now that we are fully aware of the risk of malaria and the consequences of infection, we take precautionary procedures such as keeping a clean house, sleeping under a mosquito net, spraying insect repellent inside and outside of our compound, and eating healthy food to strengthen our immune system. Our family can take all the above prevention measures because we were able to invest in our business and earn enough income to take necessary malaria precautions.”

### Client profile: Kyaw Kyaw Lin

U Kyaw Kyaw Lin (30 years old) is a young father who lives with his wife and their one-year-old son in Pyapon Township, Ayeyarwady region. The family makes a living with their betel quid shop and has been an active client of VisionFund Myanmar (VFM) for their needs of capital investment in their shop since 2018. Kyaw Kyaw Lin received malaria awareness home-based training conducted by VisionFund Myanmar (VFM) while applying for his third-cycle loan. He got to know about malaria, its consequences and how to protect his family from contracting the disease. That same session, Kyaw Kyaw Lin learned about the various social benefits he was eligible for as a VFM client, including the MMK 50'000 reimbursement should he or his family contract malaria. He took his learnings back to his community and taught his neighbours to sleep under a mosquito net, to clean inside and outside of their house, and the social and medical benefits of being VFM client. In August 2019, Kyaw Kyaw Lin's wife contracted malaria and had to be admitted to Pyapon District General Hospital. After discharge, he filed for medical benefits showing his wife's medical records and VFM membership, and got reimbursed the same day. The family is happy they did not experience any barrier to get treatment and could avoid financial hardship due to high out-of-pocket costs. Instead, they could allocate their capital to invest in their business, food and their son's health. VFM and Stonestep's malaria benefit program was very helpful, not only sufficient for malaria medication but also for having nutritious food for his wife's speedy recovery.



Figure 2: Kyaw Kyaw Lin's wife and son

### Partner financial institution/s level

VFM provides financial inclusion for families and individuals to have access to useful and affordable financial products and services that meet their needs – financial literacy, saving, formal credit, and digital literacy. From August 2019 through January 2020, VisionFund Myanmar (VFM) extended financial services in Ayeyarwaddy and Sagaing regions and Kayah state, along with the partnership efforts of Stonestep. VFM offers lending through its network of 15 branches in Ayeyarwady, Sagaing, and Kayin. The performance of these branches is found to be significantly progressing over the project lifespan.

In August 2019, the Ayeyarwaddy branches served 43'958 clients with a total disbursement of MMK 16 billion, which increased to 49'204 clients and MMK 20 billion disbursement by the end of January 2020. Overall, more loans were granted to women than men (75% of total portfolio) and 81% of the clients were women. In Sagaing region, the amount of loans disbursed increased from about MMK 6.5 billion to 8.3 billion (22% increment), with a 13% increase to 19'768 active clients. 86% of the clients were women, receiving 80% of the total disbursement. Nearly 100% of loan disbursements were contributed to economic growth of the country, with 99.95% of the loans used for business capital investment. In the two branches in Kayah State, the number of clients nearly remained the same, i.e. increase of 4'600. Disbursement went up about MMK 300 million, from over MMK 2 billion in September 2019 to over MMK 2.3 billion in January 2020. Similarly, female clients accounted for 76% of the total clients and 71% of the disbursement were granted to women.

Financial access facilitates day-to-day living and helps families and businesses plan for everything from long-term goals to unexpected emergencies. Increasing income or overcoming poverty can lift other basic needs: education, health, and consumption through an extended VFM loan portfolio. VFM collects information for all clients on odd loan cycles. As of January 2020, the branches have grown to provide affordable and sustainable financial services to 107'914 active clients, 86% of whom are women. On average, about 74% of clients served in August 2019 were below the USD 2.5 / day poverty line, while 73% by the end of January 2020 in Ayeyarwaddy, Kayah, and Sagaing.



From August 2019 until January 2020, the amount of total savings increased from MMK 3.7 billion to over MMK 4.4 billion, with savings deposited by female clients accounting for nearly 80% of the total deposited value. Throughout the project, the number of savers grew from 82'000 to over 105'000. Cumulatively, it is noteworthy that the total average money saved by male clients (MMK 2.1 million) was more than that of female clients (MMK 1.7 million).



Figure 3&4: VFM Branch in Myan Aung, Ayerawaddy and Disbursement session in Pathein, Ayerawaddy



Figure 5. Stonestep trainer, Chaw Su Htwe, facilitating a training in the Wakema VFM Branch



Figure 6. Myaung Mya VFM Branch staff attending Train the Trainer Workshop



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### Malaria Benefit



**50,000 MMK**  
Medical Cash Assistance upon diagnosis of Malaria  
Free Malaria Test & Treatment in selected clinics (see backside)



**Family Members**  
VFM Client, Spouse & Children




**3 Months**  
Immediately starting upon loan contracting

### Claim Process


**Claim Assistance**  
If you have questions, please contact us  
Contact : 09 898 988 448 (MPT)  
Operation Hours : 9 AM To 5 PM (Mon ~ Fri)

**Claim Process**  
Step 1 : Contact the credit officer of your branches  
Step 2 : Present  
(A.) Malaria claim form  
(B.) Malaria certificate of PSI Sun Clinic Network.


If you feel below signs and symptoms you may be suffering from Malaria



High Fever



Shivering & Chills



Headache

Follow these steps:

Step 1. If you suffer above symptoms, consult with a licensed doctor (or) health-care professional from participating PSI Network Clinic within 24 hours.

Step 2. The PSI Sun Network Clinic will provide a free Rapid Diagnosis Test if necessary.

Step 3. In the event of a positive Malaria Case, the PSI Sun Network Clinic's Doctor will provide free Malaria treatment.

PSI SUN Clinic Network Information

**Dr. U Thuang Tin Clinic**  
Address : No.35, 10-11 U Sanda Road, Kyauk Lat, Ayeyarwady Division  
Open Hours : 7:00 Am - 12:00 PM / 4:00 PM - 8:00 PM

**Kumudra Clinic**  
Address : No.296, Lan Ma Daw Street, Kyan Kin, Ayeyarwady Division  
Open Hours : 7:00 AM - 11:00 PM / 4:00 PM - 8:00 PM

**Myit Tan Mon Clinic**  
Address : No.814, Inn Ga Pu Road, Thohn-gin-kwin Quarter, Hinthata  
Open Hours : 8:00 AM - 12:00 PM / 5:00 PM - 8:00 PM

**Yu Ya Aung Clinic**  
Address : No.65, Say Yone Road, Beside Shwe Thu Kha Hotel, Wakema, Ayeyarwady, Division.  
Open Hours : 7:00 AM - 11:00 AM / 5:00 PM - 8:00 PM

**Tha Pyay Phyu Clinic**  
Address : No.8, 8th street, Myaungmya, Ayeyarwady Division.  
Open Hours : 8:00 AM - 12:00 AM / 3:00 PM - 8:00 PM

Figure 7. Ayeyarwaddy region Brochure (English version only for reporting, the original brochures were in Myanmar Language)

## 4. LESSONS LEARNT

The FE campaign has been successfully designed and implemented. The FE successfully provided mass training at all VFM Branches, and delivered FE to VFM clients through digital channels, facilitating the introduction of insurance to first-time takers. The coordination between Stonestep and VFM to organize the trainings for VFM staff (in a way that would not add to their existing workload) played an important role in its success. The project team has been able to plan logistics to provide trainings to the 15 different locations at the date and time requested by VFM in the minimum amount of working days possible (10 working days total) to minimize the disruption of the main tasks and achievements needed to be accomplished by VFM staff. In addition, the training materials and subsequent online refreshment trainings kept in mind the need to minimize workload and had a great impact in the quality and amount of information provided to VFM clients.

The digital campaign reached a total of 377'000 people, and the Malaria Benefit video-story had 91'000 unique viewers. The channel chosen (Facebook), being the most popular source of information in Myanmar and the innovative video-stories, described the product in a way that clients, and potential clients, could understand and relate to where the key factor of the digital campaign's success lies. Even though it is not possible to track whether the targeted VFM clients watched the videos, the high viewer number does clearly demonstrate that Facebook has proven to be a very effective tool to reach out to new and in particular also more tech savvy customers. This is interesting for MFIs that are aiming to digitalize their operations and client services as a way to optimize the use of resources.

Our client evaluation survey among 425 VFM clients showed that 59% knew about the Malaria Benefit package, of whom 67% could remember the terms and conditions of the package. 55% of the surveyed clients also indicated that the reimbursement of MMK 50'000 MMK would not be sufficient to cover all medical costs for malaria treatment, although 42% thought it was moderately enough. In this case, what worked best besides the 90'000 brochures distributed, was to provide VFM staff a 1-minute script template that they could adapt and be able to use effectively and with enough confidence to transmit the product information to the clients.

Altogether, the project outputs add up to a positive achievement of our campaign, especially considering the relatively short implementation period. Since Stonestep and VFM were able to train more VFM staff and reached more people through the digital campaign than initially planned, a higher cost-effectiveness than anticipated was achieved. This will provide an opportunity for Stonestep and partners such as VFM to continue using the structures created to provide FE to PFI customers and introduce new financial resilience products.

## Recommendations

One of the main challenges experienced by credit officers is the amount of information that needs to be provided to clients in a limited time during the "orientation sessions", especially since the focus of VFM officers still lies on loan repayment and savings. Most clients learn about the Malaria Benefit from the orientation sessions and 1-1 interactions with VFM staff. Therefore, it is strongly encouraged for future interventions to assign performance indicators to PFI staff to ensure trainings are prioritized and to provide PFI staff with adequate tools to transmit information to clients in the easiest and quickest way.

Although most VFM clients responded they prefer 1-on-1 interactions when receiving information, this project's digital campaign demonstrated that Facebook has proven an effective tool to reach out to new and more tech-savvy customers. This is interesting for MFIs that are aiming to digitalize their operations and client services as a way to optimize the use of resources.

Finally, a strong demand for affordable health insurance among MFI clients was noticed based on the amount of interest in the Malaria Benefit product and the fact that most of them were willing to pay up to five times the actual product price. MFIs are encouraged to link new product offers to nudge their clients to take on more loans or increase their savings amounts to consider a roadmap with appealing products. The product roadmap should combine both what Stonestep calls "Nudge products" which would encourage a certain action by the MFI client, and a subsequent phase moving towards paid products when being certain that the interest of clients for purchasing those products exists.