

2021-06 | Scaling-up micro-health in-patient product through better understanding of target segments and behaviourally informed digital distribution efforts

Partner Financial Institution:	Britam General Insurance	SCBF Contribution:	CHF 73,150 (74%)
TA Provider:	CENFRI	Matching Contribution:	CHF 26,163 (24%)
Country:	Kenya	Theme:	Health
Duration:	September 2021 – September 2023	Product:	Health Insurance
Potential Outreach:	6188	Target Group:	Low-income clients
Thereof Women:	2846 (46%)		

CONTEXT

In sub-Saharan Africa, households bear a disproportionately high burden of healthcare expenses due to low government spending and poor health insurance penetration. In 2015, government health spending made up to 60% of the total health spending globally, but it was only 34.4% in sub-Saharan Africa. The situation is further aggravated due to the low private health insurance penetration in the region. For example, in Kenya health insurance coverage stands at 17% and is especially concerning for low income households where insurance coverage is even lower (3% in the poorest quintile compared to 42% in the richest quintile). To improve this situation, the Government of Kenya's Vision 2030 outlines several key goals for financial services, including greater access and improved efficiency in delivery. This includes a focus on improving infrastructure, strengthening service delivery and developing equitable financing mechanisms to make quality healthcare affordable for all Kenyans.

The current project aims to contribute to this vision by developing an innovative health microinsurance product distributed digitally. Currently, Britam is the largest microinsurance provider in Kenya that has partnered with Carepay. CarePay are a company focused on providing customers in developing countries with access to affordable, quality healthcare through the company's M-TIBA platform. Scaling up of this product will provide a greater share of the Kenyan population with private healthcare and provide a base case to achieve similar objectives in other settings.

CURRENT STATUS OF THE MFI

Britam is a diversified financial services group with a footprint across seven eastern and southern African countries offering life, non-life, health, micro, investment and pension products. Britam's institutional shareholders include IFC, Swiss Re, and AfricInvest.

In 2007, Britam launched its first microinsurance product and over the past 11 years, they have established a profitable, independent business unit, Britam Emerging Consumers, which is the leading microinsurance provider in Kenya, covering more than one million lives in 2020. Britam offers health, funeral, credit-linked, accident and property microinsurance products mainly targeted at low income households, informal workers and small businesses. Since 2015, Britam has paid in excess of US\$ 25 million in microinsurance claims.

OBJECTIVES AND MAIN ACTIVITIES

The aim of this project is to ensure that the microinsurance health solutions underwritten by Britam Microinsurance and distributed by CarePay are appropriately tailored to the different needs and segments of CarePay's customer base of 250,000 individuals. This will be tackled from both the supply and the demand sides, firstly by developing a sustainable health insurance product that drives more insurers to enter into the market to address supply-side constraints and secondly, by increasing demand among target clients.

The first part of the project will aim to better understand the needs and preferences of CarePay's target segments through desktop research, data analysis, one-on-one customer journey engagements and a series of focus group discussions. Tweaks to the product based on the findings will then be identified, tested and integrated. The second part of the project will aim at monitoring and scaling up the improved product. Upon project completion, the financial institution should be in a position to effectively and sustainably reach and service low income households with health insurance solutions.

Partnering with:

