

2021-04 | Delivering Housing Impact Insurance in Kenya

Partner Financial Institution:	Britam General Insurance Company (K) Ltd.	SCBF Contribution:	CHF 117'856 (80%)
Grantee:	Nadacia Habitat for Humanity International	Matching Contribution:	CHF 30,281 (20%)
Country:	Kenya	Theme:	Housing
Duration:	June 2021 – December 2023	Product:	Insurance
Potential Outreach:	75,000 (policies sold)	Target Group:	MSMEs
Thereof Women:	n/a		

CONTEXT

The low-income market in Kenya is typically unfamiliar with property insurance, therefore, the insurance solutions need to be client-centric as well as cost-efficient in the long-term. Vision 2030, Kenya's long-term development blueprint, aims to transform the country into an industrialised middle-income country with high quality of life, with goals including delivery of 500'000 affordable housing units, and deepening financial markets focusing on enhancing effective access to financial services and improving efficiency while maintaining financial stability, including access to insurance.

The main output of this project will be the design, development and launch of a new innovative property insurance product and bundled services, to benefit low-income households. The key innovation will be the digitization of the services and solutions offered. Britam will increase the financial resilience of those who successfully use its new risk management solutions to protect their properties. If successful, the solutions are likely to be replicated by other insurers, allowing for growth of property insurance solutions.

CURRENT STATUS OF THE MFI

Britam is currently the largest microinsurance provider in Kenya with 41% share of the nascent microinsurance sector. Its team focuses on delivering client-centric solutions for low-income and low-middle income households. Britam has several product lines including life insurance, general insurance, pension management, asset management and property management across seven countries in Africa, with eleven branches across Kenya. The support from SCBF allows Britam to pilot new, innovative and experimental products with high potential of future replication.

OBJECTIVES AND MAIN ACTIVITIES

This project is a follow-on to the SCBF-funded Kenya housing microinsurance feasibility study (FSW-10) which uncovered ten product concepts worth exploring for product development and upscaling. The aim of the project is to design and scale-up a property risk management solution targeted at the low-income market in Kenya. The main milestones of the project include market research and product prototype design, pilot implementation, final product rollout and scale-up throughout 2022. At the same time, a digital claims solution will be employed at the back-end. This end-to-end digital approach (from digital distribution to claims management) is expected to address historical inefficiencies and unlock this untapped market potential.

Upon project completion, the financial institution should be in a position to offer new, efficient and sustainable property insurance solutions and services, with 75'000 policies sold.

Partnering with:

