

2022-14 | Scaling uptake of value-added hybrid micro-health insurance amongst informal sector (gig) workers and smallholder farmers

Financial Sector Partner (FSP)	APA Insurance Limited	SCBF Contribution	CHF 129'716 (57%)
Grantee/TA Provider(s)	Democrance DMCC, Ilara Health, Emerging Markets, Paa	Matching Contribution	CHF 65'000 (29%) - FSP CHF32'420 (14%) - Grantees
Country	Kenya	Theme	Financial resilience
Duration	Nov 2022 – Apr 2024	Product	Health insurance
Potential Outreach	22,500 policyholders (covering 90,000 lives)	Target Group	Low-income clients
Thereof Women	32%		

CONTEXT

According to the [2021 Fin-Access National Survey](#), only 23 out of every 100 adult Kenyans had access to health insurance. This is a 16% decline from 2019, meaning that almost a fifth of Kenyans who previously had health cover opted out of insurance due to reduced household incomes in the midst of the COVID-19 pandemic. 83% of those who had health insurance were using the National Health Insurance Fund (NHIF). Given the high proportion of inactive accounts, it is likely that many of those who reported as being subscribed to the NHIF had lapsed into arrears and were not effectively covered. The use of financial services does not, however, match the usage of insurance services in Kenya. There are 54 insurance companies in the industry with an annual gross written premium of about US\$2.2B. The penetration of insurance stands at 2.37% contribution to the GDP (AKI, 2019).

This project will allow implementing a hybrid capitation and in-patient benefit, covering the clients' outpatient treatment costs through grass-root health clinics managed by Ilara Health. The solution will focus on deploying unique healthcare models to control high outpatient claim costs and subsequently lower premium charges, and work on perfecting the capitation and telemedicine models is already underway. Additionally, the project will seek to address the increasing prevalence of non-communicable diseases, such as cardio-metabolic diseases, in Kenya.

In Kenya, health insurers generally limit or exclude coverage for chronic conditions. Therefore the team has adopted a more preventative approach towards healthcare. A comprehensive wellness programme will be included to guide clients, especially those affected by (or at the borderline of) chronic diseases, on how to acquire the knowledge, attitudes, skills, behaviour, lifestyle management and commitment required to efficiently manage their health.

CURRENT STATUS OF THE FSP

APA Insurance has been at the forefront of insuring and protecting the mass population in Kenya. It has leveraged innovations in introducing and expanding these solutions, through strategic partners like micro-finance institutions and aggregators. For its insurance clients, APA has also developed wellness and chronic disease management programmes in partnership with telemedicine and other service providers, to help clients manage these conditions, with a plan to reach an additional 10,000 people with chronic health conditions. The support from SCBF will enable APA advance its digital insurance distribution, to help under-served clients address their health needs.

OBJECTIVES AND MAIN ACTIVITIES

The support from SCBF will enable strengthening financial inclusion, and building resilience against health costs for low-income communities in Kenya. This is aligned with the Government of Kenya's 2030 Financial Inclusion Strategy to ensure that every person in Kenya is financially included, to increase their resilience against risks beyond their control, for instance by boosting access to affordable healthcare. The project plans to reach 22,500 policyholders during the two-year duration, with a focus on operational efficiencies through use of improved technology powered by Democrance, increase social protection and financial literacy.

Partnering with:

