

In Focus: (Micro-)Insurance Awareness

Promoting Insurance in Ghana - PromIGH

Subject

Policymakers and other stakeholders from the insurance sector in developing and developed countries are increasingly recognizing the importance of promoting financial literacy and investing in financial education and awareness programmes. Although markets often already have a variety of insurance products, a lack of insurance awareness often impedes the purchase of insurance covering basic risks (health, accident, death, etc.) or may lead to the purchase of inappropriate products by low-income households.

In order to foster demand for customer-oriented insurance products, GIZ supports its partners in increasing insurance awareness. The term “insurance awareness” refers to the knowledge and understanding of insurance concepts, types and companies in general and knowledge about microinsurance in particular. Moreover, it encompasses the perception of the concept of insurance and insurance companies amongst the population.

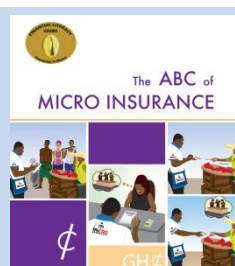
Challenges

Ghana’s (micro-)insurance market has been growing constantly over recent years with insurers increasingly expanding their services to the lower-income population. The lack of understanding and appreciation of the benefits of insurance is a major challenge and impedes further outreach of microinsurance.

- There is a lack of knowledge of the purpose, function and benefits of insurance, especially with the low-income population.
- The general attitude towards insurance is poor and there is a widespread lack of trust in insurance companies.
- Insurance is perceived as a financial service for richer individuals, not accessible for poorer households.

Project name	Promoting Insurance in Ghana (PromIGH)
Programme name	Programme for Sustainable Economic Development (PSED)
Project region	Ghana
Name of component activity	(Micro-)Insurance Awareness
Duration	2009 – 2019; current commission: April 2016 – March 2019
Cooperation	National Insurance Commission (NIC)
Target group	(Potential) policyholders, especially low-income households and individuals working in the informal sector
Local partner	Ghana Insurers Association (GIA)
Documentation	https://www.youtube.com/user/ProMiGH http://www.microfinancegateway.org/library/microinsurance-awareness-pilot-campaign-findings-and-recommendations
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- These attitudes, low levels of trust and knowledge contribute to low insurance uptake – mostly among individuals with the highest vulnerability to various kinds of risk (low-income individuals and those working in the informal sector).



Key messages of the Insurance Awareness Campaign:

“Insurance may be good for you”

“Insurance may be affordable for you”

“Know your responsibilities”

“Know your rights”

- Lack of understanding of the basic terms and conditions of policies may lead to individuals choosing products that might not benefit them and thus build wrong expectations about pay-outs and benefits. This consequently leads to low levels of consumer satisfaction and negative word-of-mouth, further impairing trust in insurance and insurance companies.

Solution

The cooperation project between the National Insurance Commission (NIC) and GIZ together with the Ghana Insurers Association (GIA) planned and implemented a multi-channel insurance awareness campaign in four selected pilot districts. The campaign focused on addressing knowledge gaps and improving attitudes towards the concept of insurance and insurance companies. The campaign was targeted at individuals working in the informal sector and reached over 20,000 participants across 20 communities. The insurance awareness campaign encompassed the dissemination of key messages on the value and affordability of microinsurance, policyholders' rights and responsibilities through three main channels, i.e. radio (drama and jingles), roadshows and community advocates:

- Radio drama: a radio drama series was aired by a public radio station in the Northern region of Ghana over five consecutive weeks on Saturday evenings.
 - Radio jingles on the four key messages were recorded in the three Ghanaian languages spoken within the pilot districts and broadcasted by seven radio stations across the four districts.
 - Roadshows were conducted in all four districts to deliver microinsurance education using a community event. Centrepiece of the roadshows was the screening of microinsurance education movies.
 - Community advocates: 66 local key stakeholders across the four districts were identified and trained in workshops to serve as local resource persons on microinsurance educational activities in their districts to support the campaign.
- The different channels were linked together by the key educational messages as well as uniform branding (logo, slogan and design).
 - Representatives from the insurance sector participated in the campaign, interacting with the target group to learn about its demands and address concerns.
 - To measure the impact of the insurance awareness activities, an ex-ante and ex-post analysis of insurance knowledge and perception amongst the population was conducted using a quantitative as well as a qualitative approach.

Lessons learnt

- The various campaign elements should be clearly linked and cross-promoted to increase outreach and maximize impact.
- Campaign efforts must focus on areas where insurance products are available and involve insurance agents in the campaign. Linking the campaign to consumer action increases the probability that insurance coverage will finally be improved. The involvement of private insurance companies helps to effectively combine awareness raising, knowledge building and consumer action.
- Campaign activities must be timed carefully to avoid conflicts with local events; campaign materials need to be localised to increase the clarity and reception of messages and roadshows should be planned in close collaboration with local leaders.
- Advocates must be involved as much as possible in the roll-out of the campaign's activities due to the importance of word-of-mouth in disseminating information and building trust.
- The positive effect of the campaign was higher for improving attitudes towards insurance (companies) than for increasing knowledge. To significantly increase knowledge, the target group's learning behaviour has to be analysed in more detail and activities have to be designed accordingly.

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