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Insurance Awareness, Customers' Needs and Satisfaction in Kenya.

A report prepared by Kantar for Association of Kenya Insurers

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AKI

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- Needs Understanding
- Satisfaction

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- Awareness
- Usage
- Needs Understanding
- Satisfaction

1
Background

Background

- Individuals are exposed to various risks daily. Life insurance and general insurance companies offer a variety of products covering different types of risks. Not only is there a deficiency of knowledge about these but also most individuals are not aware of the value that insurance, as an option, could add to their lives. While affordability and the place of insurance in the list of an individual's priority in this context are important questions, quite a few are uninsured purely due to lack of knowledge about insurance as a protection tool and details about the types of insurances that are available.

- In 2016, AKI commissioned an insurance awareness study, and the level of insurance awareness was at 44%. Since then, AKI and other stakeholders have continuously conducted awareness campaigns to raise insurance knowledge and awareness.

- According to research done in 2017 customer satisfaction index was 67%. The insurance industry has since then eased business processes through technology adoption to improve customer experience, this has involved use of market insights to improve on business models, customer engagement and claims settlement experience.

- All stakeholders have the responsibility of creating awareness. It is in this context that the Association of Kenya Insurers (AKI) engaged Kantar East Africa Ltd. to carry out a survey about awareness levels about insurance both amongst individuals and Institutions.

- In this report, are findings from the survey conducted by Kantar that focused on four main areas: Insurance awareness, Usage, Needs understanding and Customer satisfaction.

Methodology

1. **Coverage:**

   - The survey was conducted at both household level and institutions across 8 major towns, covering both rural, peri-urban and urban areas, in Nairobi, Mombasa, Kisumu, Nakuru, Meru, Nyeri, Machakos and Eldoret.

   - The sample was further split into both users [70%] and non – users[30%] for both household and institutions.

   - Agents / brokers within the industry were also targeted through qualitative research given their direct contact with customers.

2. **Sample design**

   - To generate a representative sample, probability proportion to size sampling (PPS) technique was adopted to select sampling points and recruit respondents. Sampling points were randomly selected based on the 2019 population census – this method ensures the number of interviews per sampling point is allocated based on the population size. Densely populated areas had more interviews than areas with smaller population size.

   - For each sampling point, households were randomly selected using the random walk method (left hand rule).

   - At households' level, respondents' eligibility constituted any individual aged 18 years and above. Respondent selection was done using the kish grid method.

   - For the institutions, purposive sampling method was applied with target being main decision makers within the respective institutions.

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Sample and Methodology

Sample criteria

- **Qualitative Phase**
  - Insurance Agents / Brokers

- **Quantitative Phase**

  - Individual Segment: General population with individuals aged 18 years and above
  - Institutions: Key decision makers

Methodology

- Face to face household interviews in urban, peri-urban and rural areas
- Face to face interviews with selected key decision makers in companies

Sample Size / Design

- Total sample n=1200:
  - Individual - 870
  - Institution - 330
- Interviews conducted randomly in Nairobi, Mombasa, Kisumu, Nakuru, Eldoret, Kisii, Machakos, Meru and Nyeri
- 20-minute questionnaire administered using tablets

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Research Objectives

Key Research Objective: to track overall insurance awareness and customer satisfaction levels while gaining into consumer interaction with the available insurance products and companies

Grouped the specific objectives into 4 main themes

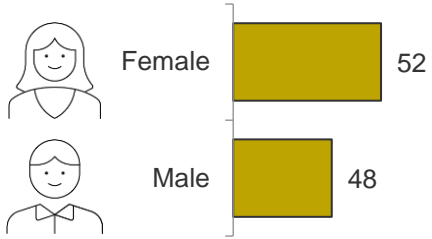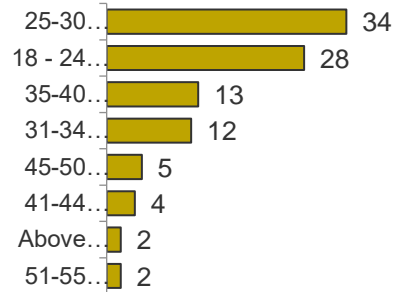| Awareness	Usage	Needs Understanding	Customer Satisfaction
For each of the different customer segments	**For each of the different customer segments**	**For each of the different customer segments**	**For each of the different customer segments**
• Level of awareness • What do they know about insurance and reasons for the same • Which products do they know the most/which ones the least and reasons for the same • Sources of awareness • Most effective/impactful sources of awareness • Drivers and Barriers of the different sources of awareness • Improvement areas for the different sources of awareness and reasons for the same	• Trends in the insurance industry and impact in choice of products • Category drivers of different insurance products • Category drivers of different insurance brands for different insurance products • Which ones have a higher uptake than others and reasons for the same • Attitudes towards different • Drivers and Barriers of the different insurance products	• Need states that exist and reasons for the same • Do the different insurance products meet the different need states experienced by customers • The extent to which the different insurance brands are meeting the different needs states experienced by customers	• Customer satisfaction levels for insurance • Extent to which digitization has enhanced customer satisfaction • Drivers and barriers of customer satisfaction • Improvement areas

2
Individual Segment

Sample Profile

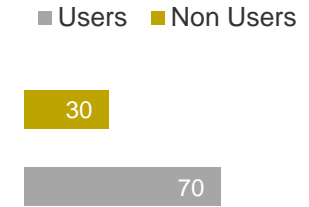Majority of the respondents we spoke to were female with majority from the young population.

%

GENDER

- Female 52
- Male 48

AGE

- 25-30.. 34
- 18 - 24.. 28
- 35-40.. 13
- 31-34.. 12
- 45-50.. 5
- 41-44.. 4
- Above.. 2
- 51-55.. 2

USERS / NON-USERS

- Users
- Non Users

- 30 (Non Users)
- 70 (Users)

OCCUPATION

- Businessman / woman - runs own business 35
- Formal employment (works in the private sector) 18
- Unemployed 11
- Student 11
- Casual Worker 9
- Formal employment (works in the government) 7
- Housewife 6
- Others 2
- Retired 1

RESIDENCE TYPE

- Urban 60
- Peri-Urban 30
- Rural 10

TOWNS

- Nairobi 28
- Nyanza 17
- Coast 17
- Eastern 16
- Central 8
- North Rift 8
- South Rift 8

Base: n=920 (Total sample)

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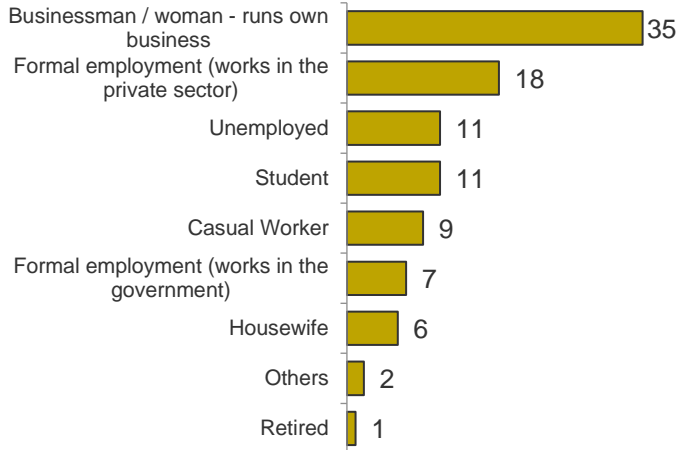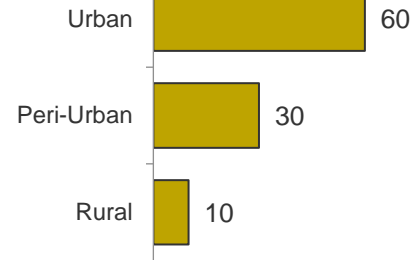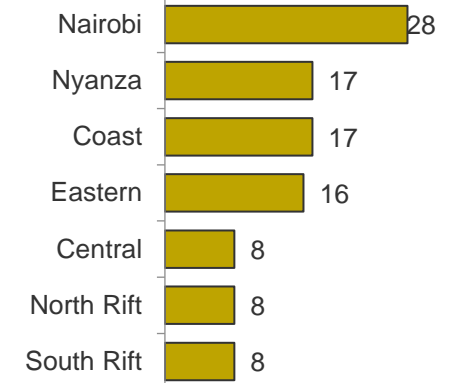
Awareness

Insurance awareness

All households visited claimed to be aware of insurance; medical, motor vehicle and personal accident top the list on product awareness. Word of mouth and TV advertisement cited as the main sources of awareness.

Product awareness

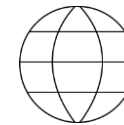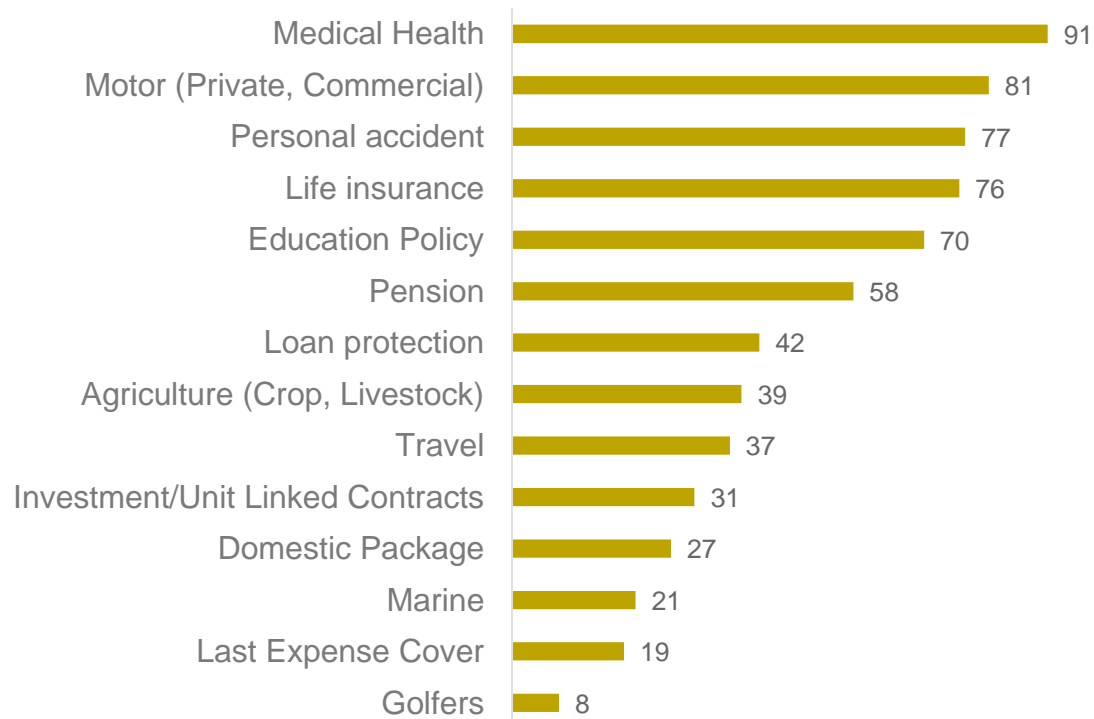| Product	Value
Medical Health	91
Motor (Private, Commercial)	81
Personal accident	77
Life insurance	76
Education Policy	70
Pension	58
Loan protection	42
Agriculture (Crop, Livestock)	39
Travel	37
Investment/Unit Linked Contracts	31
Domestic Package	27
Marine	21
Last Expense Cover	19
Golfers	8

Qn. Are you aware of or ever heard of below insurance products?

Source of awareness

Source	Value
Word of mouth from a friend / family member	29
TV Advertisement	28
Agent / broker	14
Radio	10
School	9
Others	5
Internet - Online / Social Media	3
Newspaper / Magazines	2
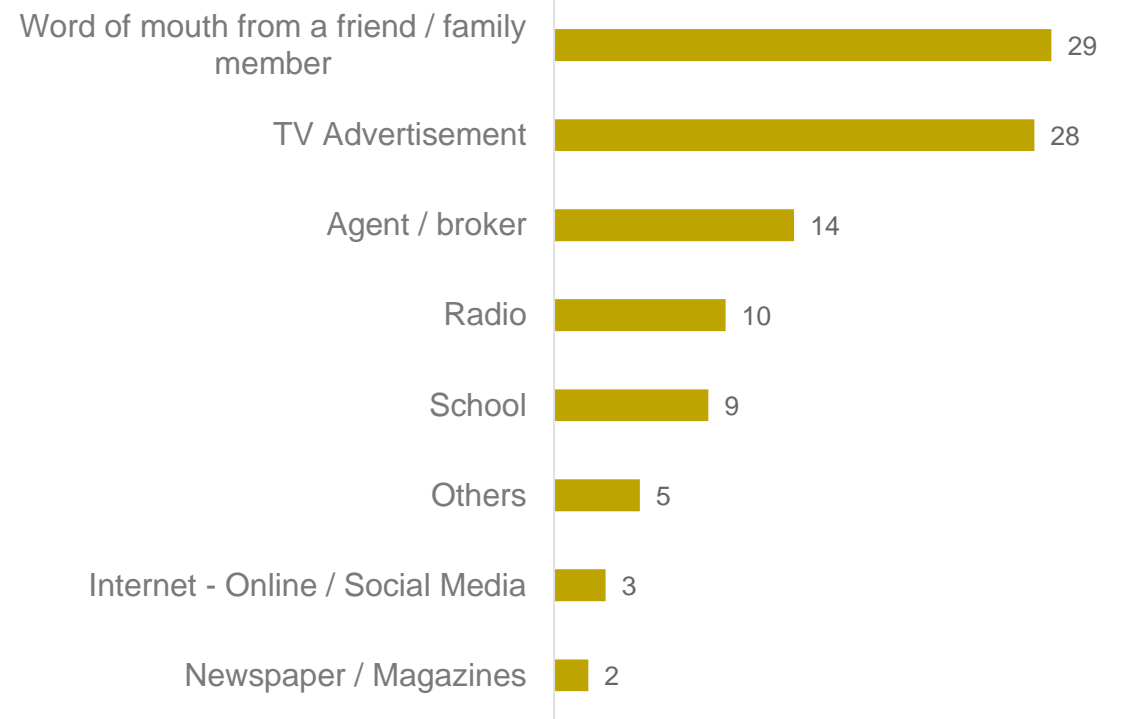
Qn. Where did you first know or hear about insurance?

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Level of knowledge of insurance

…and only 7% of the consumers are sufficiently knowledgeable about insurance.

Total

A lot of knowledge	Moderate knowledge	Little knowledge	No knowledge at all
7	41	48	4

Gender

	A lot of knowledge	Moderate knowledge	Little knowledge	No knowledge at all
Male	7	48	43	3
Female	6	35	52	6

■ Male ■ Female
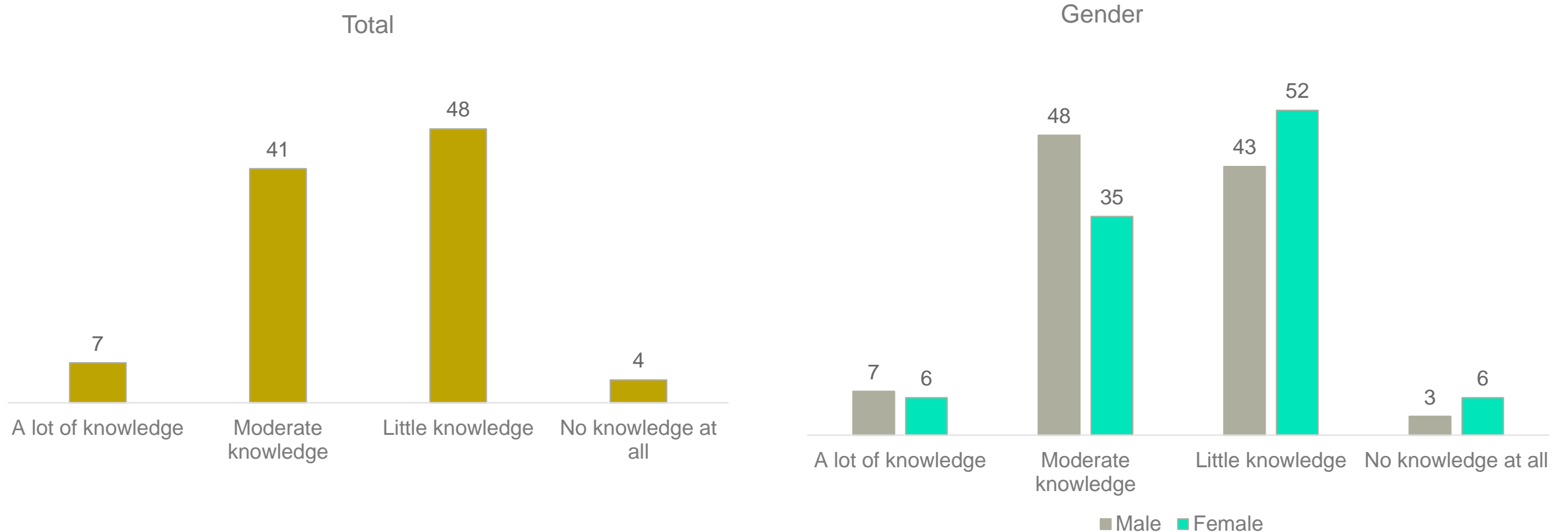
Qn. What is your level of insurance knowledge?

Level of knowledge by usage

Uninsured customers level of knowledge is lower compared to the insured.

	A lot of knowledge	Moderate knowledge	Little knowledge	No knowledge at all
Users	9	52	37	2
Non-Users	5	28	60	7

■ Users ■ Non-Users

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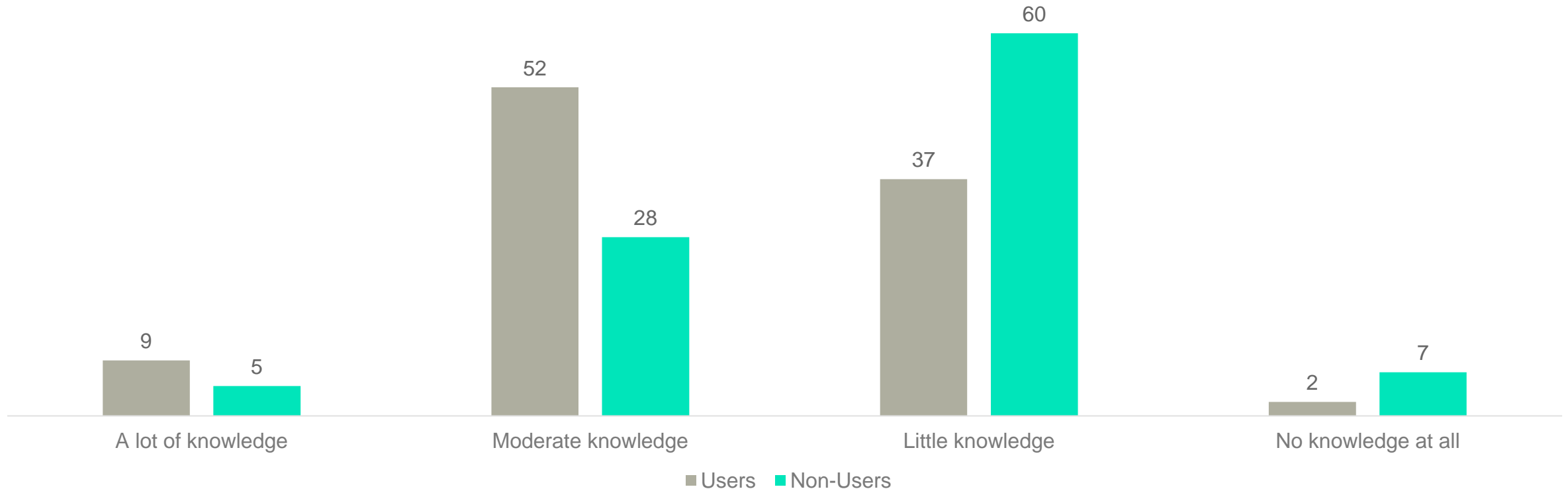
Level of knowledge of insurance by Age

Consumers in their mid-40s are the most knowledgeable about insurance. Little knowledge is predominant among the youth and the older consumers above 50 years of age.
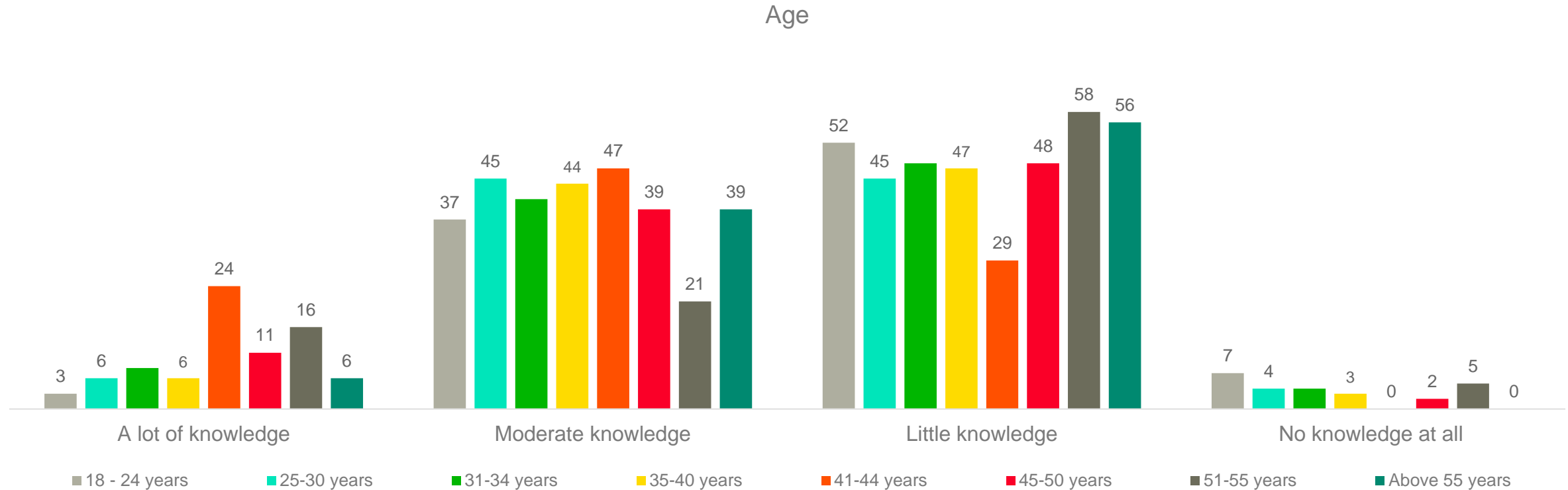

Age

Categories: A lot of knowledge, Moderate knowledge, Little knowledge, No knowledge at all

Legend: ■ 18 - 24 years ■ 25-30 years ■ 31-34 years ■ 35-40 years ■ 41-44 years ■ 45-50 years ■ 51-55 years ■ Above 55 years

A lot of knowledge: 3, 6, 6, 6, 24, 11, 16, 6
Moderate knowledge: 37, 45, 39, 44, 47, 39, 21, 39
Little knowledge: 52, 45, 47, 47, 29, 48, 58, 56
No knowledge at all: 7, 4, 3, 0, 2, 0, 5, 0

Base: n=920 (Total sample)

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Sources of information

TV is the main source of information across the different demographics. Female seem to over index on the top sources of information than their male counterparts.
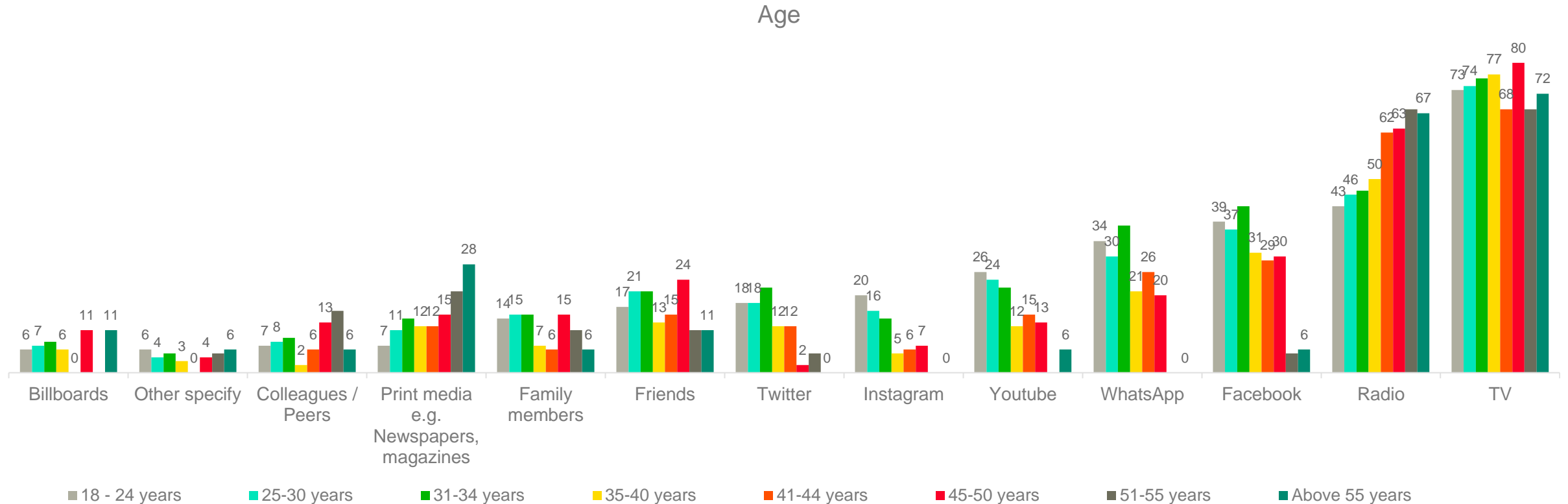
Total

Source	Value
TV	74
Radio	48
Facebook	36
WhatsApp	29
Youtube	21
Friends	18
Twitter	16
Instagram	14
Family members	13
Print media e.g. Newspapers, magazines	11
Billboards	7
Colleagues / Peers	7
Other specify	4
Fliers / Brochures	2

Gender

Source	Female	Male
TV	76	72
Radio	49	47
Facebook	36	35
WhatsApp	30	27
Youtube	20	22
Twitter	11	21
Friends	20	16
Print media	8	14
Instagram	16	13
Family members	15	11
Billboards	7	6
Colleagues / Peers	9	6
Other specify	4	5
Fliers / Brochures	2	2

Qn. Which are your main sources of news and information?

Base: n=920 (Total sample)

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Sources of information by Age

The younger age groups use digital channels to get information as their older counterparts are leaned towards the traditional channels.

Age

Legend: ■ 18 - 24 years ■ 25-30 years ■ 31-34 years ■ 35-40 years ■ 41-44 years ■ 45-50 years ■ 51-55 years ■ Above 55 years

Qn. Which are your main sources of news and information?

Base: n=920 (Total sample)

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Section Summary and Recommendations

Summary

- The Kenyan consumers claim to be aware of the concept of insurance but has little knowledge about it.

- Only 7% of the sampled population claim to have knowledge about insurance. Insurance knowledge is highest among the 41–44-year-old population and lowest among the younger [<24] and older[>50] individuals.

- On product awareness, medical, motor vehicle and personal accident are top in level of awareness.

- Majority first heard or knew about insurance by word of mouth from people who are close to them – family, relatives and friends.

- TV, Radio and Facebook are the top main sources of information. School also has played a key role in driving up the awareness of insurance.
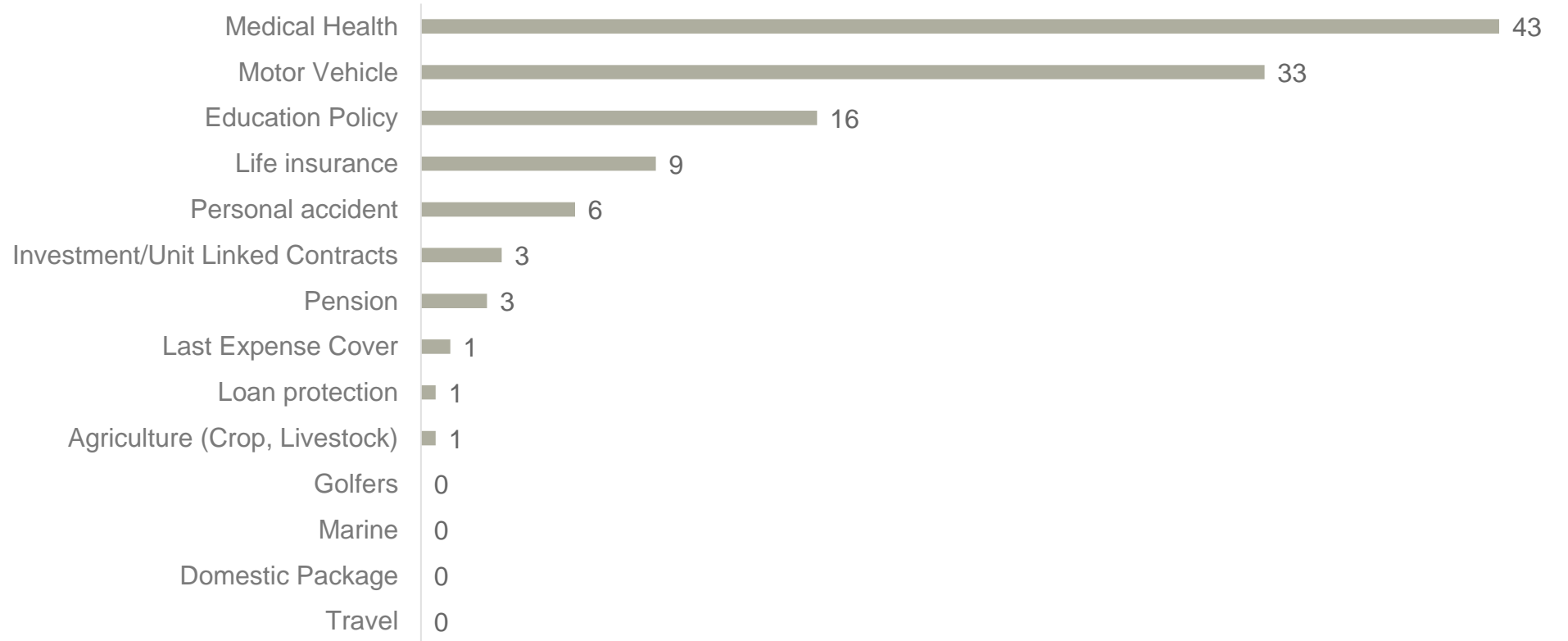
Recommendations

- Providers need to focus on educating the populace on different aspects about insurance. Proper education will increase knowledge on the different aspects of insurance hence uptake.

- Medical, motor vehicle and personal accident insurance presents ready opportunities to drive up insurance knowledge. These are popular among consumers therefore easier to push forth.

- TV and Radio are apt platforms to use in creating awareness. Drive education themed programs for proper understanding of the different insurance products and services.

- Target majority of the young consumers on digital channels especially social media.

Usage

Insurance products usage

Medical and motor vehicle covers are the most used products among insurance customers
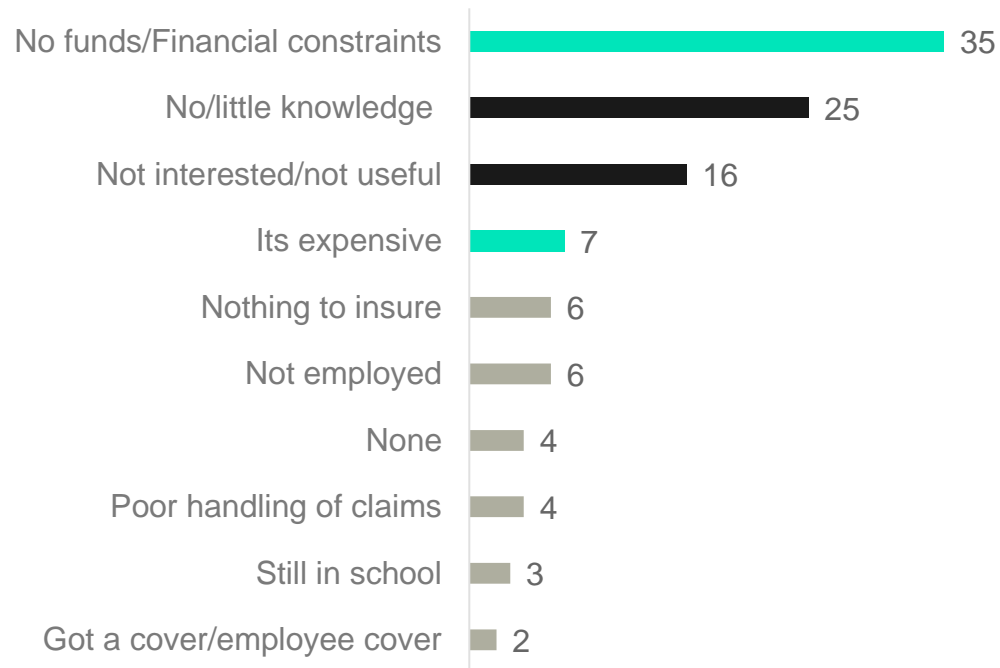
Product	Value
Medical Health	43
Motor Vehicle	33
Education Policy	16
Life insurance	9
Personal accident	6
Investment/Unit Linked Contracts	3
Pension	3
Last Expense Cover	1
Loan protection	1
Agriculture (Crop, Livestock)	1
Golfers	0
Marine	0
Domestic Package	0
Travel	0

Qn. Which policies do you hold with (INSERT INSURANCE COMPANY)?

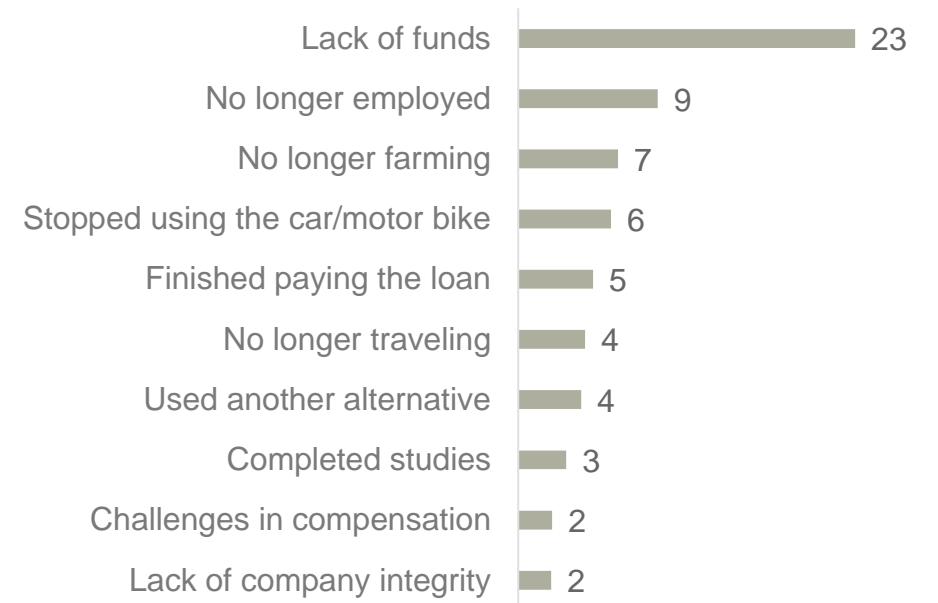**KANTAR**

Base: n=644 (Users)

Non-users of insurance

Financial constraints alongside lack of knowledge about insurance products are the biggest setback to insurance uptake.

Reason for Non-usage

No funds/Financial constraints	35
No/little knowledge	25
Not interested/not useful	16
Its expensive	7
Nothing to insure	6
Not employed	6
None	4
Poor handling of claims	4
Still in school	3
Got a cover/employee cover	2

Qn. You have never taken up any insurance services. Would you please tell me why?

Reason for Lapse

Lack of funds	23
No longer employed	9
No longer farming	7
Stopped using the car/motor bike	6
Finished paying the loan	5
No longer traveling	4
Used another alternative	4
Completed studies	3
Challenges in compensation	2
Lack of company integrity	2

Qn. Why did you stop using...?

Base: n=276 (Nonusers)

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Section Summary and Recommendations

Summary

- Users of insurance majorly take up medical, motor vehicle and education policies.

- Households not using any insurance products cite financial constraints as the biggest barrier followed by lack of knowledge on insurance products.

- On the other hand, lapsed usage is mainly driven by lack of finance. With the ever-changing economic situations, consumers find it difficult to continue contributing towards insurance.

Recommendations

- Providers should consider segmenting their customers and present their products in a way that each segment will realize value based on their financial abilities.

- Medical, Motor vehicle and education policies are the top products that providers can give precedence as they attract many users.
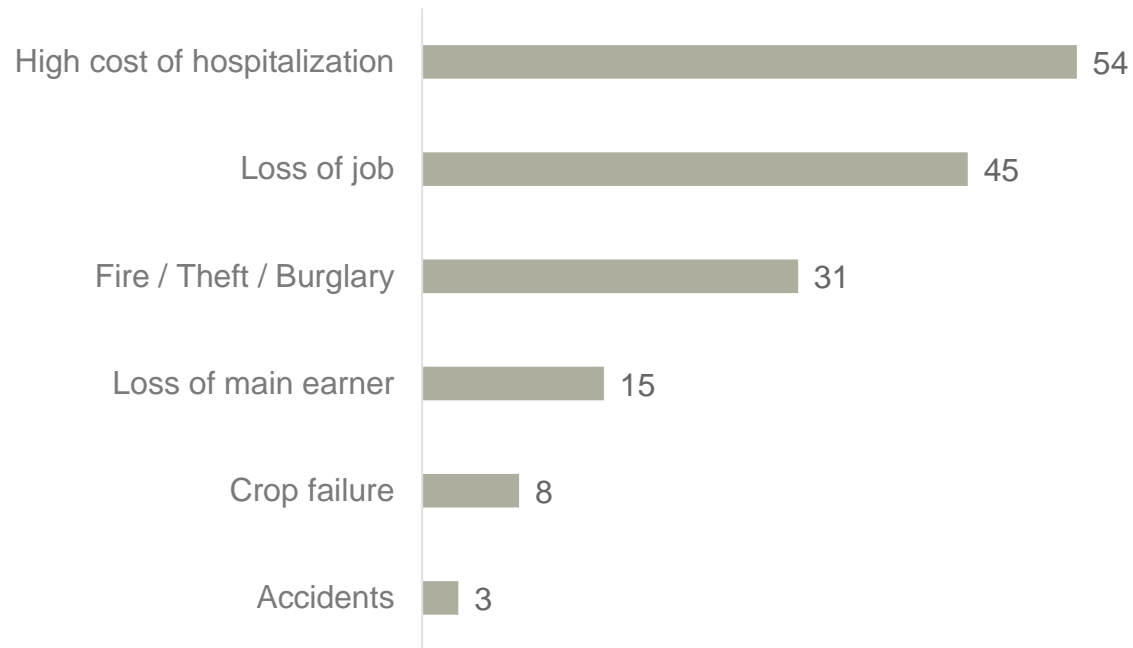
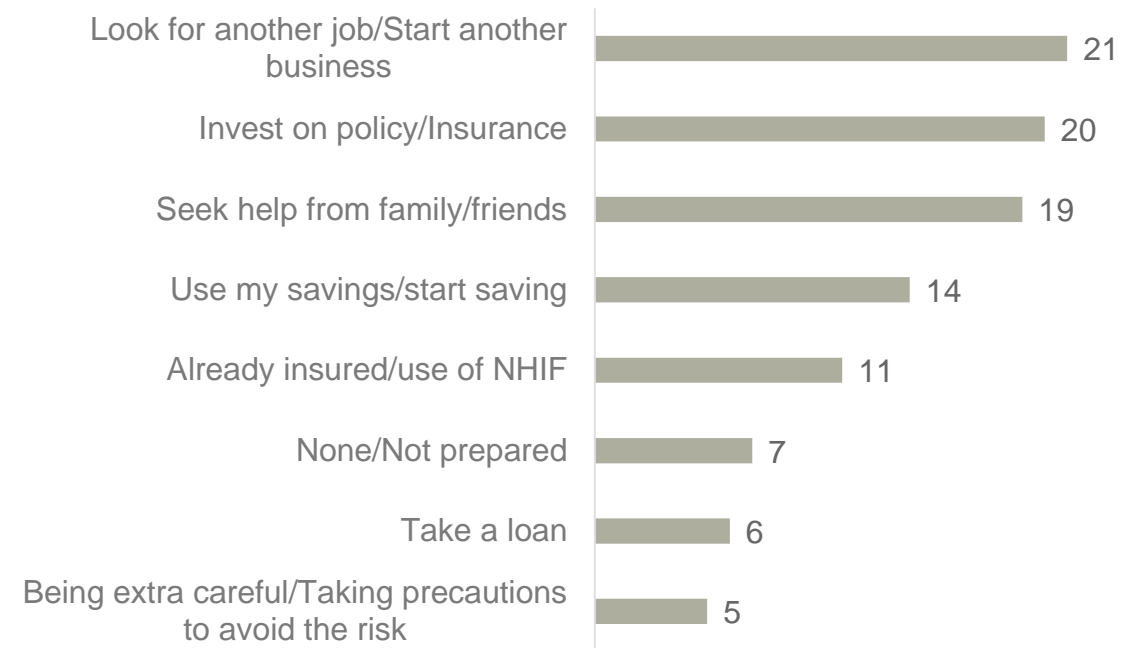# Needs Understanding

Risks Management

Expensive healthcare, job loss and theft are the top three risks people are likely to face in their day to day lives. Their plan is to have other businesses as source for extra income, invest in insurance policy or depend on family and friends to handle such risks.

Life Risks

Risk	Value
High cost of hospitalization	54
Loss of job	45
Fire / Theft / Burglary	31
Loss of main earner	15
Crop failure	8
Accidents	3

Qn. What are some of the risks you are likely to face?

Coping Mechanisms

Mechanism	Value
Look for another job/Start another business	21
Invest on policy/Insurance	20
Seek help from family/friends	19
Use my savings/start saving	14
Already insured/use of NHIF	11
None/Not prepared	7
Take a loan	6
Being extra careful/Taking precautions to avoid the risk	5

Qn. How did you cope or how do you plan to cope with the risks?
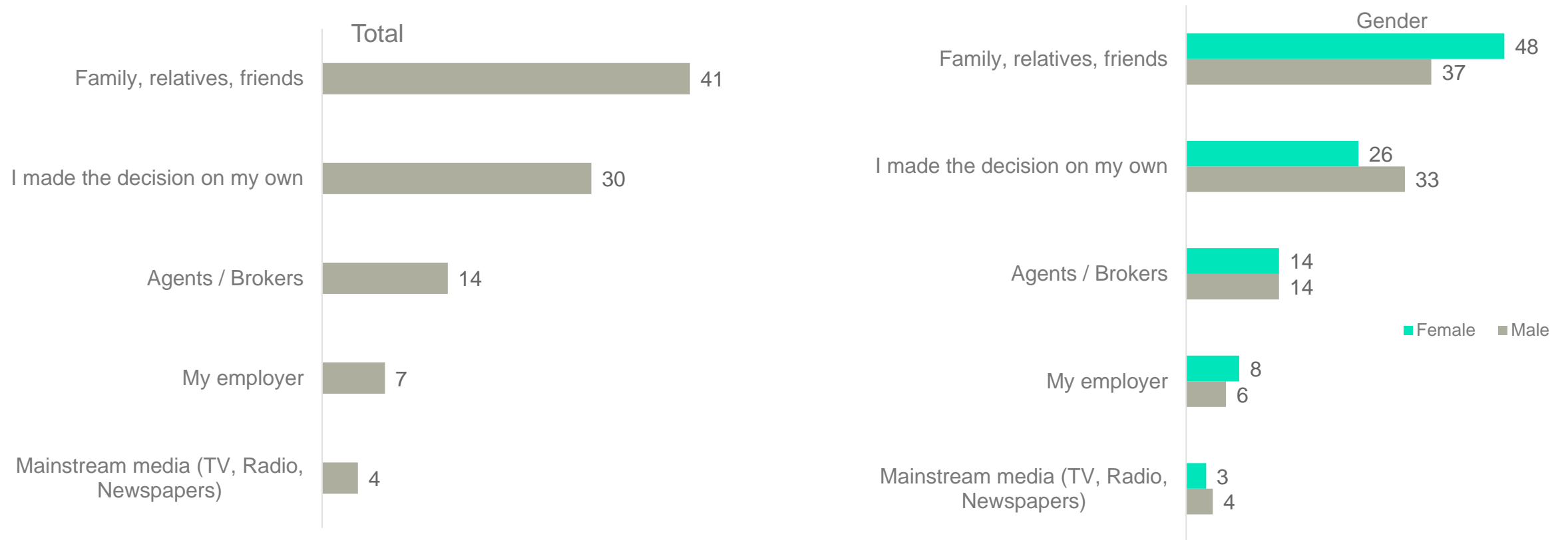
Base: n=920 (Total sample)

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Insurance Relevance

Consumers rate insurance as being relevant because of the financial cover it provides during illnesses, accidents and job loss.

Category	Value
Illness	58
Accidents	57
Job Loss	28
Fire	24
Economic burden of higher education	24
Theft / Burglary	24
Natural calamity	23
Retirement	20
Investment	18
Untimely death	17
Physical disability	15
Floods	9
Crop failure/Livestock death	8
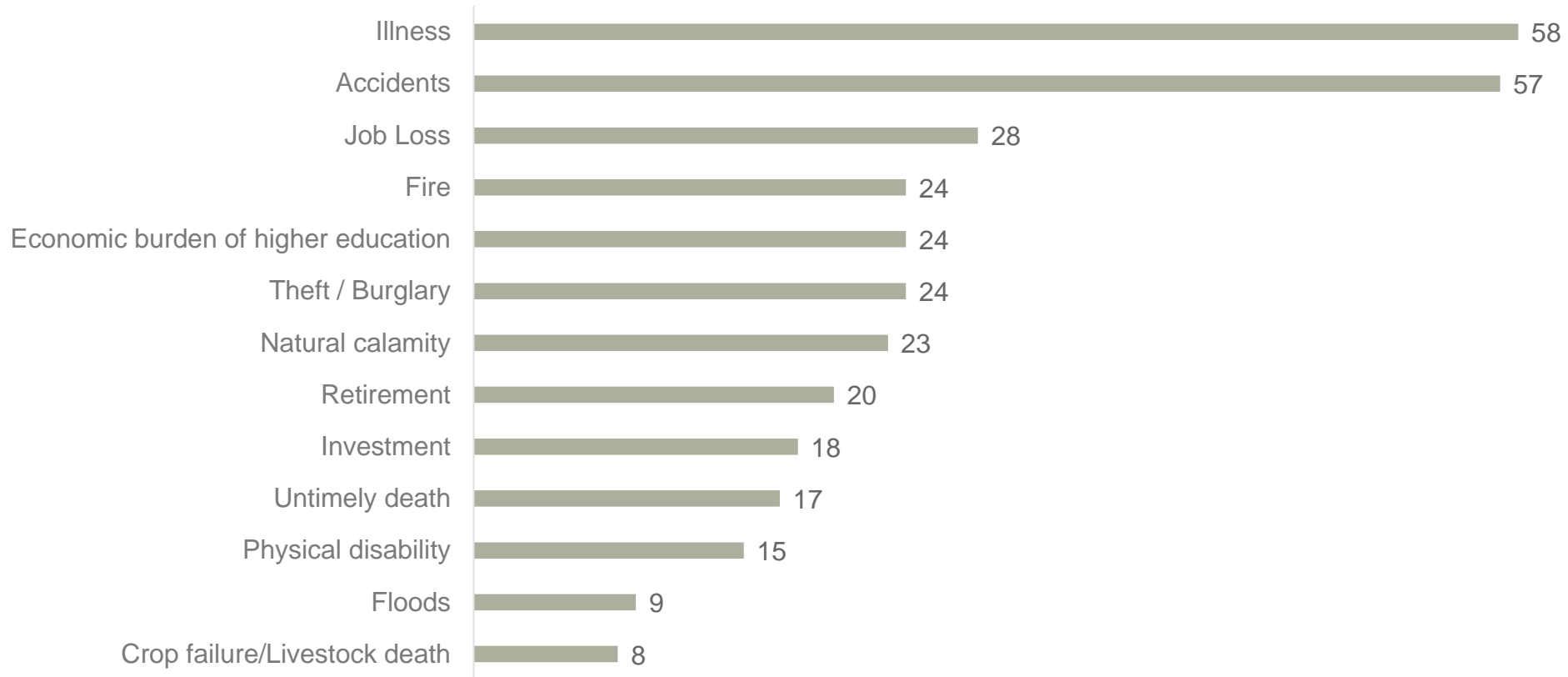
Qn. Why do you think insurance is relevant / not relevant?

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Decision Influencers

Decision on taking up insurance products is mainly influenced by people who are trusted like family and friends. In many cases, male consumers make their own decisions compared to their female counterparts.

Total

Family, relatives, friends	41
I made the decision on my own	30
Agents / Brokers	14
My employer	7
Mainstream media (TV, Radio, Newspapers)	4

Gender

	Female	Male
Family, relatives, friends	48	37
I made the decision on my own	26	33
Agents / Brokers	14	14
My employer	8	6
Mainstream media (TV, Radio, Newspapers)	3	4

■ Female ■ Male

Qn. Who influenced your decision to take up insurance?

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Consideration

Households would consider taking up medical and life insurance policies in future. This is attributed to the reality of high cost of health care and providing good quality of life for dependents.

Policy	Value
Medical Health	63
Life insurance	44
Education Policy	35
Personal accident	30
Pension	24
Motor (Private, Commercial)	23
Loan protection	18
Agriculture (Crop, Livestock)	16
Travel	14
Investment/Unit Linked Contracts	13
Domestic Package	13
Last Expense Cover	8
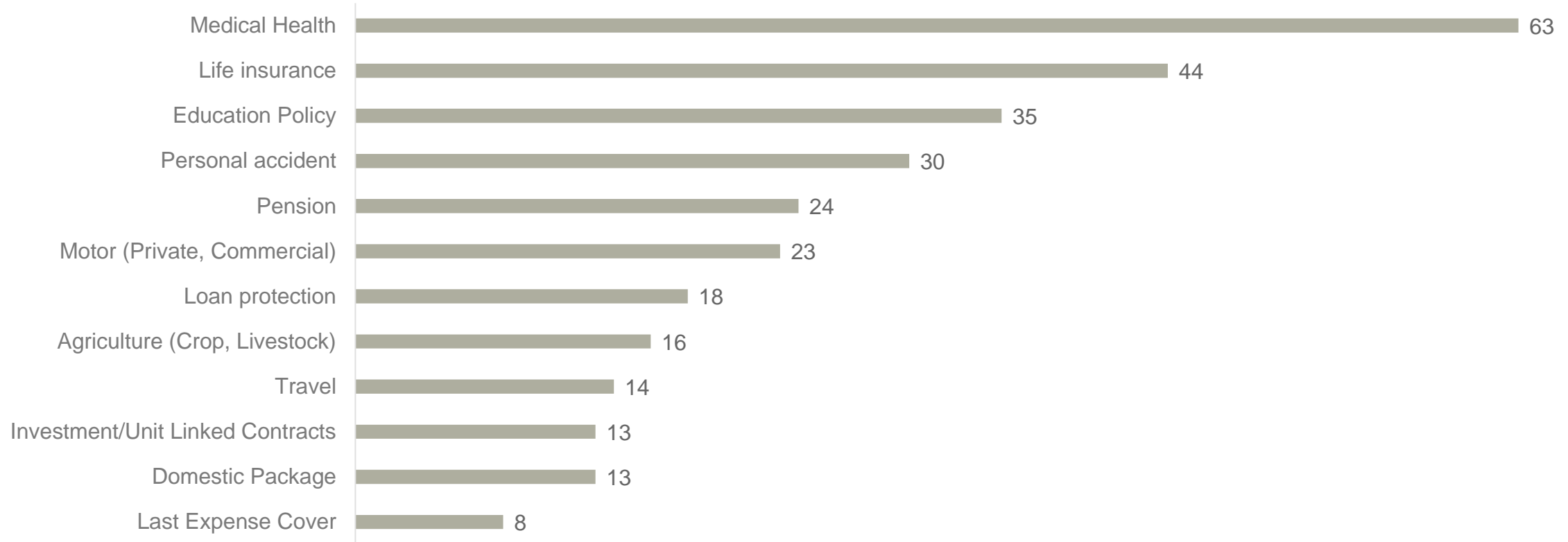
Qn. Which of the following policies would you consider using in Future?

Section Summary and Recommendations

Summary

- Consumers biggest fear are high costs that come with hospitalization, job loss and loss of property through theft / burglary.

- Leaning towards family and friends for support, taking up insurance covers and starting afresh in case of a loss are some of the coping mechanisms that consumers resort to.

- Insurance is relevant to consumers because it offers them financial cover on illnesses, accidents and job losses.

- Users of insurance products is mostly influenced by close family members and friends and sometimes make decisions on their own.

- Medical, Life insurance and Education policies have the highest level of consideration in future.

Recommendations

- The industry should consider taking an approach of making consumers understand value of the insurance concept, position insurance to appeal more emotionally and not only as a functional need.

- Cut the different offerings by categories to cater for everyone in the economic spectrum, so that low-income earners do not see the burden of subscribing to services which do not suit their financial muscle.
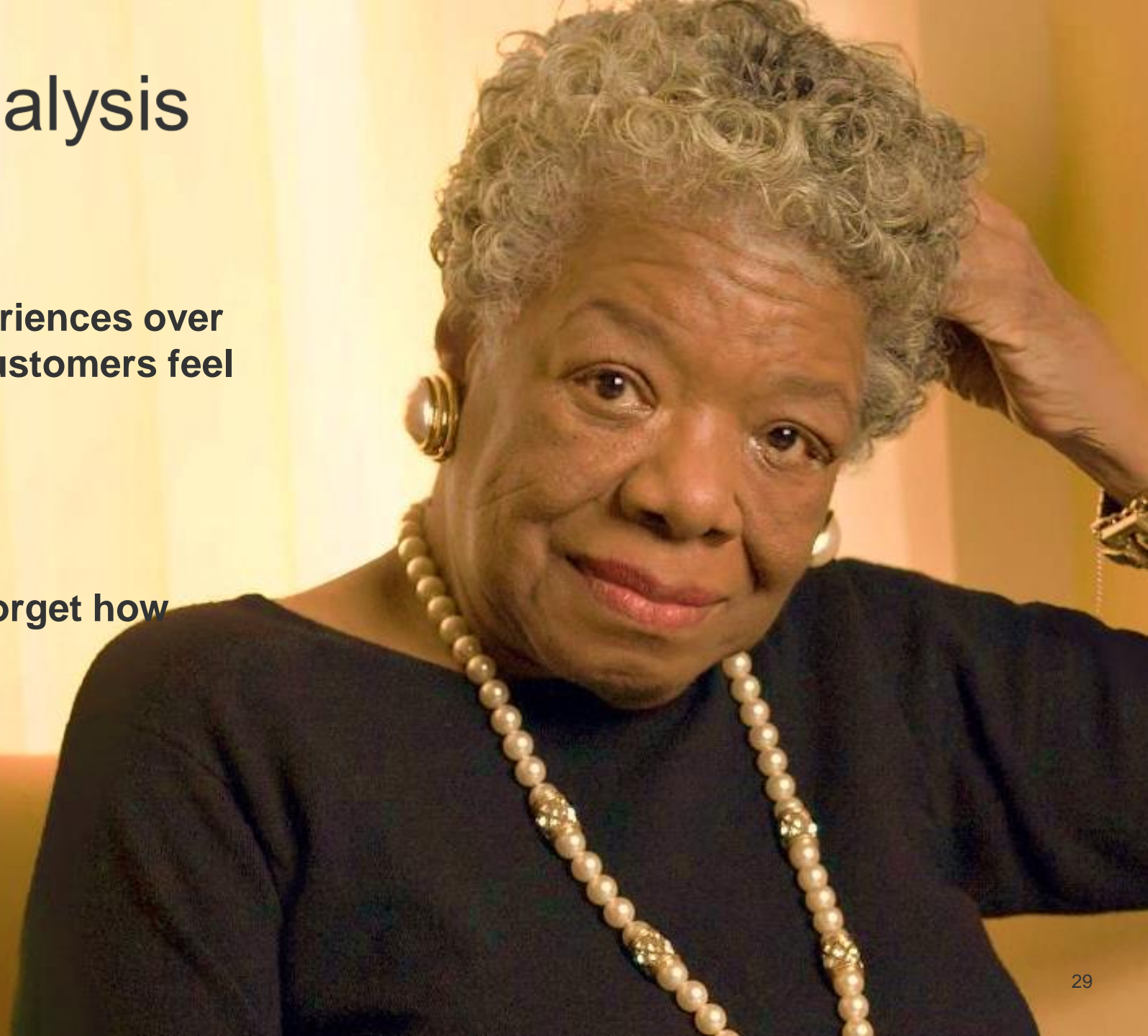
Customer Satisfaction

NPS and Impact Analysis

With 88% of people prioritizing experiences over possessions, how you make your customers feel becomes crucial.
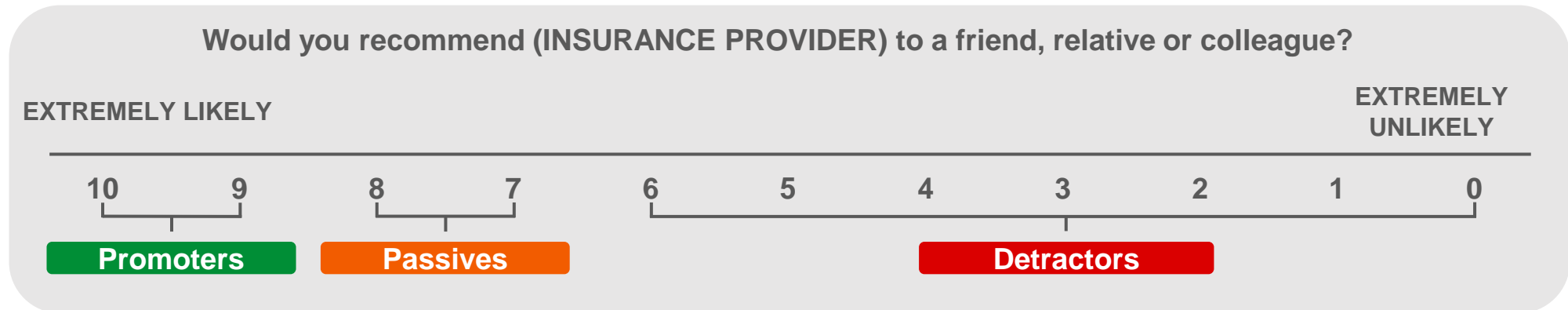
I've learned that people will forget what you said, people will forget what you did, **but people will never forget how you made them feel.**

–Maya Angelou

What is Net Promoter Score (NPS)?

- NPS is a measure of the likelihood of a customer to recommend (promote) the company's services to friends, family or colleagues.

- Measures the relationship between customers and a brand that is predictive of growth – if your customers are out recommending you to people, you will grow.

- **What is a good NPS score? – any score above 50 is considered excellent, above 80 is best in class. The goal is to always have 0 detractors, therefore it is advisable to work on turning detractors into passives if not promoters.**

Would you recommend (INSURANCE PROVIDER) to a friend, relative or colleague?

EXTREMELY LIKELY   EXTREMELY UNLIKELY

| 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |

Promoters   **Passives**   **Detractors**

Promoters **-** **Detractors** **=** **Net Promoter Score (NPS)**

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When we come together, great things happen.

NPS and Reasons for NPS

Average NPS rating on insurance for individual customers is at 29 with top reasons given for the ratings being 'Quality services', Transparency', 'Coverage' and 'Good customer care.'
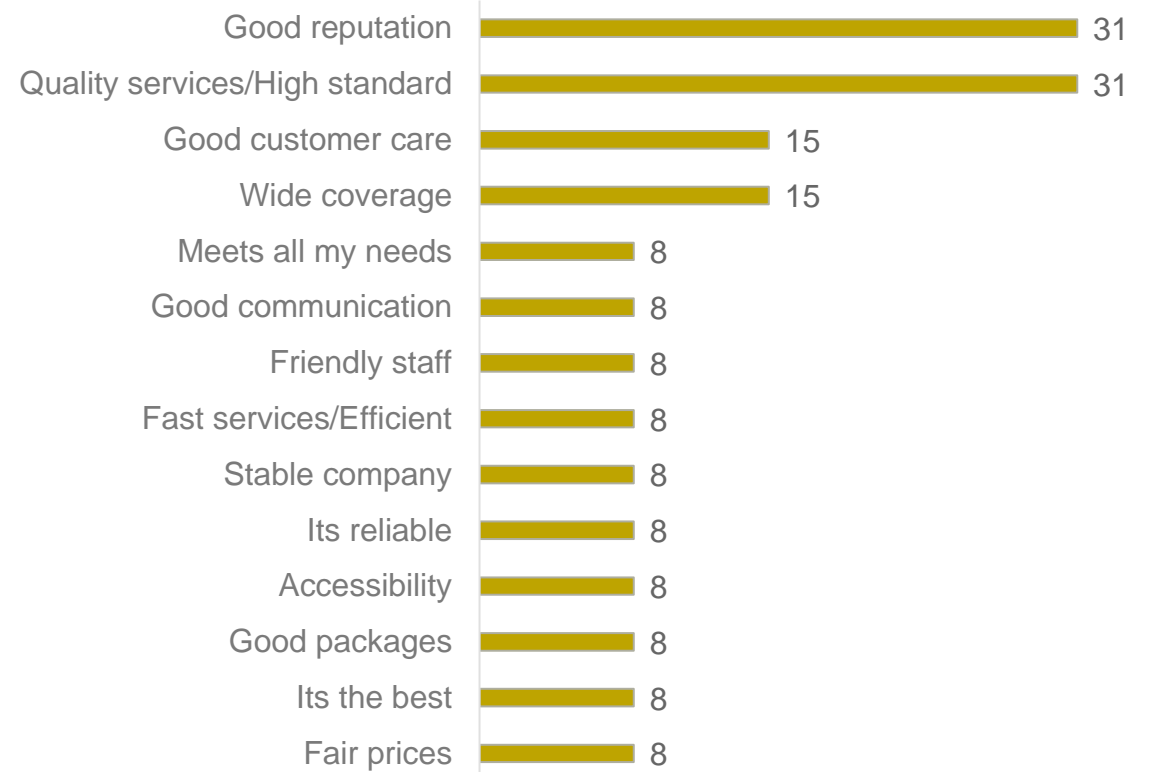
Promoters	Passives	Detractors
49	31	20

NPS 29

Reason	Value
Good reputation	31
Quality services/High standard	31
Good customer care	15
Wide coverage	15
Meets all my needs	8
Good communication	8
Friendly staff	8
Fast services/Efficient	8
Stable company	8
Its reliable	8
Accessibility	8
Good packages	8
Its the best	8
Fair prices	8

Qn. Based on your experience, how likely are you to recommend INSURANCE COMPANY to friends, family or colleague? Use a 10-point scale where 0= Definitely would not recommend and 10=Definitely would recommend, remember you can use any number between 0-10

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Customer Satisfaction Index

Customer Satisfaction Index is at 8**1 .** This is the average score from the 10-point satisfaction sale.
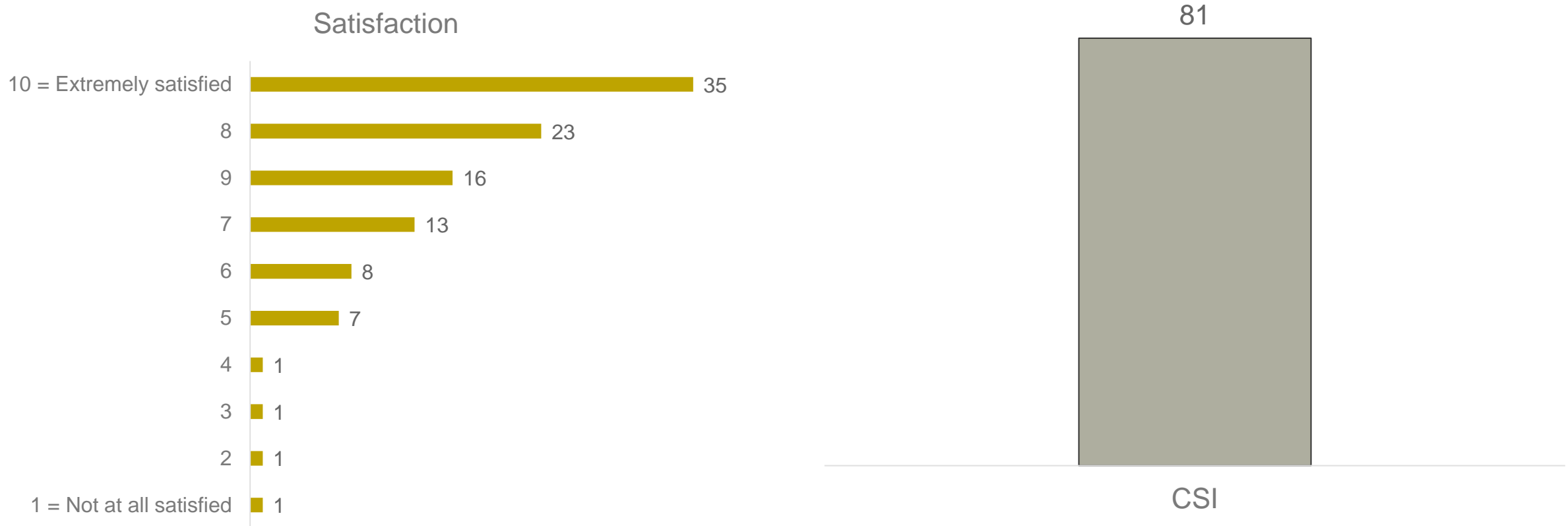
Satisfaction

10 = Extremely satisfied	35
8	23
9	16
7	13
6	8
5	7
4	1
3	1
2	1
1 = Not at all satisfied	1

81

CSI

Qn. Overall, how satisfied are you with INSURANCE COMPANY as your insurance company? Please use a scale of 1-10 where 1= Not at all satisfied and 10= Extremely satisfied. Remember you can use any number between 1-10

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Base: n=644 (Users)

NPS Impact Analysis

NPS Impact Analysis identifies the gain and loss potential of performance changes on attributes

NPS impact analysis helps to deliver the optimal customer experience based on the understanding that investment decisions must take positive and negative implications into account. Therefore it looks at the following two dimensions:

Threat potential to customer relationship
Reduced performance would weaken the relationship

Gain potential in customer relationship
Improved performance would strengthen the relationship

Threat to relationship

Gain in relationship

INVEST

MAINTAIN

BUILD

CONSIDER

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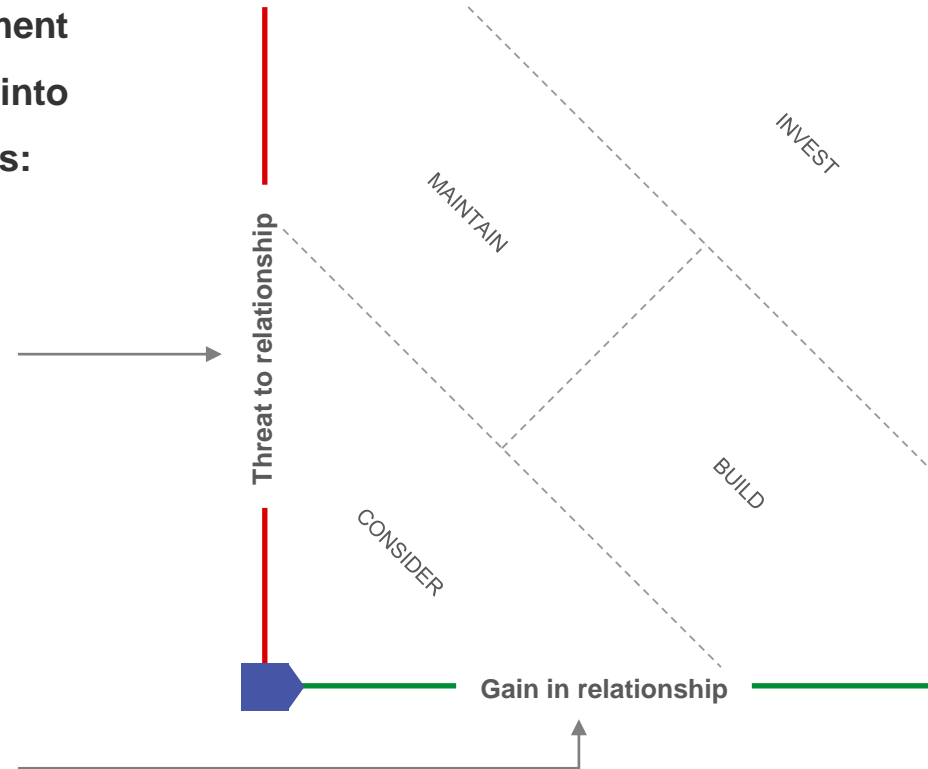
NPS Impact Analysis

These four areas help to prioritize actions and deliver excellence where it matters most.

3 Reduced performance could potentially have a negative effect on relationship strength. It is therefore vital that the current performance level should be maintained.

4 Attributes in the consider area do not have a strong impact on the overall customer relationship. Neither improving nor worsening performance is likely to have much impact on the TRI*M Index.
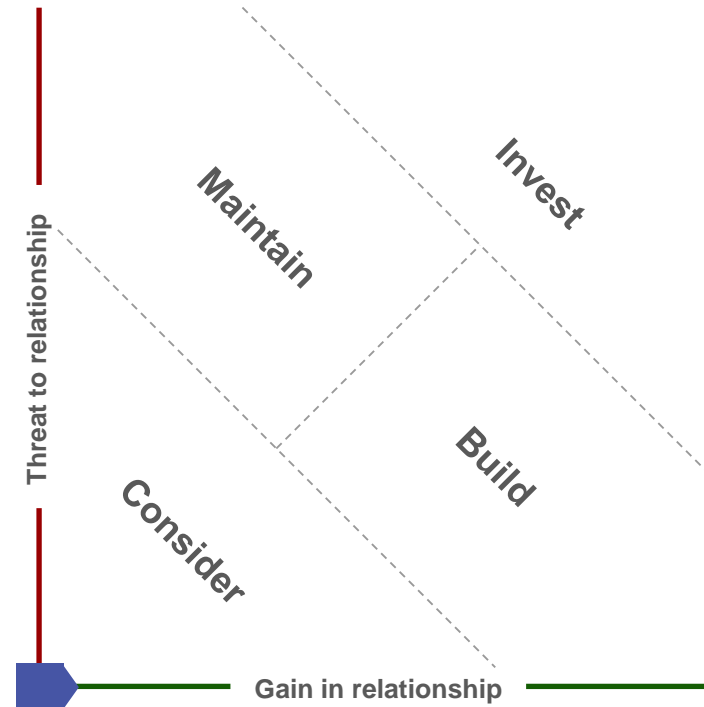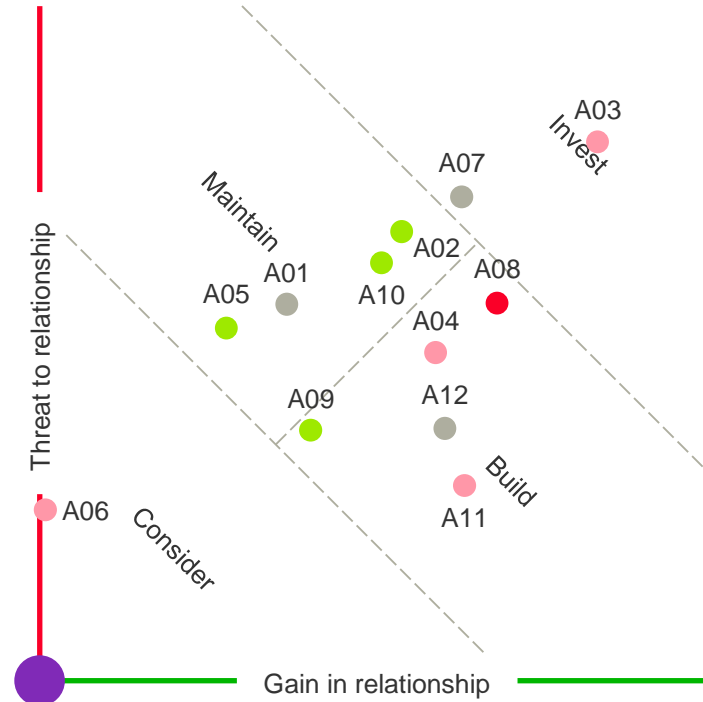
1 Improvements in this area are critical for a company as improved performance could contribute strongly to improving relationship strength – whereas weaker performance would threaten the relationship.

2 This area includes aspects have the potential to increase relationship strength if performance is improved – but reduced performance is unlikely to have a strong negative effect.

Threat to relationship

Maintain

Invest

Consider

Build

Gain in relationship

Impact Analysis

For improvement in relationship and NPS, providers need to focus on improving on timely and effective complain resolution as well as providing adequate information on claim procedures.
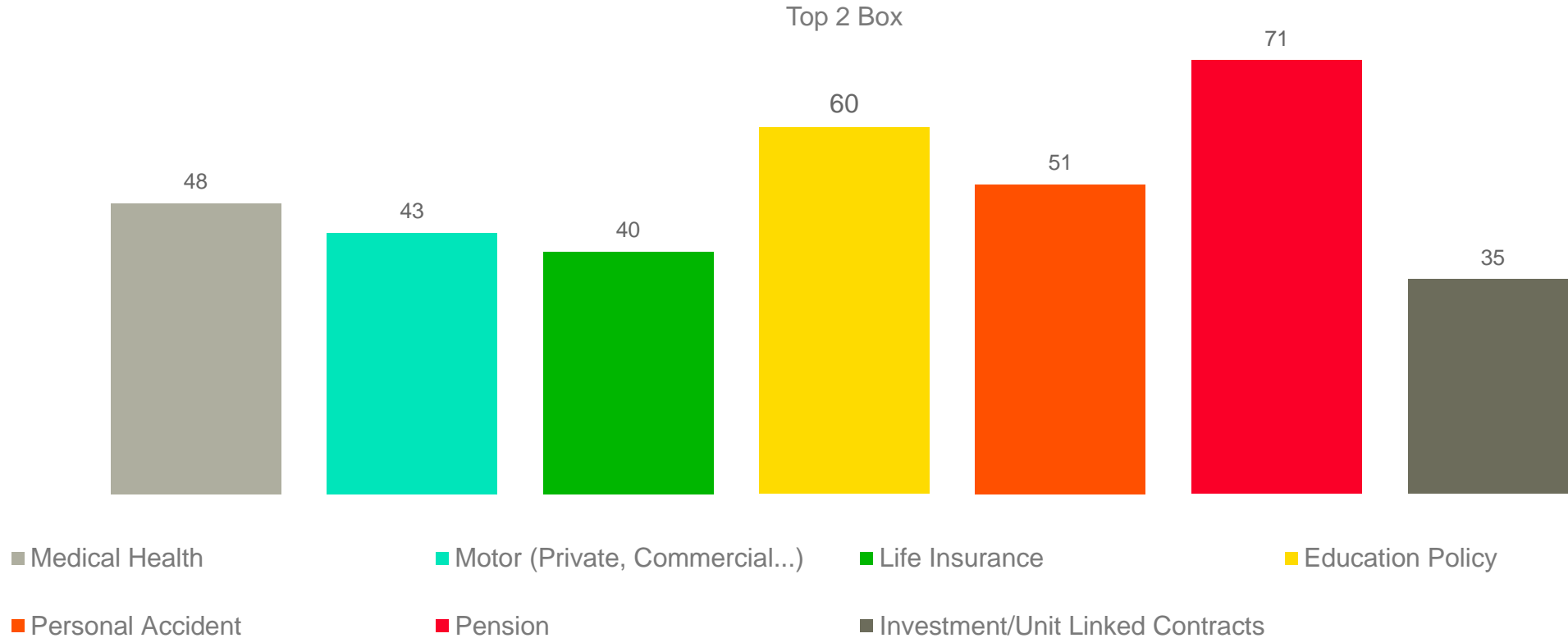
- A01   Friendliness, Politeness And Helpfulness Of Staff
- A02   Staff's Ability To Understand Your Needs And Offer Useful Advice
- A03   Timely And Effective Complaint Resolution
- A04   Accuracy And Completeness Of Information Provided On Enquiries
- A05   Ease Of Understanding The Information Provided
- A06   Notification Of Updates
- A07   Adequate And Reliable Information On Various Policies
- A08   Adequate Information On Claim Procedures
- A09   Technology / Digitization
- A10   Amount Contributed
- A11   Mode Of Payment
- A12   Affordable Products

Threat to relationship

Gain in relationship

Maintain

Invest

Build

Consider

A03, A07, A02, A08, A01, A05, A10, A04, A09, A12, A11, A06

● Far below average   ● Below average   ● Average   ● Above average   ● Far above average

Base: n=644 (Users)

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Product Satisfaction

High satisfaction levels on Pension followed by Education policy.

Top 2 Box

- Medical Health: 48
- Motor (Private, Commercial...): 43
- Life Insurance: 40
- Education Policy: 60
- Personal Accident: 51
- Pension: 71
- Investment/Unit Linked Contracts: 35

Base: n=644 (Users)

36

Digitization

Digitization in the industry has made access to insurance services efficient and convenience and customers give good ratings to their providers on satisfaction.

Completely agree	31
Agree	48
Fairly agree	17
Disgaree	3
Completely disagree	1

Extremely satisfied	32
9	25
8	17
7	9
6	8
5	7
4	0
3	1
2	0
Not all satisfied	1
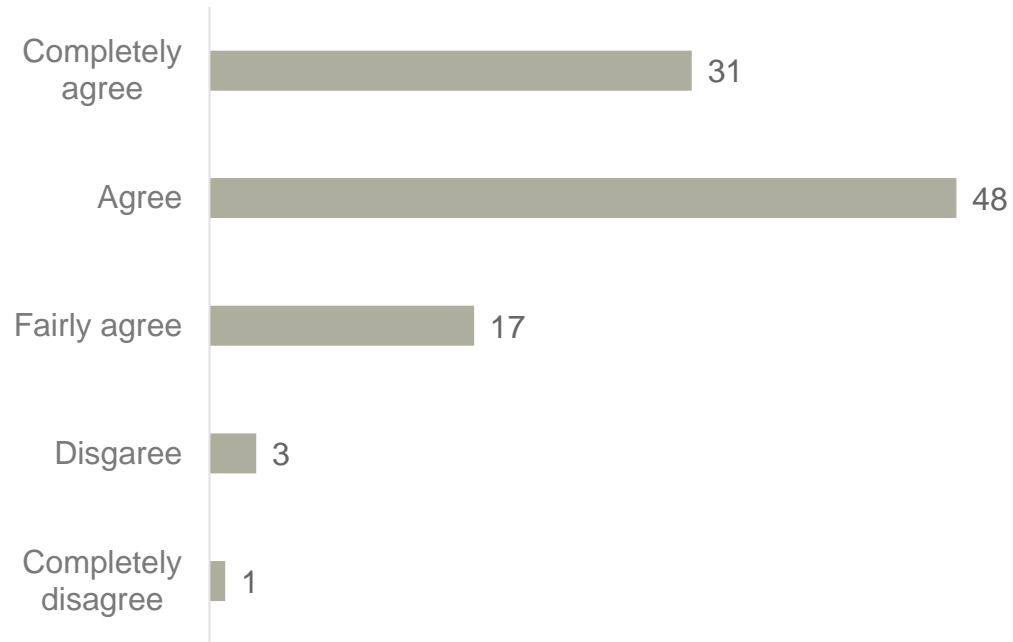
Qn. To what extent do you agree or disagree with the statement ' digitization has improved efficiency and convenience in accessing insurance products and services'
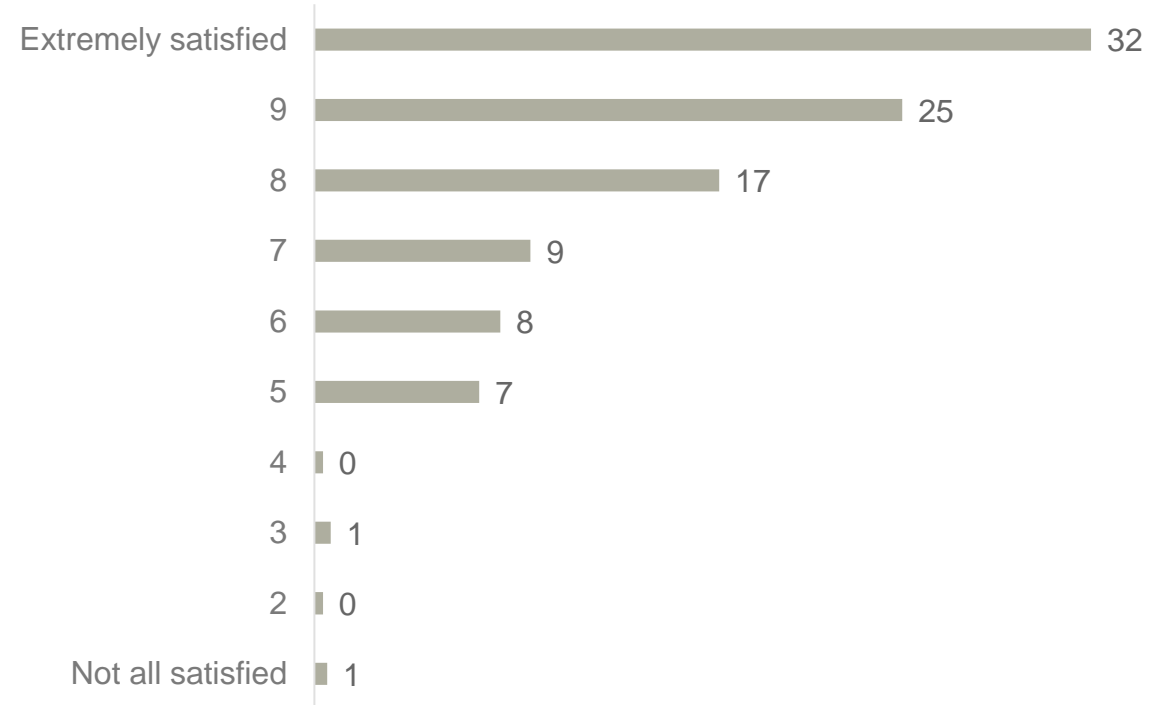
Qn. How would you rate your satisfaction with (INSURANCE COMPANY) digitization of their processes? Please use a scale of 1 - 10, where 1 is Not at all satisfied and 10 is Extremely satisfied. You may give me any number between 1 and 10 .

Base: n=644 (Users)

Section Summary and Recommendations

Summary

- On average, the industry NPS is at 29; attracting 29% of detracting customers.

- Insurance customers are majorly satisfied with Pension, Education policy and Personal accident among the products they use.

- Over 70% of private insurance users agree that digitization of the industry has made access to insurance services efficient and convenient to customers. 57% give high satisfaction ratings on digitization.

Recommendations

- For improvement in relationship and NPS, providers need to focus on improving on timely and effective complain resolution as well as providing adequate information on claim procedures.
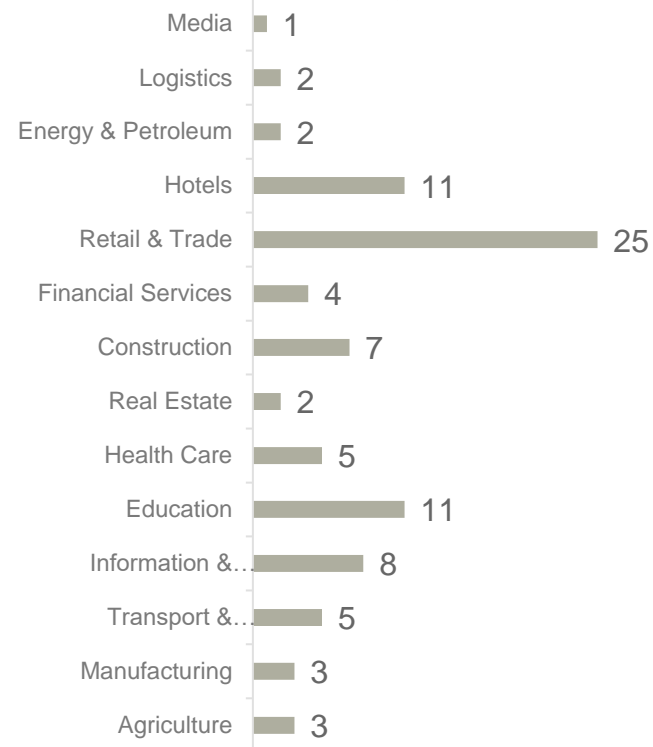
3
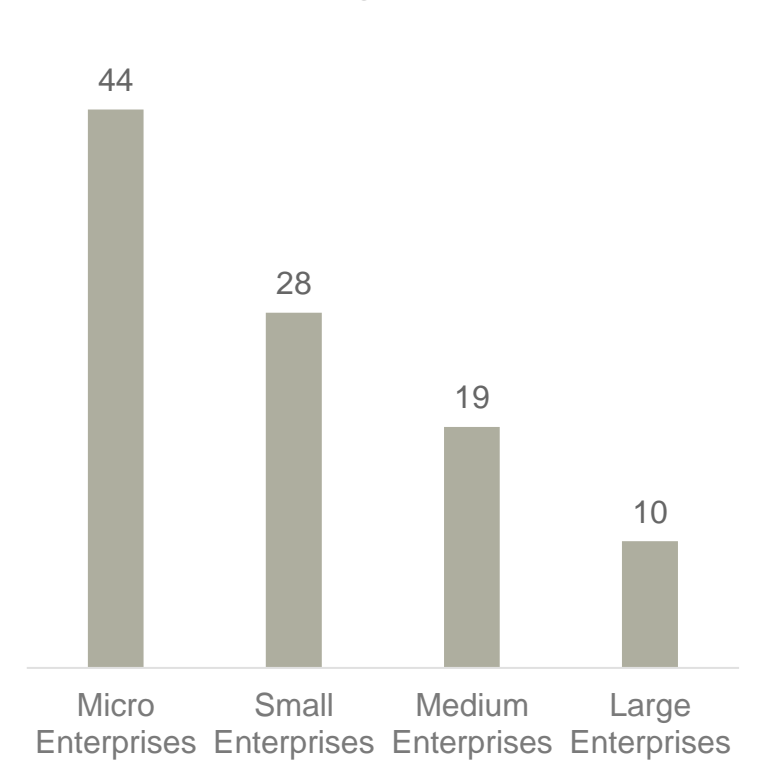Institutions Segment

Who did we speak to?

Users / No users

- Users: 70
- Non Users: 30

Industry

- Media: 1
- Logistics: 2
- Energy & Petroleum: 2
- Hotels: 11
- Retail & Trade: 25
- Financial Services: 4
- Construction: 7
- Real Estate: 2
- Health Care: 5
- Education: 11
- Information &…: 8
- Transport &…: 5
- Manufacturing: 3
- Agriculture: 3

Segment

- Micro Enterprises: 44
- Small Enterprises: 28
- Medium Enterprises: 19
- Large Enterprises: 10

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Who did we speak to?

Main decision makers

- Managing Directors

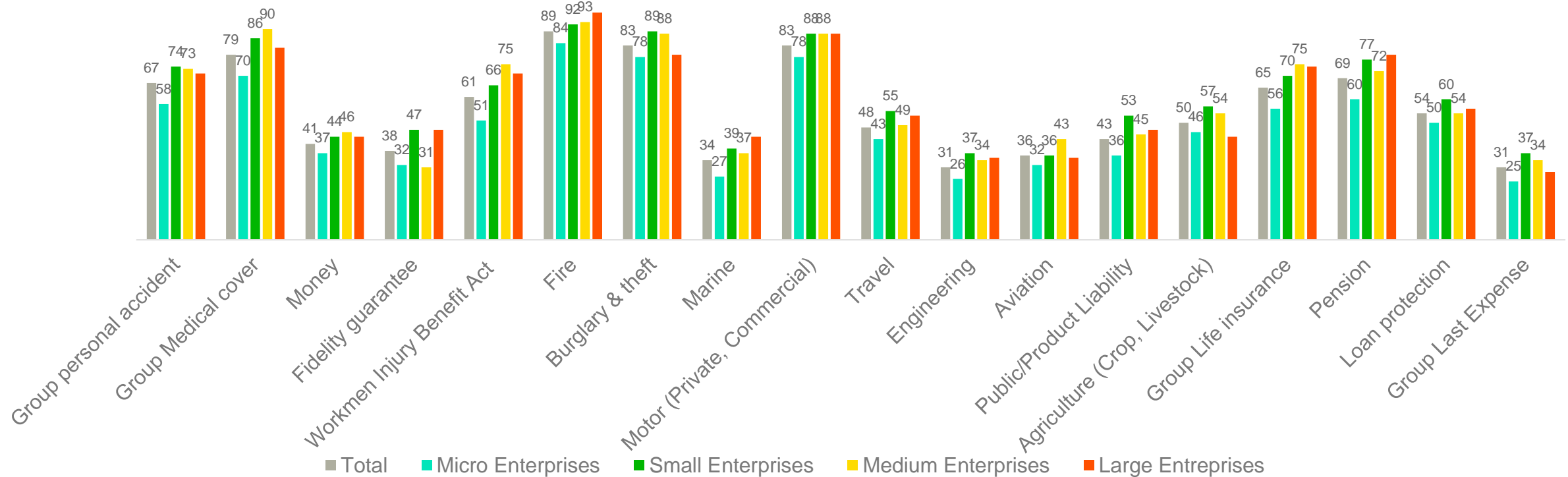- Office Administrators

- Head of finance

- Human Resource Managers

Region	Sample
Nairobi	80
Kisumu	50
Nakuru	30
Mombasa	50
Eldoret	30
Machakos	30
Nyeri	30
Meru	30
TOTAL	**330**

Base: n=357 (Total sample)
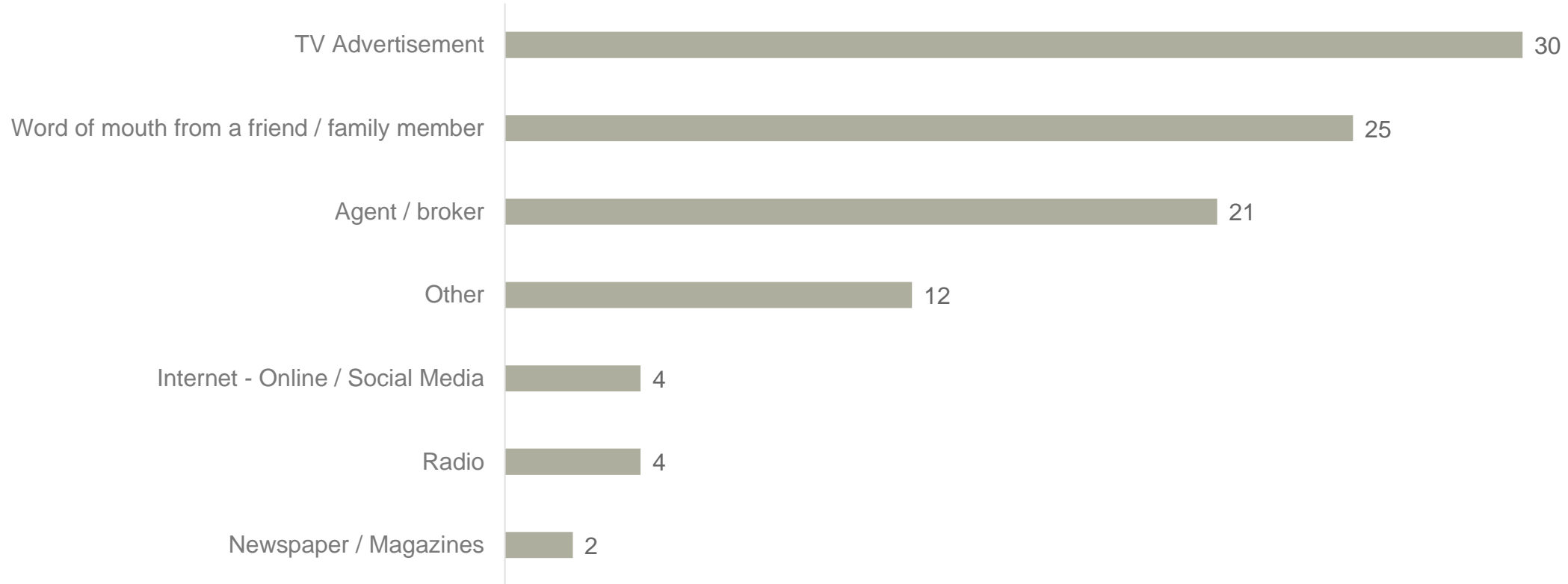
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Awareness

Insurance products awareness

High awareness for Motor, Fire, Burglary and Theft and Medical cover whereas low awareness is seen on Group last expense, Engineering and Marine.

Legend: ■ Total ■ Micro Enterprises ■ Small Enterprises ■ Medium Enterprises ■ Large Entreprises

Categories and values:
- Group personal accident: 67, 58, 74, 73
- Group Medical cover: 79, 70, 86, 90
- Money: 41, 37, 44, 46
- Fidelity guarantee: 38, 32, 47, 31
- Workmen Injury Benefit Act: 61, 51, 66, 75
- Fire: 89, 84, 92, 93
- Burglary & theft: 83, 78, 89, 88
- Marine: 34, 27, 39, 37
- Motor (Private, Commercial): 83, 78, 88, 88
- Travel: 48, 43, 55, 49
- Engineering: 31, 26, 37, 34
- Aviation: 36, 32, 36, 43
- Public/Product Liability: 43, 36, 53, 45
- Agriculture (Crop, Livestock): 50, 46, 57, 54
- Group Life insurance: 65, 56, 70, 75
- Pension: 69, 60, 77, 72
- Loan protection: 54, 50, 60, 54
- Group Last Expense: 31, 25, 37, 34

Qn. Are you aware of or ever heard of the following insurance policies?

Base: n=357 (Total sample)

Sources of awareness

TV advertisement, Word of mouth and agents are the main sources of awareness for insurance products.

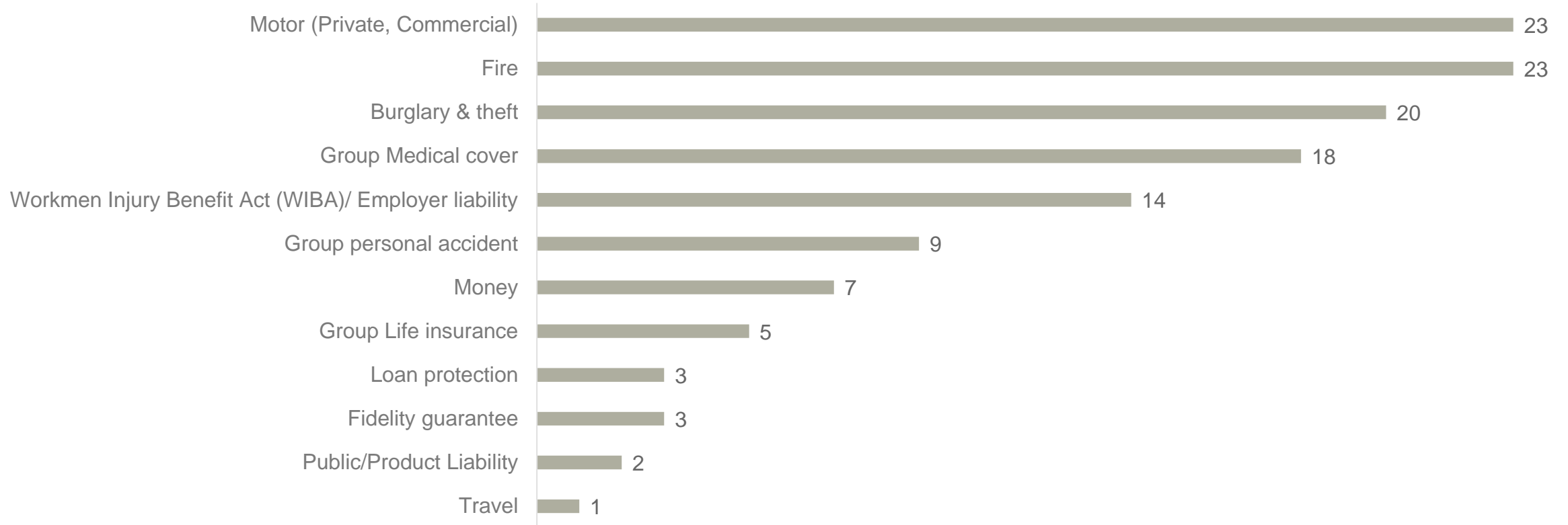| Source	Value
TV Advertisement	30
Word of mouth from a friend / family member	25
Agent / broker	21
Other	12
Internet - Online / Social Media	4
Radio	4
Newspaper / Magazines	2

Qn. Where did you first hear or know about insurance?

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Usage

Product Usage

On product usage, institutions mostly use policies covering Motor, Fire and Burglary and theft.

Product	Value
Motor (Private, Commercial)	23
Fire	23
Burglary & theft	20
Group Medical cover	18
Workmen Injury Benefit Act (WIBA)/ Employer liability	14
Group personal accident	9
Money	7
Group Life insurance	5
Loan protection	3
Fidelity guarantee	3
Public/Product Liability	2
Travel	1

Base: n=250 (Users)

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Non-users of insurance

Financial constraints alongside lack of awareness contributing to institutions not taking up insurance services.

Reason for Non-usage
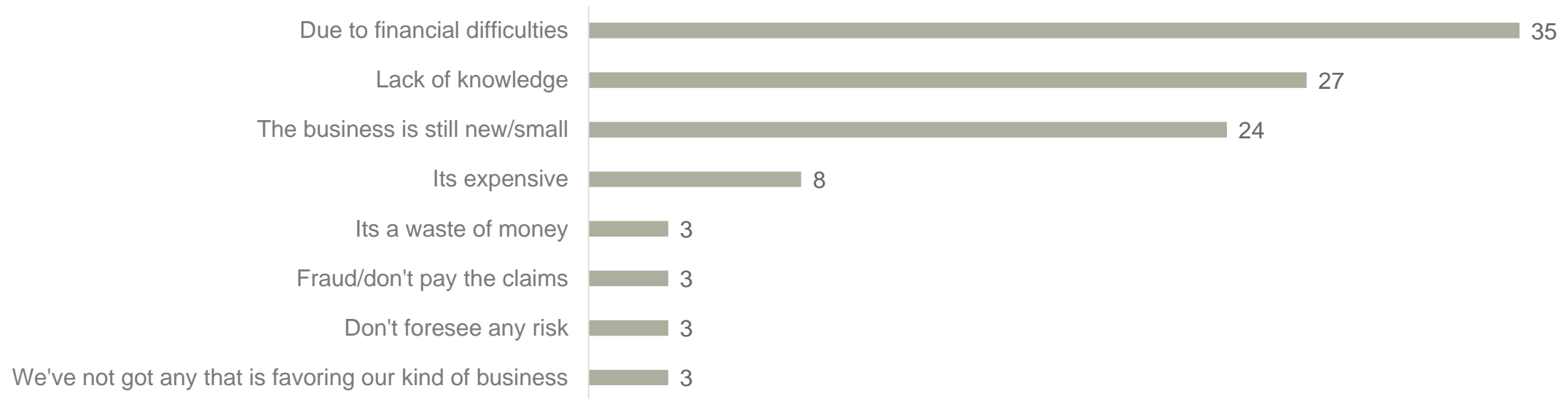
Reason	Value
Due to financial difficulties	35
Lack of knowledge	27
The business is still new/small	24
Its expensive	8
Its a waste of money	3
Fraud/don't pay the claims	3
Don't foresee any risk	3
We've not got any that is favoring our kind of business	3

Qn. You have never taken up any insurance services. Would you please tell me why?

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Section Summary and Recommendations

Summary

- Motor vehicle, Fire and Burglary and theft have the highest usage levels among institutions as well as Group medical cover which comes in 4th place.

- The drivers to non usage are mainly financial related – either the business is small / new and not able to sustain insurance or change in economic times that has affected businesses financial reserves. This is also coupled with lack of knowledge on the different insurance product offers.

Recommendations

- Packages tailored to different institutions depending on the sizes would encourage insurance uptake. With affordability, clients see value in what they are paying for.

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Needs Understanding

Risks and Coping Mechanisms

Institutions are likely to be faced with property damage, Theft and Fire and have already taken up insurance covers or are planning to for security.
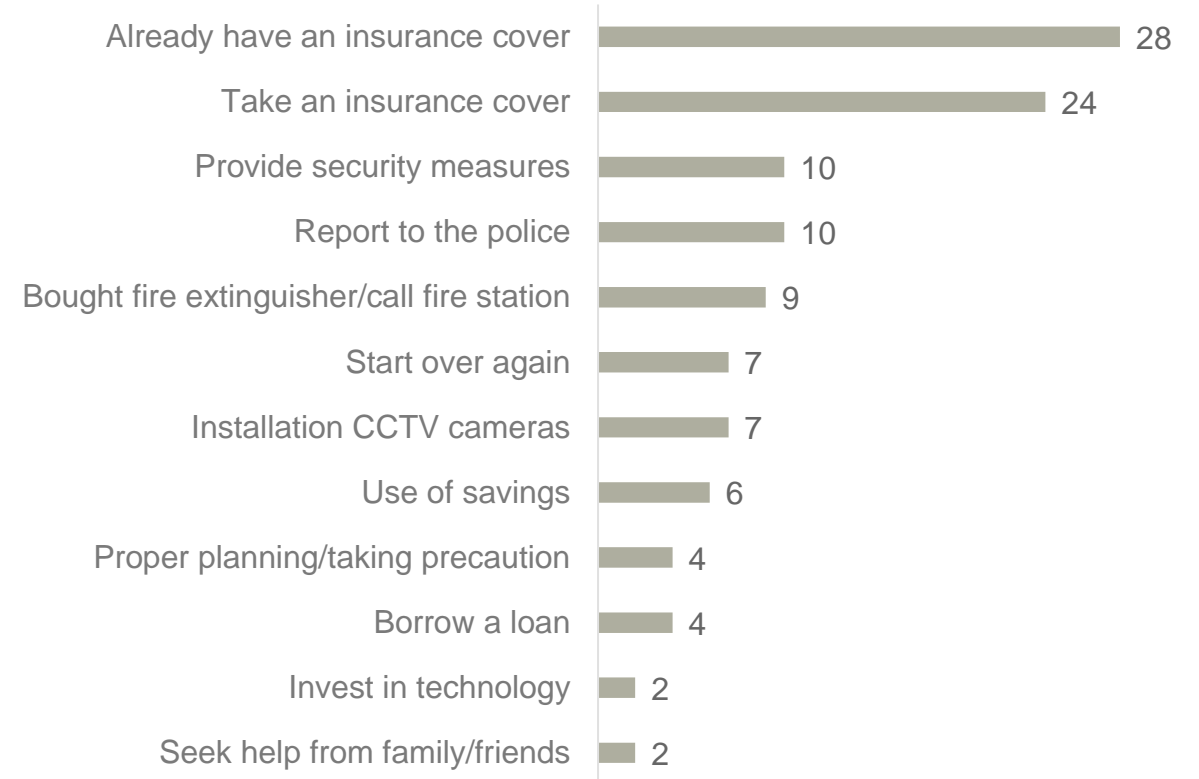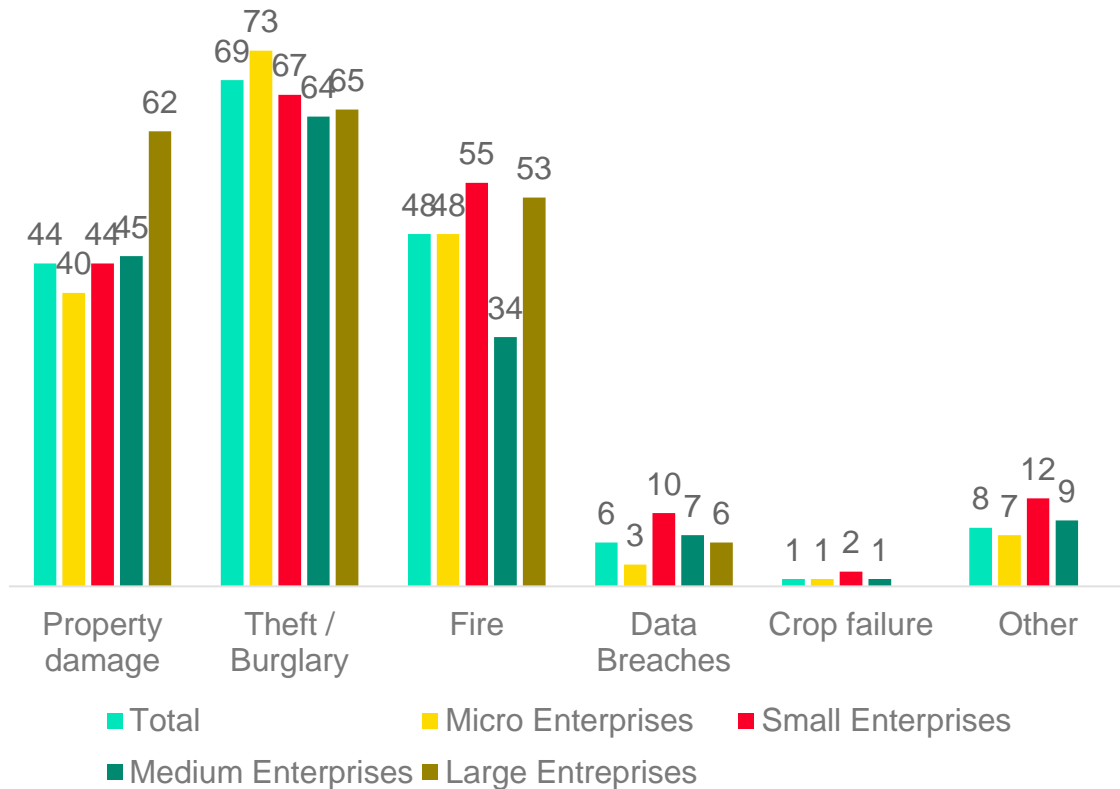
Qn. What are some of the risks your organization is likely to face / have faced?

Qn. How did you cope or how do you plan to cope with these risks?

Base: n=357 (Total sample)

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50

Future Consideration

Medical, Fire and Burglary make up the top policies that institutions would consider taking up in future..

■ Total ■ Micro Enterprises ■ Small Enterprises ■ Medium Enterprises ■ Large Entreprises
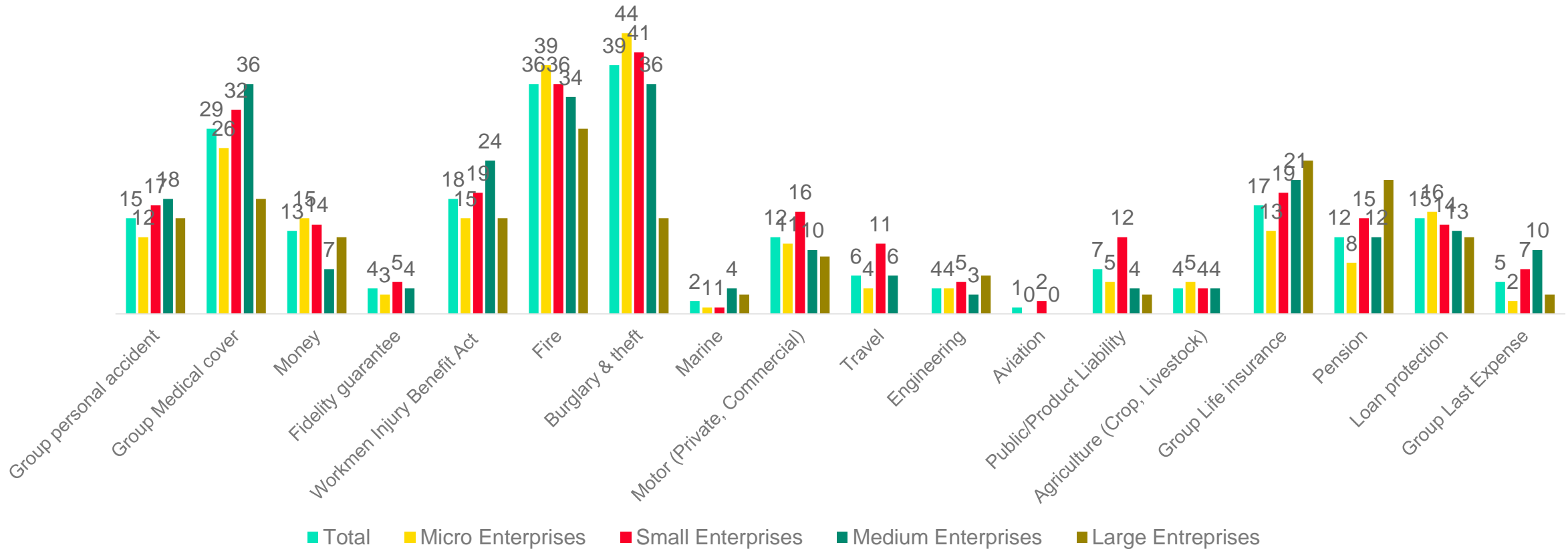
Qn. Which of the following insurance services does your organization consider using in future?

Section Summary and Recommendations

Summary

- Given the nature of this segment, they are likely to incur loses through property damage, theft and Fire.

- Majority of them take insurance covers or plan to take insurance covers to protect them against these risks. They also resort to other measures like enhancing security.

- For future consideration, Group medical cover, Fire and Burglary are the top three with biggest potential to be considered in future.

- Institutions deem insurance to be relevant because of the security it offers against occurrences like accidents, burglary and fire.

Recommendations

- Potential insurance market exists for the small companies as they have substantial requirements, and a proper package would make insurance a viable option for them.

Customer Satisfaction

Net Promoter Score [NPS]

NPS and Reasons for NPS

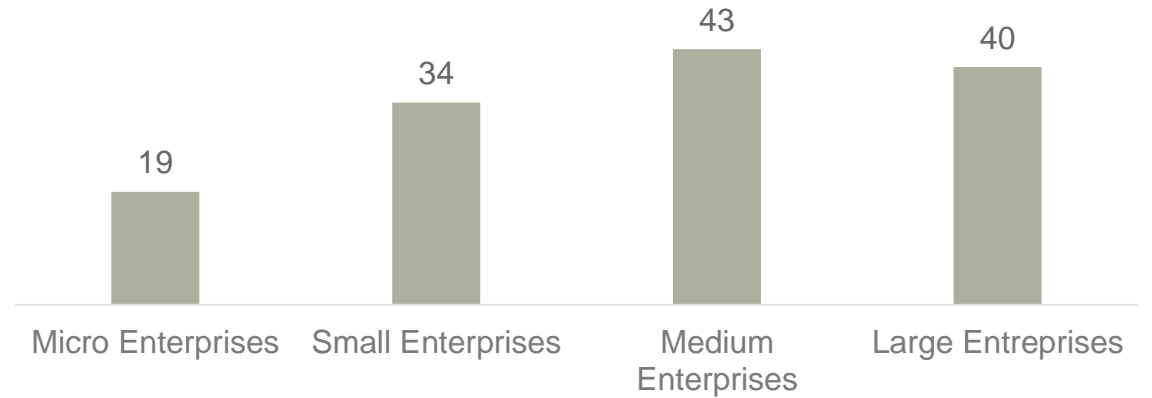Average NPS rating given for the providers used is at 33.
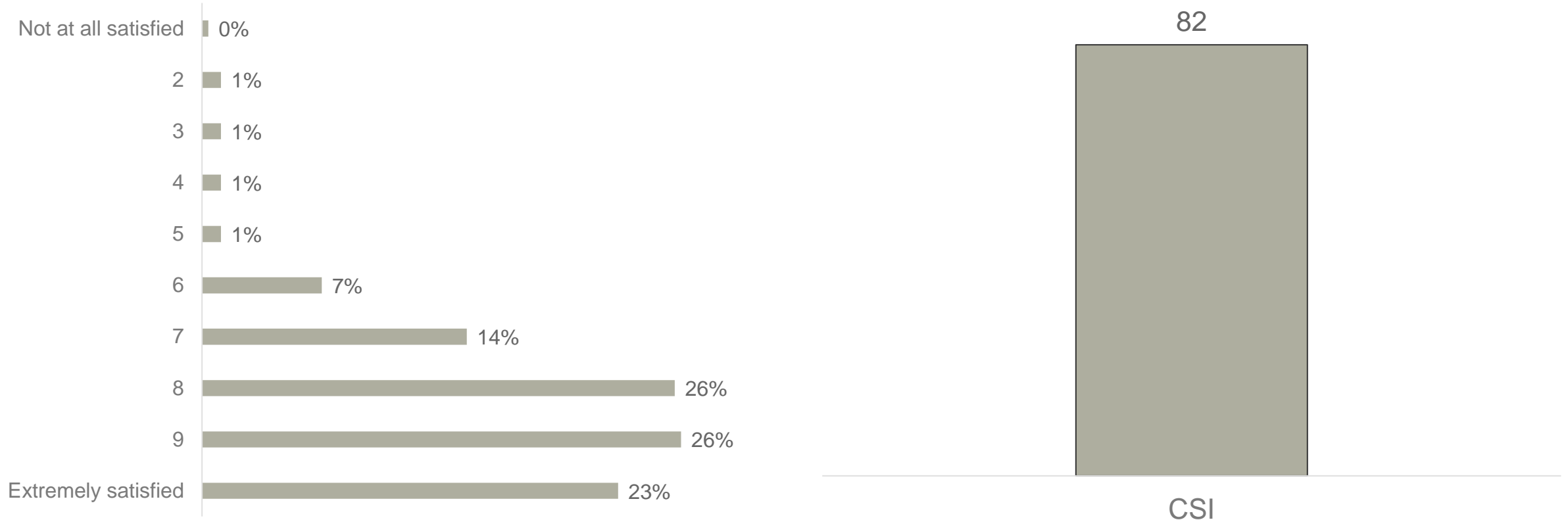
Promoters

Passives

Detractors

47

40

14

NPS 33

NPS By segment

Micro Enterprises	Small Enterprises	Medium Enterprises	Large Entreprises
19	34	43	40

Customer Satisfaction Index

Customer Satisfaction Index for the institution segment was at **82.** This is the average score from the 10-point satisfaction sale.
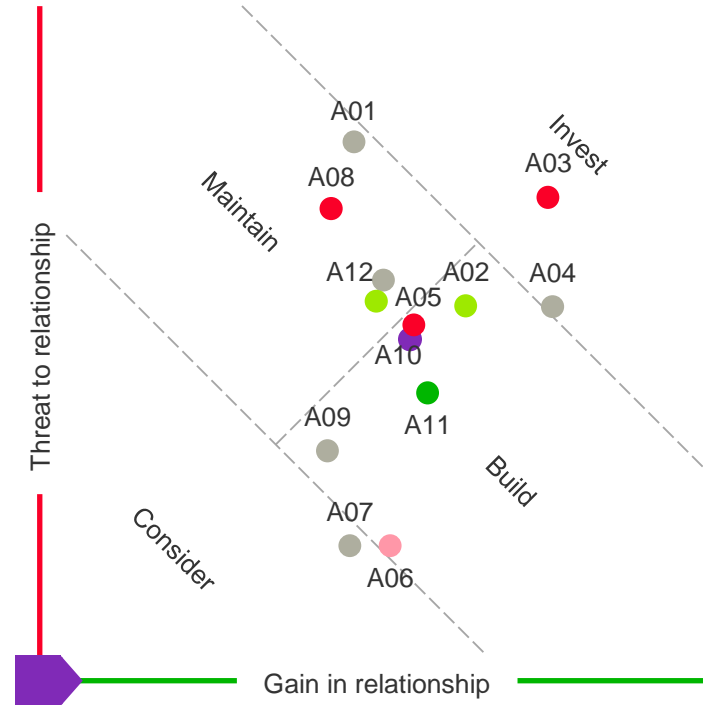
Satisfaction Level	Percentage
Not at all satisfied	0%
2	1%
3	1%
4	1%
5	1%
6	7%
7	14%
8	26%
9	26%
Extremely satisfied	23%

82

CSI

Qn. Overall, how satisfied are you with INSURANCE COMPANY as your insurance company? Please use a scale of 1-10 where 1= Not at all satisfied and 10= Extremely satisfied. Remember you can use any number between 1-10

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Impact Analysis

To improve overall NPS, providers should focus providing timely and effective complain resolutions, adequate information on claim procedures and consider revising the premiums charged.
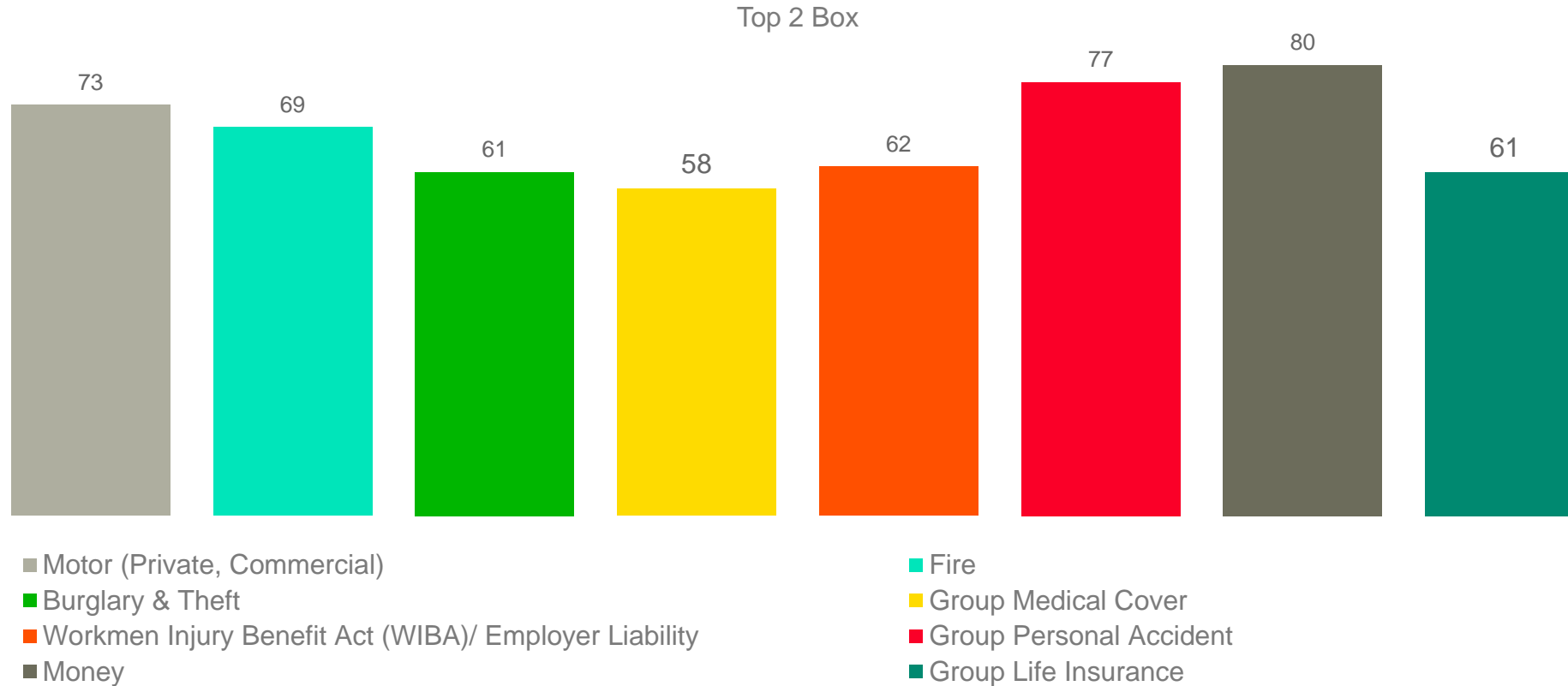
- A01   Friendliness, Politeness And Helpfulness Of Staff
- A02   Staff's Ability To Understand Your Needs And Offer Useful Advice
- A03   Timely And Effective Complaint Resolution
- A04   Accuracy And Completeness Of Information Provided On Enquiries
- A05   Ease Of Understanding The Information Provided
- A06   Notification Of Updates
- A07   Adequate And Reliable Information On Various Policies
- A08   Adequate Information On Claim Procedures
- A09   Technology / Digitization
- A10   Amount Contributed
- A11   Mode Of Payment
- A12   Affordable Products

Threat to relationship

Gain in relationship

Maintain   Invest   Build   Consider

A01   A08   A03   A12   A02   A04   A05   A10   A11   A09   A07   A06

● Far below average   ● Below average   ● Average   ● Above average   ● Far above average

Base: n=250 (Users)

Product Satisfaction

Money, Group personal accident and Motor policies top on satisfaction levels.

Top 2 Box

- Motor (Private, Commercial): 73
- Fire: 69
- Burglary & Theft: 61
- Group Medical Cover: 58
- Workmen Injury Benefit Act (WIBA)/ Employer Liability: 62
- Group Personal Accident: 77
- Money: 80
- Group Life Insurance: 61

Base: n=250 (Users)

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58

Improvement areas

Providers should improve on the time taken before compensation is given as well as prompt communication and updates regarding any changes in services.

Improvement area	Value
Compensation time	18
Notification updates/communication	16
Nothing	16
Reduce on payment	11
Fast services	7
Technology/digitalization's of services	7
New products and services	6
Transparency	5
Advertising themselves/creating awareness	5
Efficient services	5
Discounts on premiums	4
Claims procedure	4
Service delivery	3
Accessibility	3
Competent staff	2
Availability	2
Customer care services	2
Offer enough grace period	1
Annual discounts when risks don't occur	1
Increase amount to cover	1
Downtime of systems	1

Base: n=250 (Users)

Section Summary and Recommendations

Summary

- The average NPS for the institution segment is 33, with 14% detracting customers. Micro enterprise have the lowest NPS across the four segments.

- Top products that elicit high satisfaction levels include Money, Group personal accident and Motor vehicle in that order.

- Major areas for improvement as cited by this segments include; the time taken before compensations can be made, the notifications or update on policies changes as well as reduction in payments.

Recommendations

- Providers should focus on providing timely and effective complain resolutions, adequate information on claim procedures and consider revising the premiums charged.

4
Agents and Brokers
Segment

Our qualitative sample of 10 IDIs were carried out with Insurance Brokers / Agents

	INSURANCE SEGMENT	
BIG COMPANY	x2 General Insurance (Non-Life Insurance Products)	x2 Life Insurance Products
MEDIUM COMPANY	x1 General Insurance (Non-Life Insurance Products)	x2 Life Insurance Products
SMALL COMPANY	x2 General Insurance (Non-Life Insurance Products)	x1 Life Insurance Products

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Awareness

Defining Insurance Customers (1/2)

Customers are broadly defined by individual, business and corporates with brokers and agents targeting them largely through referrals and cold canvasing

Individual Customers

- Referral is the largest source of customers

- They have an insurance need - first time car owners; Young families with kids

- Stable income / Earnings that can sustain a policy

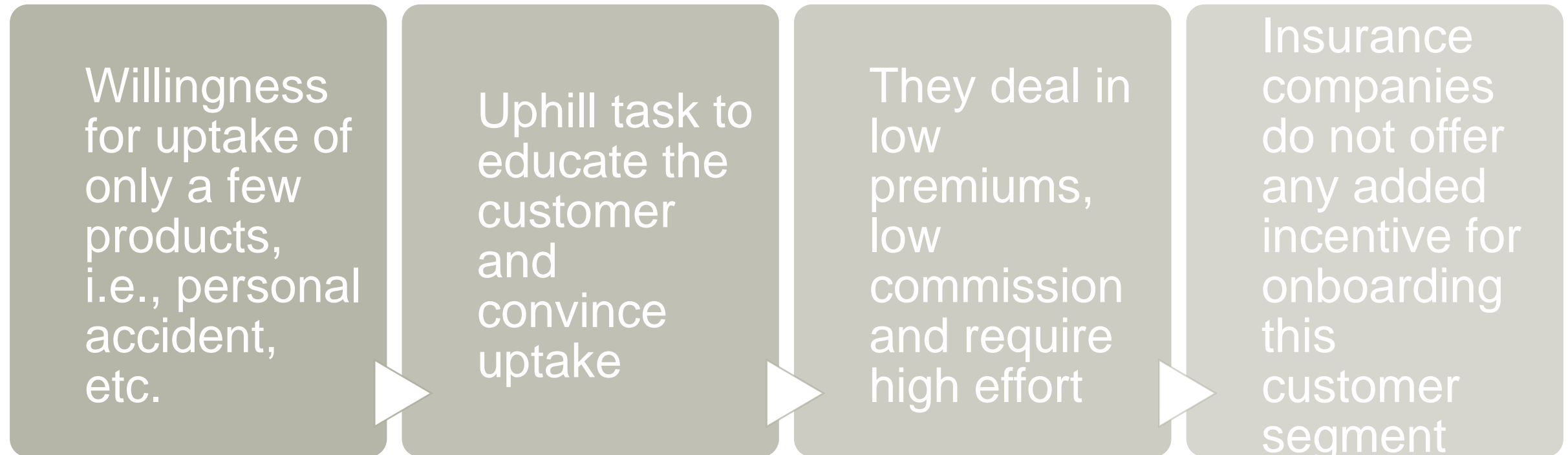- Identify potentials by reviewing their company, titles, assets owned etc.

Businesses

- Target businesses that are involved in tender processes as well as various sectors

- Well performing industries – like pharma, retail / distribution / logistics, Telco

- Process is relatively shorter, taking up to 3 months for uptake and involves less decision makers

Corporates

- Target sectors with job security, relatively stable / consistent – civil servants, parastatals, large NGOs

- Specifically target professional practices and sectors where insurance is mandatory
  - i.e., WIBA, Professional Indemnity etc.
  - Process is longer, up to 6 months for uptake and involves more stakeholders
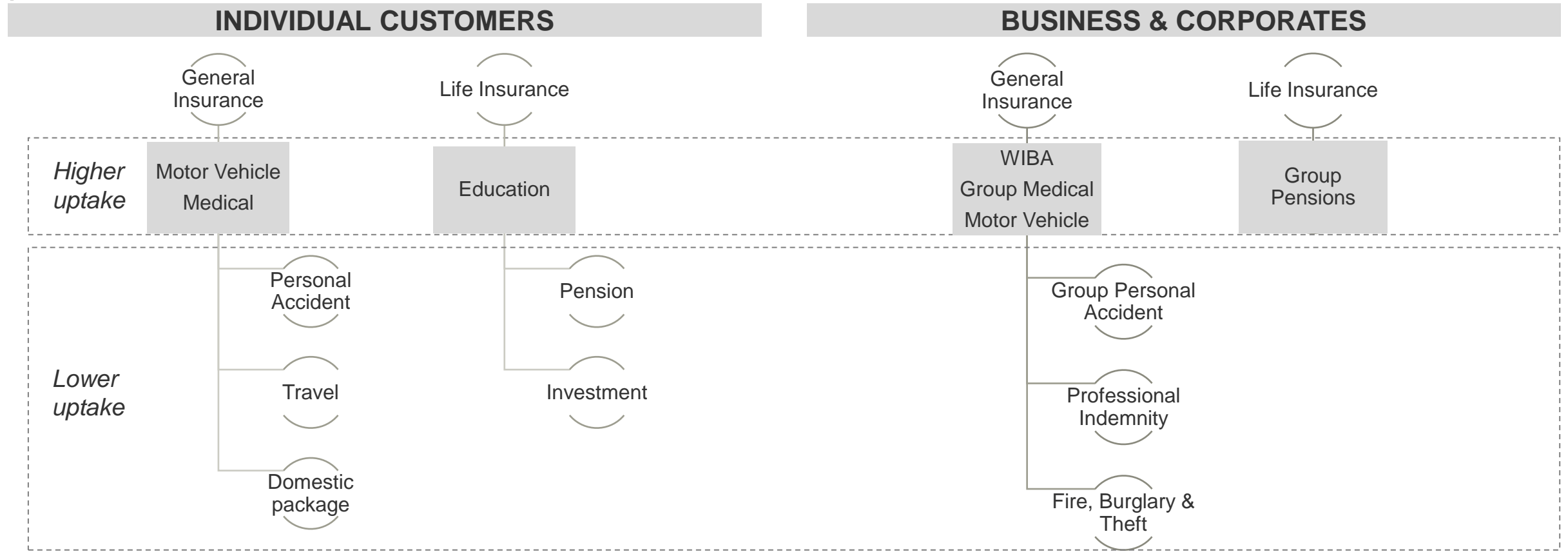
Defining Insurance Customers (2/2)

The mass market customer is recognized to have potential; however, agents and brokers feel it has low returns considering the investment required

Willingness for uptake of only a few products, i.e., personal accident, etc.

Uphill task to educate the customer and convince uptake

They deal in low premiums, low commission and require high effort

Insurance companies do not offer any added incentive for onboarding this customer segment

Customer Awareness of Insurance products

Amongst individuals, general insurance products are described as the entry point to the sector, while the entry point for businesses and corporates is during competitive tendering process.

INDIVIDUAL CUSTOMERS	BUSINESS & CORPORATES

General Insurance · Life Insurance · General Insurance · Life Insurance

Higher uptake
- Motor Vehicle / Medical
- Education
- WIBA / Group Medical / Motor Vehicle
- Group Pensions

Lower uptake
- Personal Accident
- Travel
- Domestic package
- Pension
- Investment
- Group Personal Accident
- Professional Indemnity
- Fire, Burglary & Theft

Source of Awareness and Knowledge on Insurance (1/2)

Agent networks are reported to be the common factor creating awareness across the various customer segments through highly involved and engaging interactions

Email customers products and portfolios	Carry out cold calling and cold canvasing	Set-up physical meetings, trainings and office visits	Partner with hospitals to carry out onsite activations
Attend expos with insurance companies	Attend gatherings and events – school functions, burials	Build database through referrals from existing clients	Distribute company brochures and pamphlets

Source of Awareness and Knowledge on Insurance (2/2)

Notably, IRA is mentioned as a key driver of industry awareness creating knowledge as well as accountability towards customers

Actively educate customers through advertisements

Organize both customer forums and workshops

They have an online portal for complaints

IRA has forced transparency, ensuring customers are taken through the entire product prior to purchase

Usage

Trends in insurance

The insurance sector is undergoing a series of changes with a push towards customer centricity that will influence customization of products and processes

Covid-19 pandemic has shifted the demand for insurance products	• Increased uptake of individual medical covers • Reduced spending from Business and Corporates who have downsized / closed shop
Increased competition and requirement for transparency and accountability	• Flexible product offering – with reduced premiums and partial payment options
Uptake of digital interventions within the uptake and claims processes	• Lower employment rate in insurance companies and less (human) customer support
Education sector has evolved including home-schooling and cheaper online courses	• Reduced demand for education policies
Mergers & acquisitions of insurance companies; Selling of shares	• Continuity of brands, improved quality of service and wider spread; Enhanced competition amongst players

Drivers and Barriers for Insurance products

Agents and brokers opt for their preferred product depending on the returns, short vs. long term timelines and level of involvement required upon uptake

General Insurance Products

✓ It has mandatory insurance products
✓ It is easy to grow / penetrate with more willing customer base
✓ One client gives access to others and expands their database
  • 1 successful customer sale = 5 prospects / referrals
  • 1 successful customer sale = 1 more uptake of another policy
✓ It is easier to profile customers, I.e., an individual customer can be profiled by type of car, residence, work title
✓ Experience benefits of commission / payment immediately

✗ High churning of customers from one company to another
✗ Must be aggressive and timely in following up for renewals
✗ It has a lot of service requirements, i.e., running claims, dealing with several stakeholders
  • A Motor Vehicle Claim requires: Customer handling, liaising with the garage & insurance company, following-up through customer support

Life insurance products

✓ It has better commissions, paid out over a long period of time
✓ It is easier to manage and requires a lower level of engagement upon uptake
✓ There is less churning / movements amongst insurance companies
✓ Claims process is seamless and timely; Has minimal requirements

✗ There is a lower awareness
✗ Long-term requirement is taxing for customers and offers low motivation
✗ Strong perception that it is a scam, and they will not get paid
✗ Risk of lapsing and losing contributions – as caused by low job security / job loss
✗ Other options / alternatives such as saccos and bank savings

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Drivers and Barriers for insurance companies

Their choice of insurance companies is driven by the company's reputation and the competitiveness of their product portfolio

- Competitive premium rates
- Good reputation, esp. on claims payment
- Existing in the market
- Diverse portfolio offering
- Provide quotes in good time

- Poor customer support > unavailable / hard to reach
- Poor reputation on claims payment
- Rigid pricing / premiums – apply blanket fee
- Offers limited number of products

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Perceptions of Insurance Companies

Agents and brokers perceive favorably companies who launched their careers, continuously engage them in trainings and perform well in customer service

Launch & Build Careers

Pioneers and leaders in insurance or a specific type of insurance

Had mentors / support while starting out in the industry

Offer competitive product portfolio

Provides a conducive working environment – amenities,

Highly Engaged

Continuous trainings on product offerings

Assigned to Account Managers > responsive

Access to sales materials and merchandize – brochures, forms, notebooks, pens etc.

Customer & Agent Support

Received awards

Pay claims on time

Well managed support channels

Efficient and seamless processes

Needs Understanding

Need states for customer segments

Agents and brokers perceive insurance need states differently across customer segments

Individual Customers	Businesses	Corporates
🔒 Offers security and a safety net	⚙️ Requirement for their operations	✉️ Part of benefit package for employees
🐖 Form of savings	🏆 Those in tendering > it is a pre-qualification to winning bids	🚫 Fulfilling mandatory obligations
		📉 Securing them against liabilities

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Satisfaction

Digitization in Insurance

Covid-19 pandemic has influenced uptake of digitization with the onboarding and claims process being done seamlessly through online channels

- Insurance providers are taking up technology

  - Mtiba

  - Use of USSD to access medical services

- Uptake and renewal is accessible on websites and phone apps

- Policy documents are sent in soft copy

- Preference for uptake on digital as it has a faster selling process

- Motor Vehicle certificates are sent digitally

- Online meetings with clients

- Easy and fast approvals on claims

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Thank you

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