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Swedish Cooperative Centre and Cooperative insurance company of Kenya selected from among over 100 applications to receive grant for providing affordable insurance coverage for the poor

NAIROBI, Kenya (ILO News) – An estimated 200,000 low-income families (approximately 1,000,000 individuals) in Kenya are expected to benefit from a microinsurance package supported by a grant from the [Microinsurance Innovation Facility](#) of the International Labour Office, the ILO said.

The Microinsurance Innovation Facility, funded by the [Bill and Melinda Gates Foundation](#), is to award a grant of USD 373,712 to the Kenya-based **Swedish Cooperative Centre** (SCC) and the **Cooperative Insurance Company** (CIC) for a comprehensive family insurance package aimed at reducing the vulnerability of low-income people who otherwise couldn't afford insurance. The grant is to support provision of health, accident, and funeral insurance.

The Microinsurance Innovation Facility launched its first round of Innovation Grants in May 2008 to support the development of new microinsurance products and models and to enhance consumers' education amongst low income households. The Facility selected only 10 recipients from 127 proposals received from around the world. The SCC - CIC project is the first grant to be presented to the Press.

The members of the consortium are part of [the ILO's COOPAfrica programme](#), and - based on their cooperative values - have a strong commitment to serving the poor. They plan to test a composite microinsurance product on a mass scale - the expected result is

to insure at least 200 000 low income people - through grass roots organizations and MFIs in Kenya. The experience might prove that a composite insurance product could provide better coverage at a more affordable price for low-income people while still remaining simple and accessible. As the cooperative insurer partners with delivery channels that can dramatically upscale the access to microinsurance and has significant experience in mass communication and financial education, this initiative could also demonstrate whether education campaigns can help the target groups understand better the benefit of insurance and demand good value for money products.

Housed at the International Labour Organization's [Social Finance Programme](#), the Microinsurance Innovation Facility seeks to increase the availability of quality insurance for the developing world's low-income families to help them guard against risk and overcome poverty. The Facility was launched in 2008 with the support of a grant from the Bill & Melinda Gates Foundation.

The ILO's interest in microinsurance comes from two perspectives. On the one hand, microinsurance is a means through which social protection can be extended to excluded populations, such as workers in the informal economy - social protection being the main priority of the [Decent Work Country Programme in Kenya](#). On the other hand, the ILO is concerned about the social effects of the financial market, which often excludes the working poor who only have their labour as capital. Consequently, for the ILO, microinsurance enhances access to social protection and promotes inclusive and equitable insurance markets.

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For more information on the Facility: www.ilo.org/microinsurance