

Breaking the ICE: The role of insurance associations in insurance consumer education

Briefing Note

In the last decade, some insurance associations (IAs) have expanded beyond their traditional core functions to develop insurance consumer education (ICE) programmes. IAs, as the representatives of the industry are well-positioned and ideally suited to invest in ICE. By investing in ICE they not only promote consumer protection but they also contribute in improving the reputation of the industry. Excerpted from Microinsurance Paper no. 31*, this brief summarises steps that the IAs should take during the preparation of an ICE.

IAs need to first identify the weaknesses and threats that apply in their context, and then incorporate possible solutions into the design of their initiatives. The advantages and disadvantages that should be considered when investing in ICE are summarised below.

SWOT analysis
of an ICE initiative
led by an insurance
association

STRENGTHS

- Extensive knowledge of insurance related topics and of the insurance market
- Well positioned to be a leader in industry-led ICE
- Strong relationships with critical institutions at country level

WEAKNESSES

- Difficulties in establishing linkages between ICE and product access, product education and company branding for member companies
- Financial costs entailed in comprehensive initiatives
- Lack of experience in implementing ICE programmes
- Lack of experience in monitoring and evaluating ICE initiatives

OPPORTUNITIES

- Developing the insurance market's potential, possibly influencing take-up and persistency
- Creating synergies with other stakeholders interested in developing or already investing in financial education programmes
- Boosting insurance companies' public image
- Contributing to national consumer protection efforts by raising consumer awareness

THREATS

- Inability to demonstrate impact may lead to unwillingness amongst donors or members to continue with ICE in the absence of mandatory contributions
- Restrictive country regulations may impede the design of initiatives
- Increased awareness may not lead to behavioural changes; individuals may be reluctant to buy insurance even after ICE

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The related Microinsurance Paper 31 reviews five ICE programmes implemented by insurance associations in Brazil, Colombia, Kenya, Mexico and South Africa. The paper details four stages that an insurance association should follow to design an effective ICE programme, namely and provides recommendations for each stage.

These recommendations are summarized here ►



The timing and sequencing of ICE programmes matters. Linking ICE to insurance products in the market is crucial as education tends to generate expectation in the target audience and it is important for them to be able to find products that match their aspirations. Consequently, ICE programmes should be timed with the availability of products.

Stage 1: PREPARATION AND PLANNING

An effective ICE programme requires careful planning, meticulous content and delivery design, and strategic partnerships amongst various stakeholders

Establish a unit to be in charge of the ICE programme internally to ensure the continuity of relevant initiatives

Define a sustainable funding strategy to guarantee the viability of the ICE programme in the long run

Identify partnership opportunities with national/regional initiatives and stakeholders

Keep all stakeholders and target audience in mind during the whole process to guarantee that initiatives are relevant for all the sides

Stage 2: CONTENT

Understand the needs of the target audience and involve them in different stages

Focus on insurance and risk management content when faced with limited funds. As are very well positioned to deliver education in these topics

Stage 3: COMMUNICATION

Though not always possible, a mix of delivery channels and tools can make ICE interventions more effective

On-going interventions present better results than one time ones

Stage 4: MONITORING AND EVALUATIONS

Monitoring and evaluation activities, while challenging and sometimes costly, are critical to develop an effective education programme. A monitoring and evaluation strategy must be established from the start of the initiative

Piloting is a very important step that should not be skipped as it can detect possible challenges and ensure that the ICE initiative will work better on a larger scale