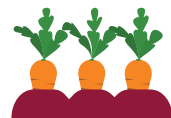
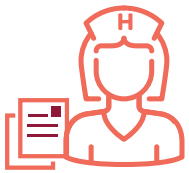




Insurance &
Risk Finance
Facility

THE INCLUSIVE INSURANCE NAVIGATOR

A Guide to Designing
Inclusive Insurance
Products and Markets



THE >>>>>>>>> INCLUSIVE INSURANCE NAVIGATOR

A Guide to Designing
Inclusive Insurance
Products and Markets



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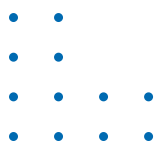
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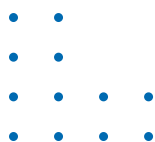


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List of Acronyms

A2ii	Access to Insurance Initiative
B2B	Business to Business
CGAP	Consultative Group to Assist the Poor
IFAD	International Fund for Agriculture Development
ILO	International Labour Organization
IRFF	Insurance Risk and Finance Facility
IT	Information Technology
KPI	Key Performance Indicator
MILK	Microinsurance Learning and Knowledge project
MFI	Microfinance Institution
MVP	Minimum Viable Product
NPS	Net Promote Score
PACE	Product, Access, Cost, Experience
P&L	Profit & Loss
RICE	Reach, Impact, Confidence and Effort
ROSCA	Rotating Savings and Credit Association
SaaS	Software as a Service
SACCO	Savings and Credit Co-operative Society
SDGs	Sustainable Development Goals
UNDP	United Nations Development Programme





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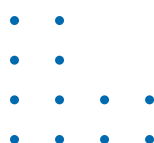
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Section i

Using the Navigator and Preparing for the Work



Section i. Using the Navigator and Preparing for the Work

i.i. Using the Navigator

UNDP's Insurance Risk and Finance Facility (IRFF) has developed this Navigator to address the needs of insurers, distribution channels and other stakeholders planning to develop inclusive insurance products and markets. Starting from scratch in this market can be daunting, costly and time-consuming. To make it easier, this Navigator leverages lessons learned by experts over the past decade and condenses them into practical applications that can be used by practitioners who have varying degrees of experience in inclusive insurance and research methods.

Insurance is a tool for managing the unforeseen risks that can impact financial security and health. It can protect clients' businesses and farms, not to mention their lives and health, from climate, disaster and unexpected life events. Climate change, in particular, has exacerbated risks, creating an urgent need to expand insurance to a majority of the world's population. Insurance has a critical role to play in building financial inclusion, helping to protect the lives, health and assets of the majority of the population in the face of these growing risks.

Inclusive insurance represents an opportunity for insurers: it can help them expand and diversify their business model by reaching market segments that are currently excluded or underserved. It can also strengthen the business models of third parties that have strong distribution access to broad segments of the population, enabling them to increase and diversify their revenues, while improving their value proposition.

This Navigator provides resources to support you and your organization as you develop or strengthen a client-centric approach to inclusive insurance. It is centred on the premise that client-centric products and processes can successfully build a sustainable market in which clients understand and perceive the value of insurance products, and are able to realize that value. Only in this way can the insurance sector gain the trust of new customers and ensure their sustained interest in, and commitment to, using insurance products to manage their risks. As you read through this Navigator, you will learn how to create, communicate and offer this value to customers who have not typically been targeted by traditional insurance products. With this in mind, the Navigator offers guidance on how to ensure your approaches are inclusive, empathetic and respectful of differences.

The Navigator covers the entire process of product development, from designing products to selling them and servicing them. Throughout the document, you will find tools, case study examples and resources for methods and processes. Some research





methods discussed are also used in contexts outside inclusive insurance, and in these cases, the Navigator provides insurance-specific examples of their application.

The Navigator is meant to be used by a variety of practitioner audiences working with or within insurance companies and insurance distribution channels. Managers and work teams alike can use this document as a tool. It offers practical hands-on steps, examples and checklists to track progress.

For managers, each section begins with a **Manager's Brief** in yellow boxes. This section is designed for busy managers who may not have the time to scroll through all the content, but who need just enough information to understand what their teams are working on. Both managers and work teams will also benefit from reviewing the case studies, also in yellow boxes in this document, which illustrate ways in which some of the tools have been applied by local operators. To monitor staff progress, managers can use the checklists at the end of each section to request staff updates and track progress.

The content in this Navigator is rich and lengthy. It is not meant to be read in order; rather, it is intended to act as a resource for users at different stages of inclusive insurance provision. To facilitate your navigation, it offers specific routes for users who are at different stages of deploying inclusive insurance products. You can follow each route directly, if it fits your organizational needs, or you can develop your own path through the Navigator, by reviewing this introduction and the Table of Contents and selecting the most relevant tools for your needs.

If you are new to inclusive insurance, the entire document will likely be useful to you, and, if so, you can simply read the Navigator from start to finish. If you are looking for specific support, for example with sales or marketing strategy, this Navigator has been developed so that each section can be used in isolation. You can use the tabs along the side to quickly reference the resource you need, and links are provided throughout the document, allowing you to navigate directly to specific resources. The Toolbox is designed to allow you to dive deeper into any tool or method in which you may be interested.

We hope this Navigator supports you and your organization in opening new markets and developing products that reach new market segments that can benefit from improved risk protection. Enjoy the journey!

i.ii. Routes for Developing and Improving Inclusive Insurance Products

Manager's Brief: In Section i, your team will learn how to use this Navigator and prepare to develop and offer inclusive insurance products. Think of this as a route that your team will follow and consider that not everyone needs to follow the same road to achieve their desired result. The market and institutional context matter, as do the goals of your institution. For example: Are you aiming to create a new market in your local context, or is inclusive insurance prevalent in your market? Are you developing a new product, or planning to evaluate an existing offer to improve impact, uptake or claims? Does your institution have existing experience and, if so, what experience exactly? This Navigator offers four suggested routes to follow in order to meet your goals. Choose a route first and your team will be led to the sections in this Navigator that apply to that route.

In this section, we also discuss other important first steps for you and your team. First, identify the members of your team and develop an internal working group to drive, execute and support your process. This group should be multifunctional, with representatives of commercial, marketing, operational, financial and IT functions in your organization. It may also include your partners. Once your team is in place, ensure they understand that they will need to use client-centric approaches if they are to develop products and processes that are innovative, new and bring value to end customers. Client-centricity is critical when designing or improving products and services, so that clients understand, perceive and obtain good value from the products they purchase. We discuss in this section the importance of taking a client-centric approach. To do this, consider the team's existing understanding of the target market and its needs. This can be very useful in framing hypotheses.

This Navigator emphasizes that unmet needs and underserved markets can be discovered through an inclusive process that involves clients and those closest to them. Insurers may not be reaching every market segment in the country because they may not be aware of how to reach them, or even how to identify unexplored segments. In part, this may be because insurers and their teams are very distant from the end customer, and have limited experience of the process of developing products for their needs. To help put this right, you need to recognize the internal biases that your team may have and ensure they do not influence your research results and product design.





There are multiple routes to developing, prototyping and scaling an inclusive insurance project. Developing a client-centric product does not begin with an analysis of competitors' existing products, but rather, with understanding the needs and behaviours of your target clients. To achieve this, your organization will need to take new approaches that help you see the market differently. This Navigator will support you, offering different routes that suit your needs and experience. The best route for your organization will depend on how far into the process you already are and how well you know your market, as well as on your timeline and your resources. Wherever you find yourself, the Navigator will provide direction for all the stages in the process. Below we outline a few successful routes, and throughout the Navigator, you will see shortcuts to help you stay on the route you have selected. Review the options below before starting – and enjoy the ride!

Route 1: The Orange Route

The full process



Route 2: The Green Route

New data collection with internal staff and distribution channels, robust prototype testing



Route 3: The Blue Route

Agile product development and prototype testing for price sensitivity



Route 4: The Violet Route

Client focus groups and customer journey mapping





Route 1: The Orange Route

The full process

The full market research and product development process is ideal if you are in a relatively undeveloped market where you can benefit from in-depth market research, and if you have adequate time and resources. In this scenario, you will likely have to collect new data and insights about your potential clients and about the specific segments in which they are clustered. This process can give your organization a first mover advantage and can be very helpful in framing your approach.

Section 1

Market research involves gathering data from internal and external sources and collecting new data about clients and distribution channels. You will identify client segments, typologies or personas to help you target products and distribution to specific people and their needs. Where data are not available, an exercise called bottom-up segmentation can help you plug the gaps by drawing insights from front-line staff.



Section 2

Product and process design includes conducting a design workshop to develop product prototypes, identify distribution channels and price products. Once you have created prototypes, you will test the prototypes and be ready to finalize and deploy the product(s).



Section 3

Selling the product involves defining the market strategy you will use to present your product. This will include identifying partners, incentives, training and communication strategies to ensure customers are reached, informed and onboarded effectively.



Section 4

Servicing the product includes all post-sales support and monitoring. Your customers' experience after they have bought your product is just as important as their experience before sale. Good servicing includes reinforcing customer understanding, servicing claims and monitoring progress.





Route 2: The Green Route

New data collection with internal staff and distribution channels, robust prototype testing

If you are acquainted with your market but unsure where the market gaps are, you may choose to leverage the knowledge of client-facing agents to design a wide range of products and then focus on prototype testing for demand.

Section 1

Market research in this route will be more compact, and you can conduct shorter exercises with fewer resources. Your team may only need to conduct some client focus groups and carry out a bottom-up segmentation exercise, drawing insights from front-line staff and distribution channels.



Section 2

Product and process design includes conducting a design workshop to develop product prototypes, identify distribution channels and price products. Once you have created prototypes, you will test the prototypes and be ready to finalize and deploy the product(s).

Section 3

Selling the product involves defining the market strategy you will use to present your product. This will include identifying partners, incentives, training and communication strategies to ensure customers are reached, informed and onboarded effectively.

Section 4

Servicing the product includes all post-sales support and monitoring. Your customers' experience after they have bought your product is just as important as their experience before sale. Good servicing includes reinforcing customer understanding, servicing claims and monitoring progress.





Route 3: The Blue Route

Agile product development and prototype testing for price sensitivity

If you know your market well and have identified a specific market gap to target, you may want to concentrate your market research efforts on testing product prototypes and client price sensitivity and skip over Section 1.

Section 2

Product and process design includes conducting a design workshop to develop product prototypes, identify delivery channels and price products. Once you have created prototypes, you will test the prototypes and be ready to finalize and deploy the product(s).



Section 3

Selling the product involves defining the market strategy you will use to present your product. This will include identifying partners, incentives, training and communication strategies to ensure customers are reached, informed and onboarded effectively.

Section 4

Servicing the product includes all post-sales support and monitoring. Your customers' experience after they have bought your product is just as important as their experience before sale. Good servicing includes reinforcing customer understanding, servicing claims and monitoring progress.





Route 4: The Violet Route

Client focus groups and customer journey mapping

If you have existing products that need to be updated or tweaked, you could use client focus groups and customer journey mapping exercises to take a client-centred approach to the process.

Section 1

Market research will be brief and will have a stronger emphasis on the customer experience. You might conduct focus groups with existing clients, including customer journey mapping exercises.



Section 2

Product and process design includes conducting a design workshop to develop product prototypes, identify delivery channels and price products. Once you have created prototypes, you will test the prototypes and be ready to finalize and deploy the product(s).



Section 3

Selling the product is still a valuable consideration, even if you have an existing marketing strategy in mind. As such, you may find it useful to review this section to validate your strategy.



Section 4

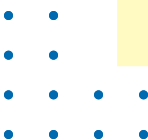
Servicing the product includes all post-sales support and monitoring. Your customers' experience after they have bought your product is just as important as their experience before sale. Good servicing includes reinforcing customer understanding, servicing claims and monitoring progress.

Case Study 1. Using the Orange Route 1 – The case of Crezcamos, S.A. in Colombia

Crezcamos, S.A. (Crezcamos), a microfinance institution (MFI) working in rural Colombia, offers multiple personal and property insurance covers for its loan clients. Over 30 percent of its portfolio consists of loans to agricultural clients. As such, the MFI was keen to offer its clients climate insurance to protect their crops from extreme weather events.

As this type of product was new to the institution and to its clients, they chose to engage in the full market research and product development process and hired a consulting firm to manage the process. They utilized internal data from their credit portfolio to segment clients by crop, land size, loan size and location. This was complemented with external data on the number of farmers in the country by crop to help assess market sizing. Next, they segmented the clients and held focus groups with segments that were stratified by crop, loan size and location. They worked with external consultants to hold focus groups and in-depth individual interviews with clients and identify their main climate risks. Smaller loan clients were invited for focus groups, while larger clients with more land were visited for one-on-one interviews. The interviews covered existing risks, existing coping mechanisms and the cost of coping with climate events. They also addressed the client’s understanding of insurance and parametric insurance concepts as well as their interest in paying for these products.

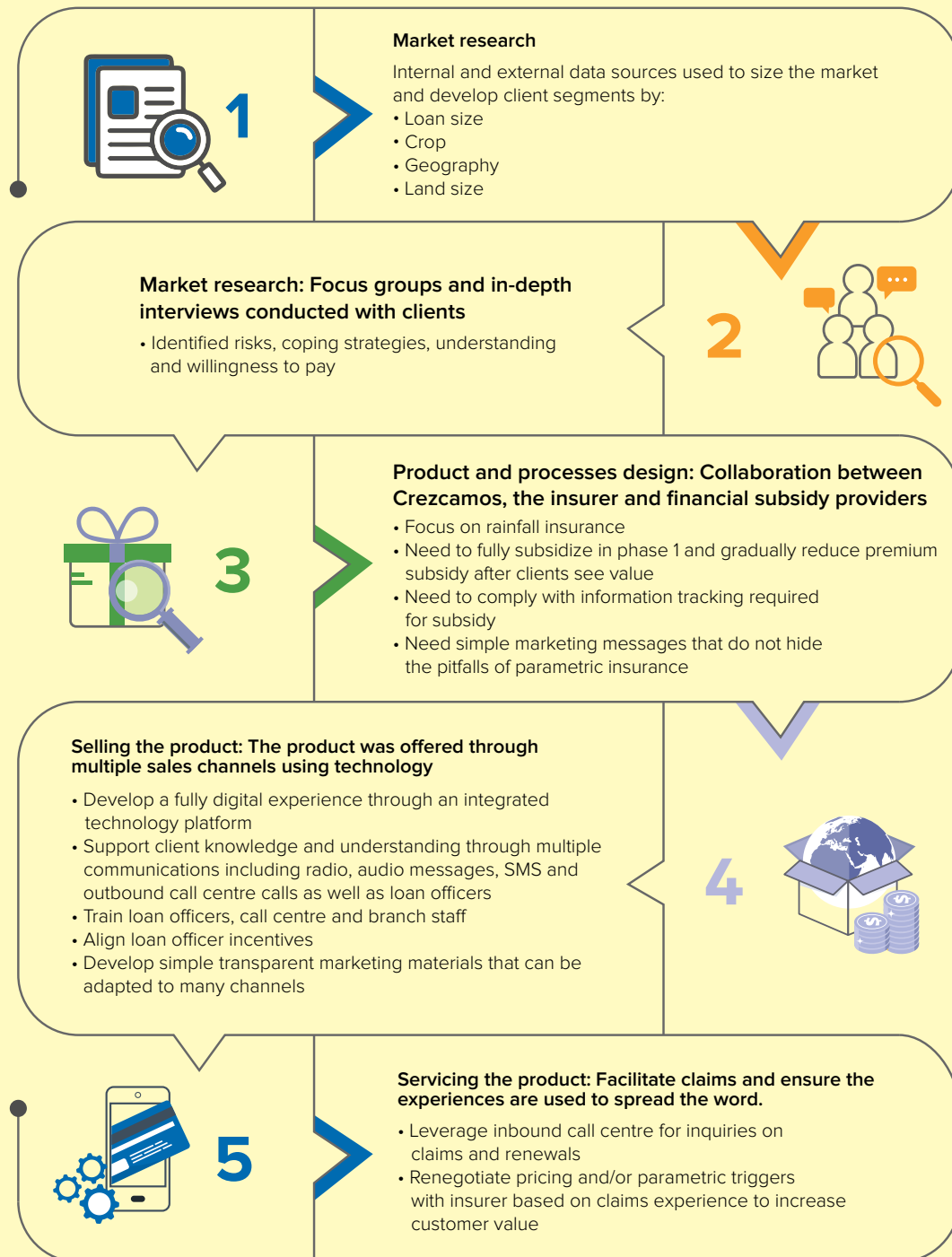
As a result of the interviews, the MFI was able to approach an insurer with specific parameters for its insurance. For example, only excess rain and drought were ubiquitously cited as damaging to the main crops in Crezcamos’ portfolio. Since willingness to pay was low, particularly for a new product that had no track record, the institution also worked with domestic and international public agencies to design a subsidy programme that would initially offer products at no charge to “educate” clients about insurance and gradually reduce subsidies over time as clients began to trust the product. Once the insurer had a prototype, consultants returned to clients with the prototype to test various educational materials and marketing messages, as well as channels that would be most effective to promote enrolment. The process showed that it would be critical to explain key concepts like basis risk to clients in order to build knowledge and transparency in the product. The process also identified the potential for an omnichannel strategy to promote the product through both high-touch loan officer visits as well as lower-touch call centre calls, audio messages, SMS and radio. Finally, while loan officers would not receive direct incentives for enrolling clients, they were trained to educate and enrol clients, and to understand that clients who receive payouts are more likely to pay back their loans. Since loan officers receive an incentive for managing delinquency, this was attractive to them.





Crezcamos launched the product in 2020 and was able to place over 68,000 policies in its first three years of operations in 13 departments of the country. Over 4,850 clients have received payouts on the product, which has led to an increase in interest in paying for the product and voluntary enrolment through inbound call centre calls.

Figure I. Product development process used by Crezcamos S.A.



Source: Interviews with Crezcamos, S.A.



Figure II. Key sales tools and channels used by Crezcamos S.A.



Source: Crezcamos, S.A.

Case Study 2. Using the Green Route 2 – The case of APA Insurance in Kenya

“To develop a product, we use the feedback (from the clients); the clients say the positive and negative aspects of the insurance policy and we correct the product accordingly.” John Kamau, Business developer at APA Insurance Limited.

The product design and development of [APA Insurance](#) (Apollo Group) in Kenya provides a good example of a company following Routes 2 (Green) and 3 (Blue). APA Insurance Limited (Kenya) is one of the parent group’s most important companies, and has become the largest insurance firm in Kenya; serving both business and individual customers, it has an innovative range of product offerings. Focusing on bottom-up segmentation, APA develops different activities with staff and potential clients to get input to develop inclusive insurance products, prototype in the field and iterate based on client feedback.

APA’s teams continuously visit different communities to talk to potential and existing customers and gather ideas for new inclusive insurance products. To create a new product, APA uses the method outlined in Figure III.

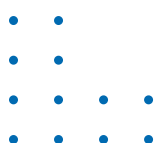
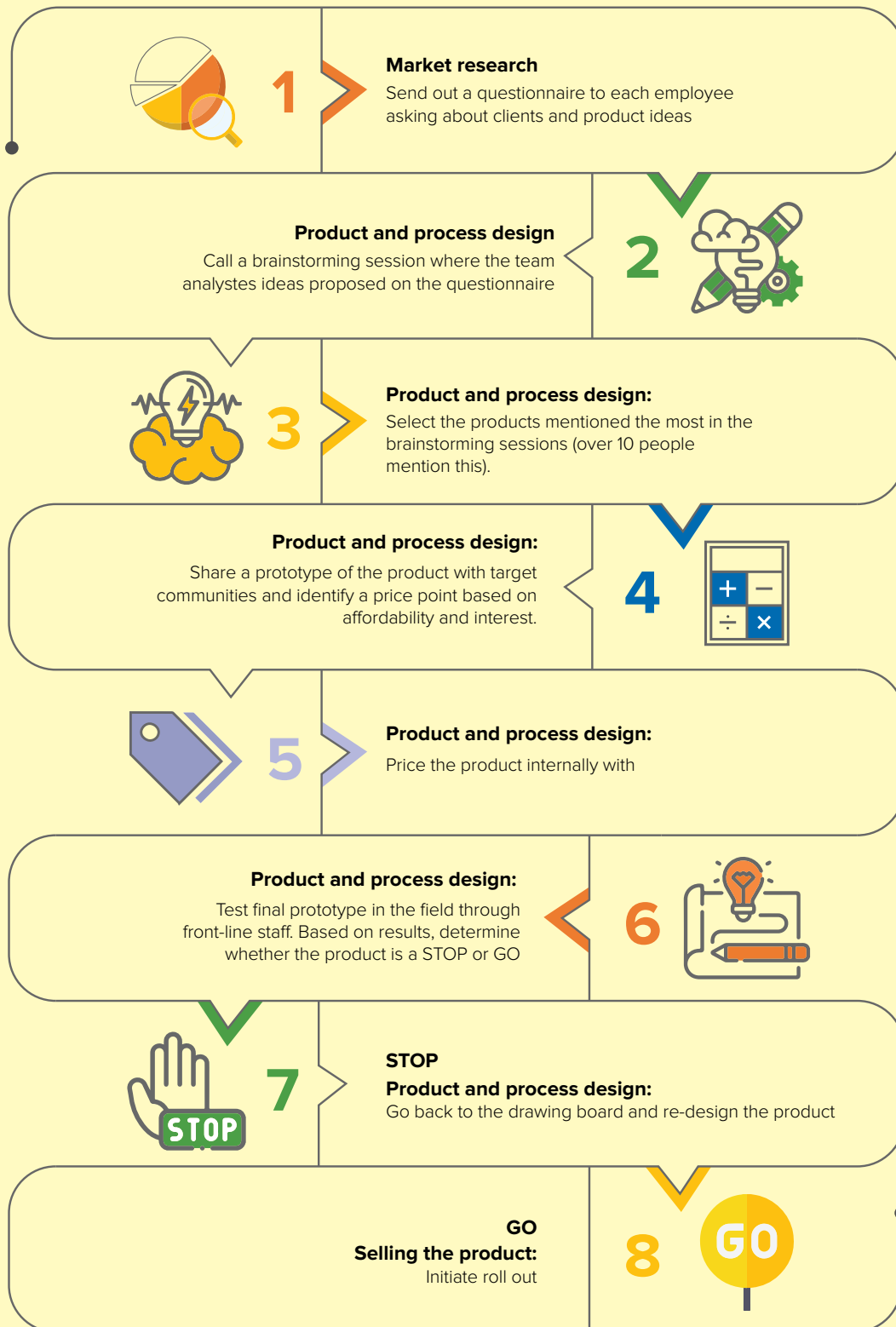




Figure III. APA's method for creating a new product



Source: APA Insurance.

APA also focuses on customer education, regularly organizing groups to explain who the company is and what it can offer, describing the policies in simple terms, giving reasons why acquiring insurance can be beneficial for potential clients, and trying to address negative past experiences some people have faced with other insurance companies. The company considers that it is very important to gain communities' trust and prove through actions that insurance policies can help them in times of need.

i.iii. Establishing a Working Group

Inclusive insurance initiatives require the participation of every unit in an insurance company. Distribution channels, such as financial institutions, also need multiple units to be involved to ensure that products, processes and services are client-centred and effective. Every institution embarking on a new initiative or improving an existing initiative should create a working group for this purpose. Typically, working groups are made up of a commercial unit representative, someone who serves a marketing function, somebody who handles operational issues (such as call centre management), partnership leads, actuarial or financial units and IT units. Your working group coordinator can be one of these people or can be someone assigned specifically to lead the project, depending on your organizational needs. In some cases, a coordinator may be assigned specific staff to support different efforts from time to time. The working group should participate from the earliest stages of the process, including project planning and [design workshops](#). While weekly meetings are most effective, not everyone needs to participate in these weekly meetings. However, everyone should be informed of progress through memos and called on to participate in weekly meetings at critical times.

Your working group will need to meet and discuss various stages on the roadmap to inclusive insurance. Make sure that this Navigator is accessible to everyone. You might even consider assigning readings on different sections of the Navigator throughout the process. As you follow the Navigator with your working group, remember that no route is a completely linear process, and that you will need to access different sections of the Navigator as you go. For example, while we include a section on [Servicing your product](#) at the end of this Navigator, it is important to set up targets and systems before launching your programme, and in some cases, before even defining your product.





i.iv. Recognizing Internal Biases is Essential for Developing an Inclusive Insurance Product

This Navigator emphasizes that unmet needs and underserved markets can be discovered through the process of developing inclusive insurance products. Insurers may not be reaching every market segment in the country, for the simple reason that they do not know how. They may be distant from the end customer and have limited experience with the process of developing products that meet customer needs.

We might think that we already understand our target population. After all, it may be a population that we know from our family and community; it may even be a population with which we interact daily. For example, your target market might include the taxi driver who drives you to work, your housekeeper, the owner of the small grocery shop on the corner of your street, or your own family members nearby or in more remote areas of your country. We share a country and geography with these people, and we might enjoy the same sporting events, popular television shows or local amenities. We come from a shared cultural history and we may use the same slang and idioms, follow the same rituals and hold the same attitudes. Indeed, we know a lot before embarking on the process of defining a market. However, some of what we ‘know’ comes from beliefs; it is not knowledge that we have gained from a deep engagement with our target community about the risks they face, how they manage these risks and their financial vulnerabilities. Our beliefs can misguide us into making assumptions about the behaviours of people of different socio-economic classes, ethnicities, genders, sexual preferences, ages and abilities. This Navigator seeks to be client-centred, which will challenge us to question what we already know and to listen deliberately to client voices, behaviours and preferences. There may be many differences between our experiences and those of the target population, which may make it difficult to fully understand their financial risks and lives. You, the reader of this Navigator, may be very different from your target market in terms of education, work and daily life.

To illustrate these differences, we will be accompanied along our routes by Eduardo and Erica. They live in a small town in Tangerang, Indonesia (See Box 1). Eduardo and Erica are personas, which means they represent a compilation of stories and experiences from various people we interviewed as well as some of the literature we reviewed on the region. They are not real people, but using them as examples will help you understand how to apply the lessons in this Navigator more closely.

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Box 1. Meet Eduardo and Erica, who will accompany you throughout this Navigator

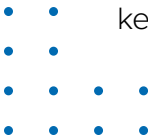


Meet Eduardo, Erica and their two children, Justin and Jasmine. Eduardo is a 35-year-old shopkeeper in rural Luzon, Philippines. He sells groceries. His wife, Erica, is 26 and works at a local garment factory as a salaried employee. Her employer has opened a bank account for her, into which she receives her biweekly pay. She saves about a quarter of her salary each month. She is very proud of her job because of the money it brings in, which contributes to achieving her family’s dreams. For example, last year, she purchased a small motorcycle on credit that she received through her bank because of her good savings habits.

Eduardo and Erica rent an apartment from Erica’s father, who lives upstairs, in an older housing complex that often suffers from flooding. They pay for the rent in cash from Eduardo’s income at the grocery store. While their apartment is small, it is convenient for Erica’s work, and her parents often help watch their two young children while Eduardo and Erica are at work. Eduardo usually drives Erica to work on the motorcycle before he opens the shop. In the afternoons, Erica takes a moto-taxi home. Erica and Eduardo are saving money to buy a place of their own near a private school for when the children are a little older. Keep their stories in mind as you read through the Navigator.

As users of this Navigator, we must acknowledge that we cannot fully understand the life experiences of Eduardo, an informal sector worker, or Erica, a textile factory worker. Some of us may live very different lives from them; others may recognize elements from their own experience. Either way, it’s important not to start out by making assumptions; doing so will hinder our ability to create and distribute products that truly respond to their circumstances and needs. For example, we might see them as being very vulnerable and in need of many different types of protection. And this may be true – but keep in mind that they recognize their

Definition:
A client-centric organization is one that recognizes that the client’s perception of the value they derive from a product is key to its long-term success. Thus, your value proposition needs to start from the perspective of the client. For example, to serve Erica in a client-centred approach, you do not start with a business problem, like: “Erica has a very low income and cannot pay a large premium.” Instead, you start from the client: “Erica has a costly and risky commute to work every day.”





vulnerabilities and have already worked on strategies to reduce their vulnerability. While they may have little control over some risks, they may manage others very carefully, for example, by diversifying income streams. In this way, they manage risks through their multiple jobs and the support of family members.

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Box 2. Recognizing internal bias exercise

Think about your own beliefs about your target population and conduct a ‘bias check’ to identify where your own internal biases may be influencing your thoughts about your target market.

1. Ask yourself a question about how a member of your target market, such as Eduardo, might respond to a shock. For example, as a shop owner, how does he manage when he is ill? Does someone else take care of his shop? Does he need to pay that person? Does the shop’s total income fall when that happens, or is it the same? How does he pay for his health care while he’s ill? Does he use government facilities and, if so, does he get healthier there?
2. Now, think about your own family and how you would respond to a similar shock if you were in Eduardo’s shoes. Emotionally, you may feel very much the same, but the financial choices you make may be different from Eduardo’s.
3. Consider whether you have made assumptions about Eduardo’s situation based on your own experience and possible response to his problem. What factors may Eduardo consider differently? You may be more willing to spend money on what you perceive as better care from more convenient medical facilities, for example, or you may be more inclined to close your shop or to pay a worker to cover your job.

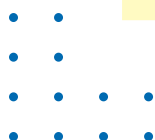
This Navigator will help you pose these questions and answer them most effectively to ensure that your inclusive insurance design responds to the actual needs of your target population.

Case Study 3. Being client-centric – Listening to inspirational leaders

Ovia K. Tuhairwe is Deputy Managing Director at Radiant Insurance Services Company Private Limited in Rwanda, and was involved in the establishment of Radiant Yacu, a specialized arm of Radiant dedicated only to microinsurance, created to focus on the low-income segment in Rwanda. One challenge in developing the initiative was thinking beyond health insurance provision in the context of the Government of Rwanda's recent universal health care initiatives that addressed many of the health needs of this target population. Radiant Yacu used a client-centred approach to understanding new opportunities in this market and developing products for low-income households that did not duplicate existing government efforts. Tuhairwe's team spoke to motorcycle riders to understand their needs. The answer to one question resonated with her and led to the development of funeral insurance for motorcycle riders and passengers: when asked, *"What would happen if you were to pass away?"*, drivers replied, *"When something happens, we just take off our helmets and we start soliciting money from the public."* This visual picture was worth a thousand words. The client-centric approach helped Radiant sell over 150,000 policies in its first year of operations. ([Learn more online from the LEAD series 2021 with this video](#))

Claire Burns was MetLife's Chief Customer Officer between 2010 and 2018. The company is a US-based global giant, providing insurance, annuities and employee benefit programmes to 90 million customers. When Burns arrived at MetLife, she shifted the company from a product-oriented P&L to a customer-focused P&L. This change was enormous; the company had been organized in product silos that were not intuitive to customers, but were the result of a 145-year company legacy. A critical moment for the company was the development of customer-driven task forces to jump-start the transition. They established internal forums where teams worked together on a segment, looking at the end-to-end customer experience map, and began designing products, services and other touchpoints with clients from a segment perspective. Key to this process was understanding customers and delivering solutions that addressed their problems and needs, rather than trying to push products that may or may not be relevant to them. ([Learn more about MetLife's client-centred journey with this video](#))

Lorenzo Chan is CEO of Pioneer Inc and manager of Pioneer Life's microinsurance portfolio. He is also the Chair of the Microinsurance Network. In 2008, Pioneer's first full year of operations in inclusive insurance, it had 30,000 enrolments and US\$100,000 in premiums. The company closed 2021 with 18.5 million enrolments and \$35.4 million in premiums. The company's growth cannot be attributed to any single factor, but reflects a long-term commitment to growing with the





market and learning from clients along the way. One key to its success is that the company has built its strategy around understanding and responding to customer needs. *“Our early forays into inclusive insurance were a mistake”,* Chan says; when they began working in inclusive insurance, Pioneer lacked knowledge about the market and had lacklustre results. *“We combined what we thought we knew about the market with a couple of little focus groups.”* Today, the principle of client-centricity has been incorporated throughout the company, including in the HR onboarding process. New staff are invited to live with clients for three or four days when they join the company, to fully experience their home lives. *“In rural areas, they even go to the field with the client.”* Chan emphasizes that wearing the client’s shoes is key to getting to know them. *“[Staff] may think 2,000 pesos not a lot of money, but when they live with the customer, they realize it represents their food for the month!”* ([Learn more about Pioneer’s Customer Centric approach with this video](#))

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Checklist Section i: Preparing for the work

Did you...

- ☐ Define the route that your team will follow (either the recommended routes or your own)?
Route _____
- ☐ Establish your working group?
- ☐ Name the members of your working group?
 - ☐ Coordinator _____
 - ☐ Commercial unit representative _____
 - ☐ Marketing unit representative _____
 - ☐ Operational unit representative _____
 - ☐ Actuarial unit representative _____
 - ☐ Financial unit representative _____
 - ☐ IT unit representative _____
 - ☐ Partner representative (if you have a partnership) _____
 - ☐ Other operational members _____
- ☐ Complete the Recognizing internal bias exercise (Box 2)?

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[To continue on the Orange Route 1, start here in this Guide](#)

2

[To continue on the Green Route 2, start here in this Guide](#)

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[To continue on the Blue Route 3, start here in this Guide](#)

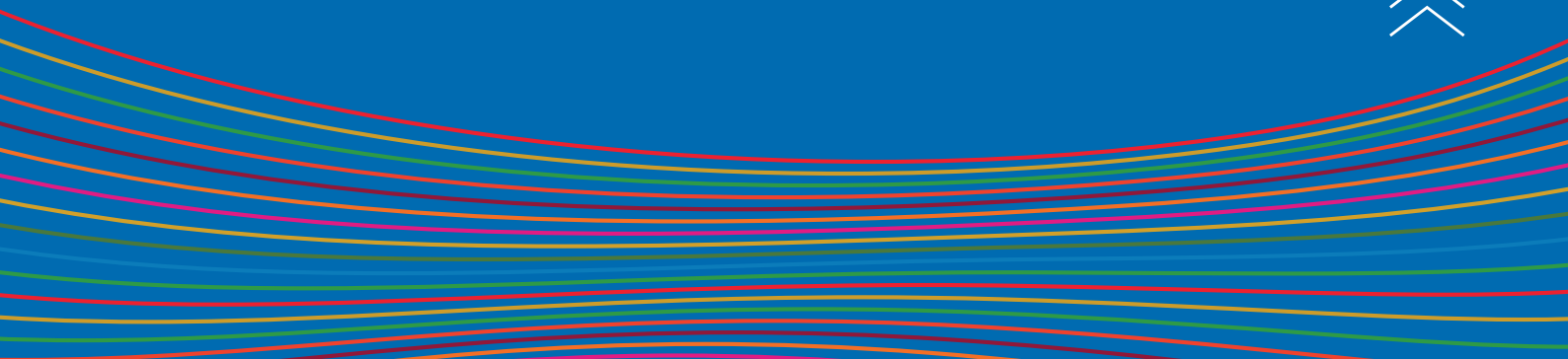
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[To continue on the Violet Route 4, start here in this Guide](#)



Section 1

Market Research





1

To continue on the Orange Route 1, start here in this Guide

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Section 1. Market Research

Manager's Brief: Section 1 represents a large and important part of the Navigator. Market research can define your value proposition in critical ways, from creating a product that is truly client-centric and responds to customer needs, to designing effective marketing and post-sales strategies that communicate the product's value and ensure that clients receive an excellent experience that will build their engagement, loyalty and long-term value to the initiative.

During the market research process, your team will identify the human resources that will conduct your research; define your research design; analyse the data you gather; and begin to prototype process and product ideas. We'll discuss how to develop hypotheses and turn them into research questions, as well as how to turn your research questions into tools for data collection. We will also look at the data sources you may want to gather and how they can help you develop inclusive insurance products. These sources include internal quantitative data, external publicly available quantitative data or new data collection carried out specifically for the initiative. When collecting new data, you may choose qualitative, quantitative or hybrid methods.

There is no unique way to approach this work. In some cases, institutions may choose to begin with the product and process prototyping and then conduct research to fill any gaps or test their ideas. In other cases, institutions will begin with a hypothesis and test it by conducting research. Some institutions will instead decide to gather some initial data, develop hypotheses from those data, and either conduct additional research or prototype products to test from there. There are many routes available, and this section should be read not in a linear fashion but depending on the route that fits your organization best. Refer to the [Routes in Section i](#) to identify which may be the right process for your organization, or use this guidance to develop your process.

1.1. Who Does the Market Research?

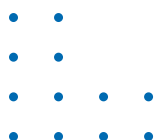
Before you begin your market research, you need a plan to help identify the resources and timing of the research. Regardless of which route you take in this Navigator, your organization needs to consider how much of the work will be done internally and how much will be outsourced.

The decision about who does the research will be a function of your specific needs, in-house capacity and financial constraints. Table 1 displays some options and the benefits

and drawbacks of each one. You may choose to have different actors contribute to different parts of the process, or you may choose to have one actor take on the entire process. Note that this Navigator can be a useful complement to any of the choices you make.

Table 1. Who does the market research?

Actor	Benefit	Drawback	How this Navigator can help
Insurance company (In-house)	<ul style="list-style-type: none"> - Cost-effective 	<ul style="list-style-type: none"> - Lack of research expertise in-house - Possible bias in the results 	<ul style="list-style-type: none"> - Strengthens in-house expertise and helps reduce bias
Distribution partner	<ul style="list-style-type: none"> - Cost-effective - Staff is closer to end customers 	<ul style="list-style-type: none"> - Partner may lack in-house research expertise - May lack time and resources - May have a limited understanding of insurance possibilities and pricing 	<ul style="list-style-type: none"> - Strengthens distribution partners' in-house expertise - Provides some concrete examples of inclusive insurance projects
Market research consulting firm	<ul style="list-style-type: none"> - Removes bias by using external, objective experts - Keeps project on schedule and efficient - Relevant experience with research methodology 	<ul style="list-style-type: none"> - Cost - Requires significant time in reviewing scope of work and deliverables to ensure they make sense in an insurance context - Requires in-house or external analysis to apply to insurance 	<ul style="list-style-type: none"> - Can help define a scope of work - Can help analyse results of market research in-house - Over time, some additional research functions can be conducted in-house
Specialized inclusive insurance/finance consultancy	<ul style="list-style-type: none"> - Relevant experience, using proven methodologies - Keeps project on schedule and efficient - Understands financial lives of the poor and how financial services needs can be met 	<ul style="list-style-type: none"> - Highest cost - Requires expertise in managing external consultancies - May reduce internal engagement and buy-in 	<ul style="list-style-type: none"> - Can help define the scope of work - Over time, some additional research functions can be conducted in-house





Actor	Benefit	Drawback	How this Navigator can help
Short-term consultant in-house	<ul style="list-style-type: none">- Removes bias using proven methodologies- Keeps project on schedule and efficient- Understands financial lives of the poor and how financial services needs can be met	<ul style="list-style-type: none">- Additional cost- May be hard to identify someone with both project management and inclusive finance skills- Consultant may feel less able to make independent decisions about methodology and process so as to conform to supervisors' approach, thereby losing rigour	<ul style="list-style-type: none">- Can help identify candidates- Can improve consultant supervision capacity

1.2. Setting Hypotheses and Developing Research Questions

Case Study 4. Setting up a hypothesis – The case of Fundación PROFIN Bolivia

"You have to create a product that suits the needs of the client, so always start with a demand study", Erika Pacheco, Insurance coordinator of the project, PROFIN.

PROFIN foundation, a market facilitator and non-profit dedicated to promoting financial inclusion, developed an inclusive insurance project financed by Swiss Cooperation Bolivia called "personal accident insurance in the court", a true client-centred product offering insurance coverage for sports teams.

The product: Personal accident insurance in the court

Description: Medical coverage of personal accidents that occur while participating in a sporting event

Coverage: More than 10,000 athletes

PROFIN used a human-centred design process to design this innovative product. It began with an idea when a PROFIN staff member who was an active soccer player realized the need for accident coverage during amateur soccer matches. PROFIN found the idea innovative and interesting and transformed it into a set of hypotheses, as follows:

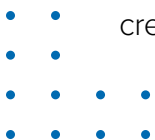
- 1) Soccer players are at high risk of accidents on the field
- 2) Soccer players are not especially concerned about accidents that they might have off of the field
- 3) Soccer leagues would be willing to distribute insurance to their members to ensure greater safety and sense of belonging among members.

PROFIN then designed demand-side market research to better understand the size of the market and to test their hypotheses, as well as potential interest in coverage. They partnered with sports leagues, which provided access to players and input into the product design process. Their research (focus groups, interviews and survey) results showed a strong interest among amateur players, who sought something simple, inexpensive and very short-term (for example, a product that covered accidents during a single match). PROFIN designed just that – a simple product that could cover accidents only during a single soccer match, including accidental death – and then identified an insurance company partner with a good medical network to offer the product. To test the product, they partnered again with sports leagues, which promoted it among their teams.

Once the product began to roll out in the market, PROFIN was able to calculate more accurate numbers on the risk and accident rate for this product, which allowed some iteration and improvements, including improved coverage, lower premiums and expanded eligibility that included other sports such as basketball and volleyball. The product was so successful that other insurance companies started to offer similar products.

To learn more about this experience, visit [their case study](#) on the Microinsurance Network page.

Setting hypotheses may happen at different stages depending on the route you take. A hypothesis is an informed guess: something you believe based on your prior experience or knowledge. Box 3 expands on this idea and demonstrates how to turn your hypotheses into research questions. For example, if you believe that clients have a low understanding of insurance, you may have learned this from asking clients what they know about it and how they learned about it, or you may ask these questions to validate your hypothesis. If you conduct [internal](#) or [external](#) data analysis before setting hypotheses, you can use these data to inform your hypotheses. For example, you may learn that few people in your target market own new vehicles. From that information, you might establish a hypothesis that there is a need for supplementary insurance for used vehicles. If you host a [design workshop](#) as your first step, then your team will create hypotheses in the workshop.





Box 3. Hypotheses and research questions

When conducting research, it's best to begin with hypotheses, design research questions to explore your (hypotheses). And then turn your research questions into data collection tools (See Box 8 for this last step). For inclusive insurance research, your hypotheses will likely revolve around some common themes. Here, we list those themes and present sample hypotheses and sample research questions that you may want to use to investigate them.

1. Awareness

- *Hypothesis:* Most potential clients in my market have never heard of insurance.
- *Research Questions:* How much of my market is familiar with insurance? Where did those who are familiar with it learn about it? Why are others unaware?

2. Gaps in the market

- *Hypothesis:* Low-income consumers are having trouble financing funerals and may benefit from a life insurance product that covers funeral expenses.
- *Research Questions:* Do other products on the market already offer funeral insurance? In what other ways do people pay for funerals? How much of a burden do the other financing strategies represent?

3. Demand

- *Hypothesis:* Hospital insurance will sell very well because hospital stays are so expensive.
- *Research Questions:* How aware of hospital costs are potential clients? How worried are they about them? How would they pay for a hospital stay now, without insurance?

4. Distribution

- *Hypothesis:* Clients will buy insurance through their mobile carrier.
- *Research Questions:* How much do potential clients trust their mobile carriers? Would they want a higher-touch delivery channel so that they can ask questions?

1.3. Identifying Client Segments, Typologies or Personas

Developing inclusive insurance products requires truly knowing your clients and potential clients. This includes demographic and financial characteristics, but also more abstract features, such as preferences, fears and values. Defining client segments is a critical piece of the inclusive insurance puzzle, as it will help you target products and distribution to specific people and their needs. Even before you begin your research, you may have some ideas about the segments you want to target: for example, rural women with loans from microfinance providers or urban bus drivers. Segmentation is a useful process that allows you to group clients by their different needs. Gender is an important consideration when segmenting, as women and men often behave differently and have different needs resulting from

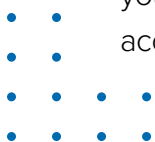
household roles, social norms and economic inequities. But segmenting between men and women is not enough. Some women are wives and mothers, while some are single; some are employees and some have informal businesses, and so on. A segment needs to be large enough to be attractive and have measurable characteristics that allow you to differentiate it from other segments. Some segments may be too broad, such as ‘bottom of the pyramid’, which would encompass many different types of people with different needs and financial capacities. But other segments may be too narrow; for example, ‘hairdressers’ might contain too few people to justify a product. A measurable segment might instead be ‘urban businesses’ or ‘rural farmers’ or ‘factory workers’.

Think about the segments and people you are planning to target. This will help you identify the [internal](#) and [external](#) data that you might need to deepen your understanding of these groups and validate that they are, indeed, an attractive market segment. It will also help you plan your data collection, if you are planning to conduct your own market research. If you lack data, consider the [bottom-up segmentation](#) technique explained below.

Client segmentation is also a very useful tool in market research, because you want to target your new data collection efforts to represent your client segments. For example, if you see that a certain client segment is underserved, you may want to focus research efforts on that segment. Your client segmentation will only be as good as the data that you have, so having more data leads to more accurate client segments. If you have access to internal and external data, you can identify client segments using a range

Definition:

Segments are clusters of people that can be identified by observable characteristics. They may share similar experiences and aspirations. Each cluster is also likely to share a similar understanding of insurance, insurance needs and potential interest in purchasing new products. For example, Erica may be in the client segment of young women with salaried jobs and bank accounts, while Eduardo may be in a client segment of informal small business owners.





of methods, from methods as simple as descriptive tables to those as advanced as machine learning clustering algorithms.

Once you define your segments, you may want to ‘personify’ these groups to make them come alive within your team or when explaining their needs and behaviours to managers or potential partners. You can create personas that may describe an example of the type of person you are grouping into a segment or may be a composite of different people you interview in a segment. For example, Erica is a persona. She is not a real person. But in rural Indonesia (see Case Study 5 below), we met many women like Erica who worked in factories as employees. Many of them were offered multiple financial services, including direct deposit, through their work. Many travelled to work on motorcycles, and many had dreams of home ownership. From our conversations with these women, we could create a persona, whom we named Erica (a common local name), that can help us imagine the person for whom we are designing when we start our product design process. When you create personas, consider how gender disparities and social norms may influence the ‘person’ and their perceptions of risk, financial vulnerability, knowledge and interest in insurance. Consider also whether some groups may have greater access than others to transportation, technology and information as you think about channels for enrolment, payments and claims. This will ensure that your persona is a reflection of your efforts to empathize with and understand your potential clients.

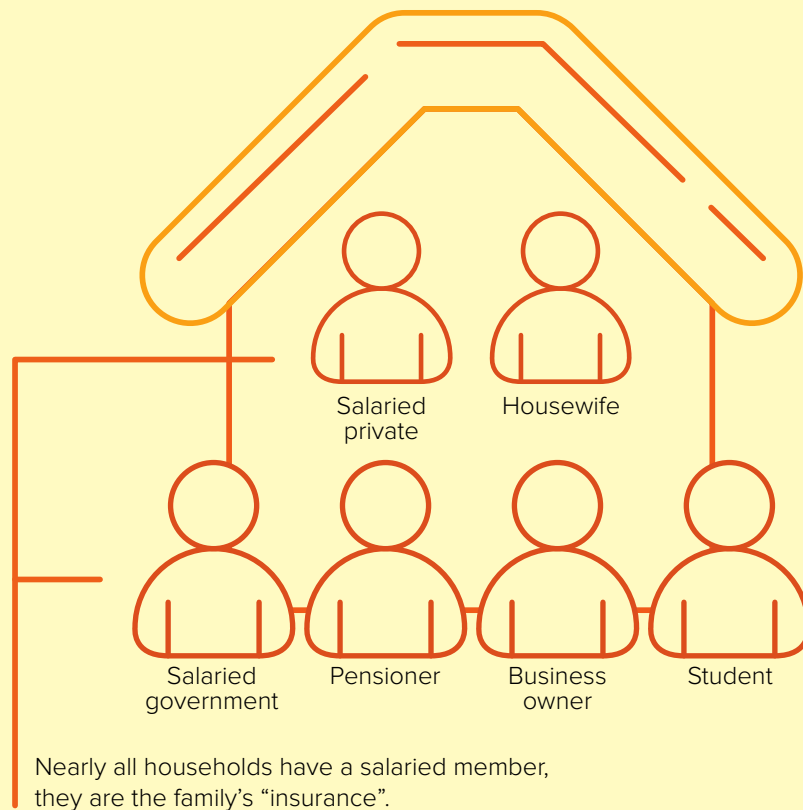
A final note: client segment development might be an iterative process. You might identify certain segments and then during external data collection find that they are more fluid than expected, or that you missed sub-segments. So, after you gather additional information, iterate and revisit your segments.

Case Study 5. Identifying client personas through focus groups – The case of AXA Mandiri Bank, Indonesia

AXA Mandiri wanted to add new products to their microinsurance line. They had an existing partnership with a distribution channel, Mandiri Bank, through which they distributed three insurance products.

AXA began their market research by conducting a bottom-up segmentation exercise with Mandiri Bank tellers and agents. The bottom-up segmentation exercise was conducted at a branch during the employees’ lunch break, and began with the question: *“What does a Mandiri Bank household look like?”* Bank employees agreed that nearly all Mandiri Bank households had a salaried member that acted as the household’s ‘insurance’ – which was identified as an important detail to consider in thinking about household vulnerabilities.

Figure IV. A typical Mandiri Bank household



Source: AXA Mandiri.

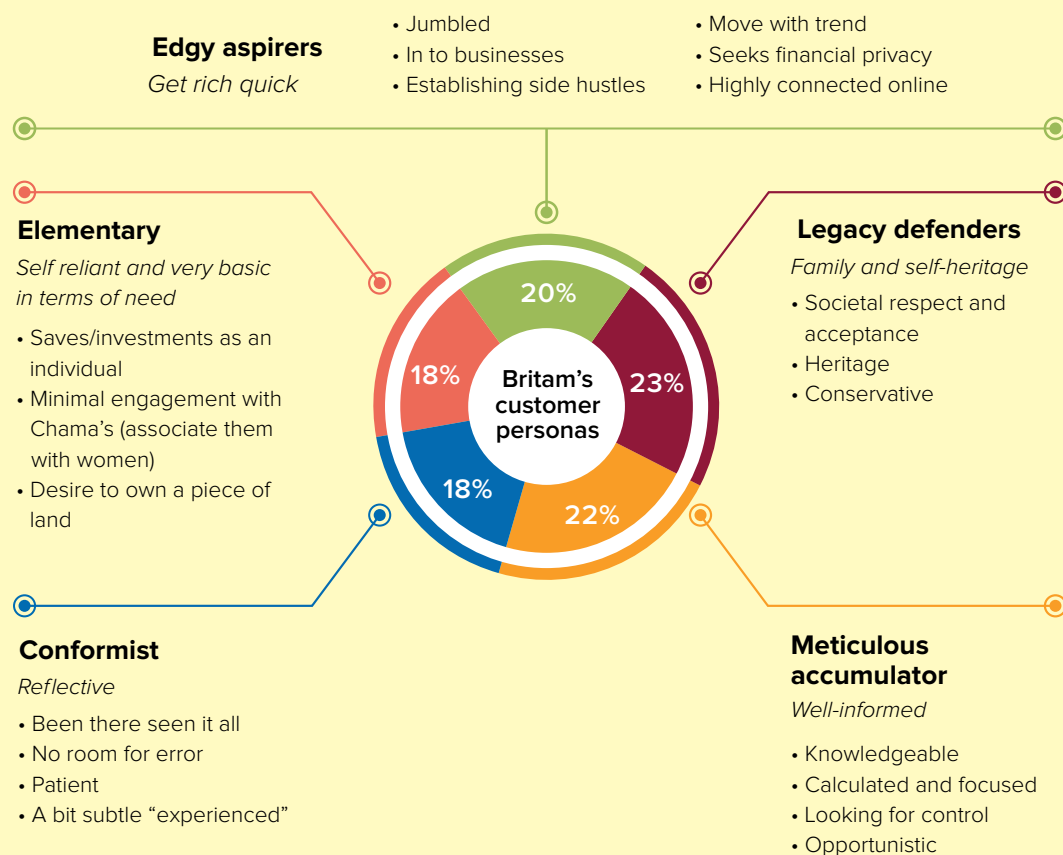
They then discussed the gender and occupation of bank account holders and split the account holders into a few segments, noting that the biggest and most active segment was made up of female salaried workers making minimum wage. They also agreed that this segment was the one that most often purchased insurance, estimating that about 80 percent of insurance purchases through Mandiri Bank were made by salaried, minimum wage earners who were women. This information allowed AXA Mandiri to target market research towards the segment of bank customers that were already familiar with and interested in insurance products – women on payroll making minimum wage. Through that research, AXA Mandiri found out that these salaried women were worried about the risk of a traffic accident when traveling to and from work, which they did on motorbike taxis. AXA Mandiri developed a product that covers injuries to motorbike passengers and, in doing so, determined that the best distribution mechanism would be through rideshare apps.



Case Study 6. Using behavioural customer personas to design a client-centric inclusive insurance product strategy – The case of Britam in Kenya

In 2018, Britam was looking to reposition its microinsurance business to expand its scope by covering emerging risks in the digital and climate change space. Britam decided to adopt a client-centric approach to reorient the business. The company first conducted client segmentation research using behavioural factors instead of demographic ones, identifying five different customer personas for their inclusive insurance business, as well as each persona's perceptions and attitudes.

Figure V. Britam's customer personas



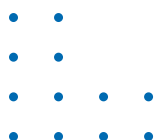
Source: Britam.

In the next step, Britam was able to set up a comprehensive strategy for each of these personas using targeted products and distribution approaches:

Persona	Behavioural profile	Demographic profile	Examples	Appropriate products	Appropriate distribution
Meticulous accumulator	Knowledgeable, calculated and focused on growing wealth	Men and women, mostly aged 35–45	Owners of small and micro enterprises	Business interruption covers, savings-linked covers	Digital and formal credit institutions
Elementary	Self-reliant, hardworking, focused on basic needs in life	Mostly urban/peri-urban self-employed males under 40 with limited formal education	Self-employed such as farmers, mechanics, artisans etc.	Business and health covers, climate insurance for crop and livestock	Agents, microfinance institutes
Edgy aspirers	Risk takers, hustlers and online generation	Well-educated formally employed urban men and women millennials	Salonists, gig workers etc.	Investment-linked insurance, mobile and income replacement covers	Telcos, mobile money and other digital platforms
Legacy defenders and conformists	Conservative, with societal respect and family heritage as driving factors	Well-educated, formally employed men and women, aged 40–55	Formally employed private and government level 2 and 3 workers	Education policies, savings-linked, health, life and property cover	Formal financial institutions such as banks, savings and credit co-operative societies (SACCOs) and agents

Britam then repositioned its business from microinsurance to emerging consumers with a customer-first tailored strategy for each persona. Since the repositioning, Britam has been able to enrol over 1.2 million customers across the above personas as follows:

Customer persona	Product & distribution	Number of Customers
Elementary and meticulous accumulator	Health covers distributed through intermediaries	211,416
Edgy aspirers	Micro moment insurance distributed through telcos, ride hailing and e-commerce platforms	325,411
Legacy defenders and conformists	Credit linked covers through banks and SACCOs	602,000
		1,138,827





1.4. Internal Data Sources

Internal data are best suited to research questions about your current market. If you have worked with clients in any capacity, you already have information that you can leverage to develop new products. Your current client base is going to be the best target market for new products because they already know and trust you. In developed or saturated markets, designing products for a current client base will allow providers to take advantage of existing relationships and build brand loyalty. It can also allow a smoother entry into a market that is underdeveloped, because your current client base is made up of the type of people who are willing to engage with a financial institution. Therefore, using internal data to learn about who your clients are, and who they are not, is a valuable tool in designing a demand-driven product. Internal data can come from your people and systems, or from those of your partners.

Internal data can tell you things like who your clients are and what some of their risks and behaviours are, but they cannot tell you very much about why your clients make the choices they do. If you only have the resources to use internal data, you can make some hypotheses or guesses about their needs. But remember, these are only guesses until you test or validate them.

The types of internal data that you might have include client demographic data, claims or loan records and payment or sales receipts. You might also have data that are not client specific, such as the geographic areas in which loan officers work. Alternatively, you might have very detailed client data, such as yearly income or alternative credit scores. If you began to [develop client segments, typologies or personas](#), before this step, these data can help you segment the market and refine ideas around the specific types of people you are targeting. Table 2 gives some examples of internal data sources and how you might be able to use them.

Box 4. Internal data from FSPs

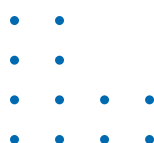


Financial services providers (FSPs) that make loans to informal sector workers often have data on these workers that can help insurers price their mortality risk. These workers tend to be of working age and strong enough to work every day. As a result, they may have a low risk of mortality. Some lending organizations also cover their loans in the case of death and can identify the likelihood of death very precisely. For example, by reviewing internal data, you may discover that Eduardo has a low likelihood of death.

Table 2. Potential internal data sources

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Data	Queries	Use these data to...
Client demographics	<ul style="list-style-type: none"> ▪ Ages <ul style="list-style-type: none"> ○ Mean age ○ Age categories ▪ Gender ▪ Location <ul style="list-style-type: none"> ○ Rural/Urban/Semi-urban ○ City, town or neighbourhood ▪ Occupation ▪ Household size ▪ Income ▪ Loan size/type 	<ul style="list-style-type: none"> - Build client segments or client personas that describe the clients by type. - Make some guesses, or hypotheses, about the types of risks and needs that clients may have by segment.
Risks	<ul style="list-style-type: none"> ▪ How many clients are in riskier age groups? ▪ What economic activities do they engage in, particularly risky ones? ▪ Are there security risks in the areas where clients most commonly live? ▪ What climate risks are common in the region? ▪ To what extent do your clients rely on salaried employment to live? ▪ Is there a public health system available and what services are included or excluded? ▪ Which clients have stronger credit scores? 	<ul style="list-style-type: none"> - Identify some guesses or hypotheses about the risks clients face and which they need to cover. This information is best used when considering client segments and developing profiles of 'typical' clients, or personas, and guessing about the risks different client types or personas may face.
Sales	<ul style="list-style-type: none"> ▪ Which products sell the best? ▪ Who buys which products? ▪ What sales channels are most effective? 	<ul style="list-style-type: none"> - Consider which sales channels are trusted, which payment channels are common and which types of products your clients prefer. - Identify the most common products currently used by clients (for example, group loans). These can then be used as a starting point for developing product bundles with insurance cover.





Data	Queries	Use these data to...
Mortality or claims	<ul style="list-style-type: none">▪ How frequently do your clients pass away?▪ If you offer insurance already, which products see the most claims?▪ What segments of clients make the most claims?▪ What segments do not make claims?▪ What is the average claim amount?	<ul style="list-style-type: none">- Help support pricing decisions by showing typical mortality rates, for example, of the unique population you are targeting. This may be different than those shown by standard actuarial mortality tables.- If insurance data are available, the data can identify which segments benefit most from existing products and which may be underserved. Then, you can target underserved clients with new products, or work with them to ensure that they understand the claims process of existing products.- If insurance data is available, it can identify the potential risks to the insurer including fraud and moral hazard.
Payments (premiums, loan repayment, etc.)	<ul style="list-style-type: none">▪ What types of payments are late or are never made?▪ What time of the year or season do clients have more or less access to cash to pay for premiums?▪ What client segments make late payments, miss payments, or drop out because they do not make a payment?	<ul style="list-style-type: none">- Use this data to learn where clients are struggling to meet a financial responsibility or perhaps if there is an operational barrier to payment that disincentivizes timely payments.- The information may help you change payment channels (for example, do digital payments get made more often than cash?) or change payment schemes (maybe lump-sum payments are more rarely made, and you can shift to instalments).

Case Study 7. Using internal data for product development – The case of LOLC in Cambodia

“The challenge in the research is that sometimes the research project can’t get the fully correct information. Responses may be biased...but data is not biased. We rely on internal data from the microfinance institution for product.” – Ban Phalleng, COO Serendib Microinsurance Plc. Cambodia

[Serendib](#) is a fully owned subsidiary of LOLC Group, a business conglomerate and proprietor of LOLC (Cambodia) PLC, which is one of the leading microfinance institutions in Cambodia with over 25 years of experience. Serendib was born out of business opportunities identified by LOLC group and inspired by the group’s successful experience with insurance in Sri Lanka. In developing products, the Serendib team have abundant knowledge of statistical and data

analysis available to them, but a key challenge is finding reliable data about the current market. They have found it hard to rely on survey research findings to evaluate whether facts are fully true or not. Thus, they have developed alternative strategies for using client data for product development. They have leveraged their on-the-ground exposure to clients through the microfinance business, as well as a large amount of data collected over the years from microfinance clients to better understand clients' insurance needs and create new client-centric products. For example, with the credit data from over [200,000 clients](#), they do not have to rely on external data sources to develop their own qualitative and quantitative research to design new innovative products that target the market.

To learn more about Serendib Microinsurance Plc. you can visit their [web page](#).

1.5. External Data Sources

External data are best suited to research questions about broad market characteristics and trends. The availability and quality of external data will vary by market. Some countries have very basic census data, while others carry out annual or even quarterly financial inclusion surveys. Regardless of the depth of data available, external data will give you a broad picture of the market and allow you to be strategic about whom to target with products. If you began to [develop client segments, typologies or personas](#) before

this step, external data can help you segment the market and refine ideas around the specific types of people you are targeting. For example, you might decide not to develop a product for rural youth if external data show that youth are moving into urban areas. Or, you might discover that, in the specific geographic area of the country in which you want to launch your product, there are too few women like Erica, and thus the market is too small to ensure a profitable outcome.

Box 5. External census data



External data sources, such as census data, can tell us how many women like Erica are working in the formal manufacturing sector in a region or city. This can help us define the potential market size and determine if it is worthwhile to pilot a product in that location.





Table 3. Potential external data sources

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Data	Queries	Use these data to...
Census data and national financial inclusion surveys	<ul style="list-style-type: none"> What is the size of the low-income population? Where do they mostly live? What jobs do they most often have? Where is access to public utilities or healthcare available, and where is it not? Where is there access to cellular phone connections? Where is there access to Wi-Fi? What are low-income households' residential buildings made from? What is the average income of low-income workers? Where are banks located? Where are non-bank correspondents and other bank channels located? 	<ul style="list-style-type: none"> Consider client segments to target and develop or enrich personas or typologies about these segments Identify relevant risks that your product can cover Spark ideas about the distribution channels that are accessible to your clients
World Bank DataBank	<ul style="list-style-type: none"> How many people have bank accounts? How many people have mobile phones? 	<ul style="list-style-type: none"> Think about distribution channels
Industry publications (i.e., trade association journals, The Landscape of Microinsurance , etc.)	<ul style="list-style-type: none"> What insurance products have the highest penetration? What are the characteristics of products that sell well? 	<ul style="list-style-type: none"> Understand trends in the industry – both to mimic what is successful and to avoid duplicating products that have already secured a large share of the market
One-off research papers (i.e., financial diaries)	<ul style="list-style-type: none"> How do low-income households manage unexpected shocks? What informal financial tools do households use to cope with unexpected events? How does cash flow fluctuate in low-income households? 	<ul style="list-style-type: none"> Understand what existing mechanisms insurance products need to replace to add value to low-income households Understand purchasing power and strategies for payment frequency and collection
News and social media (i.e., articles and commentary about, for example, financing risks, market gaps or market trends)	<ul style="list-style-type: none"> What is changing about the market (i.e., is it aging)? 	<ul style="list-style-type: none"> Think about the products and people on which to concentrate your efforts

Case Study 8. Using external data – The case of Fasesolda in Colombia

In 2019, Fasesolda, the Colombian Insurance Association, in conjunction with Banca de las Oportunidades and the International Labour Organization (ILO) Impact Insurance Facility, embarked on a project to increase the accessibility and transparency of public data in order to facilitate the development of appropriate coverage for underserved rural populations. The results included an Excel database organized into four categories based on the ILO Impact Insurance Facility's [PACE Model \(Product Access, Cost and Experience\)](#) for evaluating the value of an inclusive insurance product. Data from all publicly available sources are grouped and identified for easy access along with examples of insights that can be found in the data. A snapshot of this extensive data set is provided in Figure VI. The complete data resource matrix can be found on [Fasesolda's web site here in Spanish](#).

Figure VI. Fasesolda's customer data matrix

Category (Product, Access, Cost, Experience)	Experience
Subcategory	Sales Channel
What?	Physical coverage of the financial system. Data on territorial coverage of offices and correspondents, coverage density by municipalities and rurality.
Source	Banca de las Oportunidades, Financial Inclusion Report with the Colombian Bank and Insurance Superintendency
Description	The data and statistics on the territorial presence of the financial system as a whole allow for a global mapping of the areas where there is an infrastructure of financial institutions in which the insurance market can leverage. Additionally, it provides relevant information when evaluating the sales channels to be implemented to serve a new customer segment. These data are an input when defining expansion strategies.
Indicators	<ul style="list-style-type: none"> - Number of branches -Number of Correspondents - Number of Dataphones and ATMs - Density of Coverage with respect to the Population - Density of Coverage with respect to the Territory - Density of Population Coverage by Region, Rurality and Municipalities
Insights	1,236 (21.45%) municipalities do not have offices, of which 73.7% (174) are rural or dispersed rural municipalities. 2. Although the coverage indicator as a whole has increased (100% of municipalities have at least one correspondent), not having an office presence in a large number of rural municipalities may limit the supply of available products. Source: Financial Inclusion Report 2020, Banca de las Oportunidades
Links	https://bancadelasoportunidades.gov.co/index.php/es/cobertura https://bancadelasoportunidades.gov.co/es/publicaciones/reportes-anales https://www.superfinanciera.gov.co/inicio/simulador-y-tarifas-de-servicios-financieros/simulador-de-tarifas/oficinas-y-corresponsales-bancarios-en-colombia-61277
Navigation	In the link download Office Coverage files December 2020 and Correspondent Coverage December 2020. Alternatively, access the Annual Report on Financial Inclusion that includes analysis of coverage based on said data.
Frequency	Annual
Data Base	Sheet 1

Source: Fasesolda.

1.6. Collecting New Data

Since truly inclusive insurance requires a client-centred approach, collecting new data can help you ensure that clients' voices are heard throughout your process. Every situation is different and access to client voices can be very easy or very difficult, depending on your organization's contact and engagement with end users. When thinking about collecting new data, consider your closest points of contact to your target clients. Do you have a





distribution partner with close ties to the community? Do you have active social media platforms that engage your target clients? Maybe your front-line staff know your target market well and can offer some interesting insights, or maybe you have access to others' front-line staff? This section can help you think through how to collect data and how to decide on the types of data you want to collect. Remember that once you reach your target market with questions, you need to leverage this point of contact for as many types of information as you can: not only on product needs, but also on pricing, marketing, distribution and payment channels, and more. This does not mean you need to have lengthy and time-consuming questionnaires – only that you need to consider your top priority questions from the start, and make sure they are covered in your research.

Case Study 9. Using partner insights – The case of Pioneer Life in the Philippines

According to Lorenzo Chan, Pioneer Inc. CEO, distribution partners often offer the best access and insights to clients. “[*Early on in our work in inclusive insurance*], we realized we needed to learn from and work with our partners and their knowledge of that market segment we were not familiar with.” With over 80 distribution partners for its microinsurance business, one of the valuable lessons Pioneer learned is that partners need to be proactive and trusted, and have credibility with their clients. Partners can be especially helpful in understanding the gaps clients face, the risk coverage needed and the most appropriate price points, as well as in co-designing affordable products. “*We used to meet with our partners quarterly to review indicators, talk through the customer experience, and look at customer complaints. With over 80 partners today, we are unable to meet as frequently but still make it a point to meet biannually. We cannot afford to lose touch,*” Chan says.

1.6.1. Segmenting from Scratch: Bottom-Up Segmentation

Analysis of internal and external data may provide information about market segments, but you may not always have access to adequate data sources. Bottom-up segmentation can validate hypotheses about market segments drawn from these data, or, in some instances, can entirely replace this information. Box 6 offers guidance on conducting bottom-up segmentation.

Box 6. Bottom-up segmentation

A bottom-up segmentation exercise is very similar to a focus group. Your team will want to gather 6–8 people who know the market best – these may be field staff from a distribution channel or your internal staff. These staff members should have gained valuable information through interactions with clients, including the questions that clients and potential clients ask, the types of products that garner the greatest interest and the hesitations people express. Neither clients or potential clients should be among the participants.

Step 1. Ask participants who their ‘typical’ clients are and begin to build profiles of these clients to understand some of the main characteristics of different groups. Identify demographics such as the age, gender, occupation and risk exposure of each group. Stay organized by keeping a list on a board that everyone participating can see.

Figure VII. Typical client demographics



Employed women



Employed men



Family business



Other

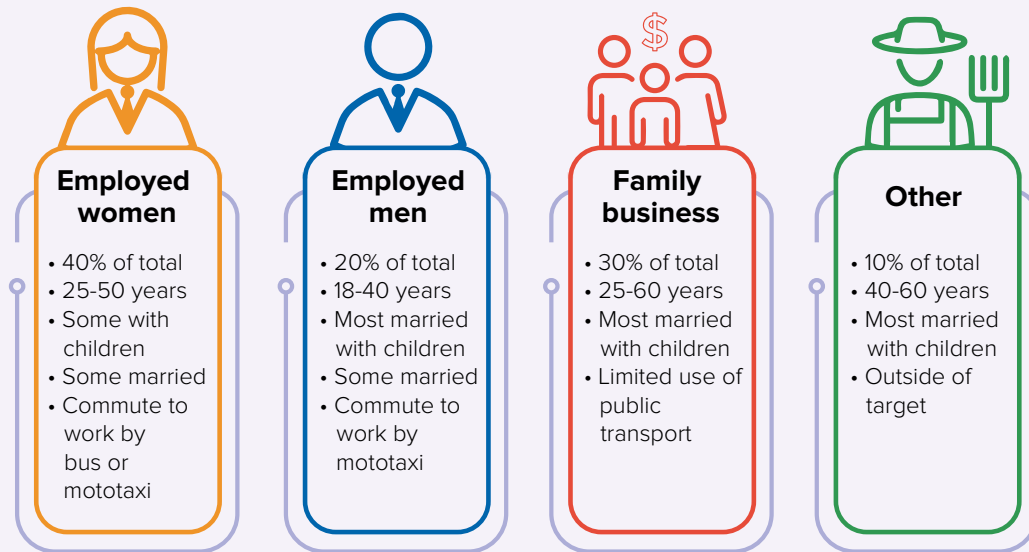
For example, one segment might be formally employed low-wage workers (like Erica), and another might be informal small business owners (like Eduardo). Other segments might be organized around occupation (for example, a segment of factory workers, taxi drivers or household workers), risk exposure (those living in a flood zone), or age and gender (women of child-bearing age). Take some notes on the board as a group to describe these segments in more detail.





Figure VIII. Typical client demographics in detail

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Step 2. Once participants have identified ‘typical’ clients, discuss each segment’s financial and digital awareness, along with any characteristics that are important to the products that you are developing. For example, if you are developing a health product, you might want to identify which segment is most likely to need health care.

Taking the example of Erica’s segment, employed women, for example, what might the focus group participants say? Maybe that this segment might not be interested in health insurance, because they already receive it from their employment. However, they might be interested in accident insurance to support their family if they are in an accident and are unable to work. They might also be interested in micro life insurance coverage to protect their young children. Figure IX illustrates how you might document this on your board in collaboration with your front-line staff.

Figure IX. Typical client risks and interests

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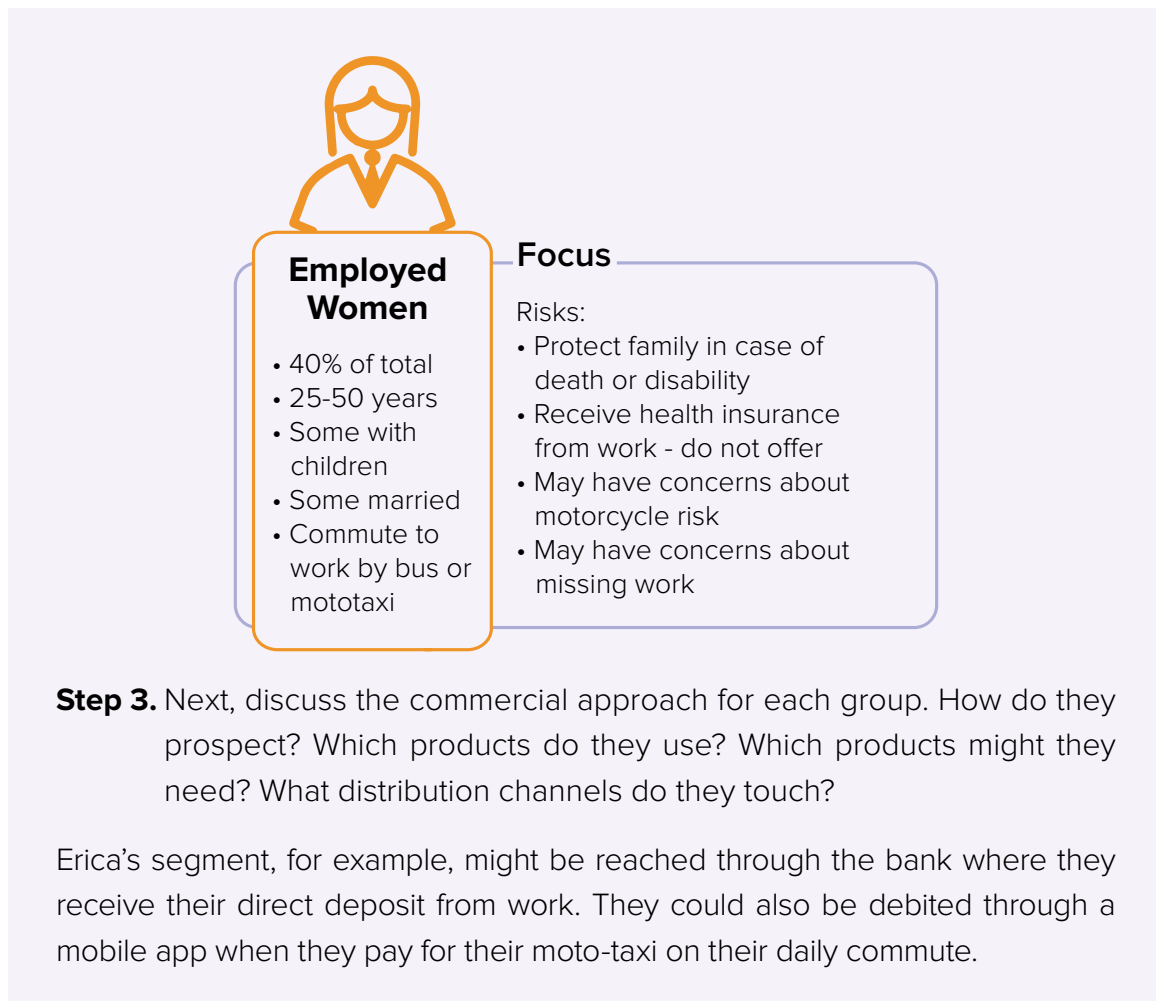
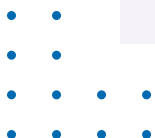
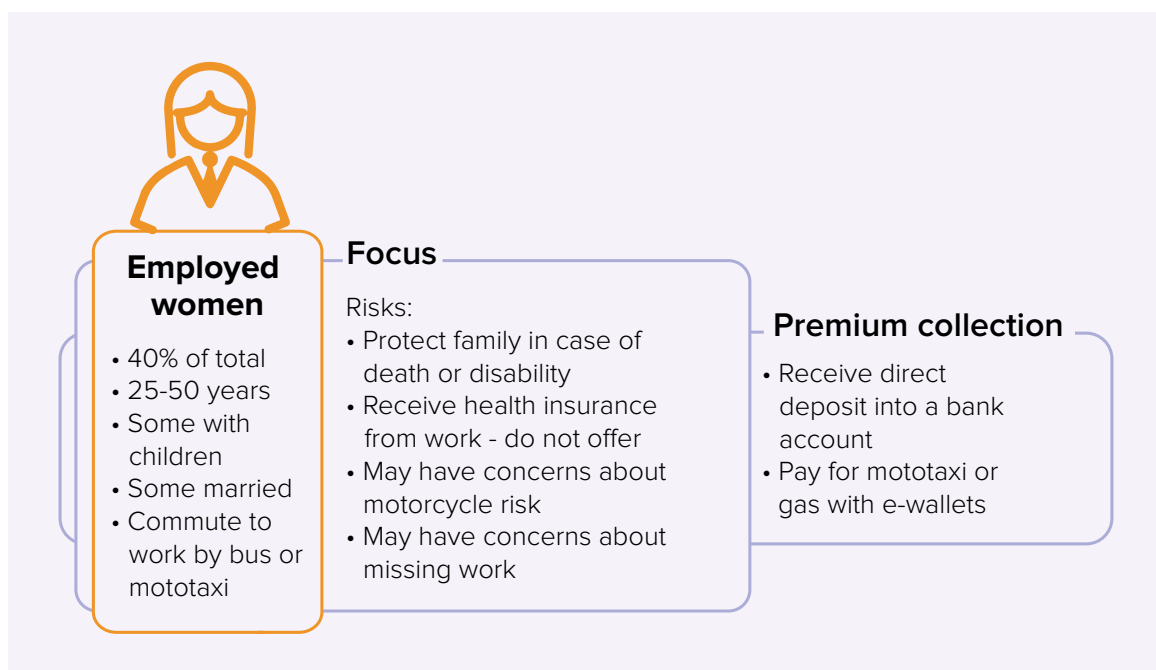


Figure X. Commercial approach for typical clients





2 To continue on the Green Route 2, start here in this Guide

Once you have broadly sketched your segments, your working group can use these to [prototype products](#) or identify research gaps that need to be filled with [new data collection](#) using [quantitative](#) or [qualitative](#) tools. Table 4 below can help you identify, which methodology or type of tool to use, depending on your research questions and gaps.

Table 4. Matching research questions to an appropriate methodology

Question subject	Internal data analysis	External data analysis	Qualitative: Interviews	Qualitative: Focus groups	Quantitative surveys
General Objective	Good for answering the question “How many?”	Good for answering the question, “How many?”	Good for answering the questions “Why and How?”	Good for answering the questions “Why and How?”	Good for answering the questions “What product/ service/ channel?”
Quantifying market size		Determining market size			Determining financially viable size of the market with demand for a product*
Client segmentation	Identifying and quantifying client segments	Identifying and quantifying client segments	Identifying attitudes, needs and behaviours of client segments	Identifying attitudes, needs and behaviours of client segments	Identifying and quantifying client segments*
Risks	Identifying mortality, unemployment, debt default data	Identifying mortality, health, accident and climate risks in a country	Identifying the types of risks that concern clients and are hard to manage	Identifying the types of risks that concern clients and are hard to manage	Identifying the types of risks that concern clients and the costs of managing risks*
Product pricing	Identifying client transactional and financial behaviours (payments, loan disbursements, savings balances, etc.)	Identifying ability to pay	Identifying willingness to pay (approximate)	Identifying willingness to pay (approximate)	Identifying willingness to pay
Mitigation strategies			Identifying specific costs of and financial strategies for managing an insurable event	Approximating costs of and financial strategies for managing an insurable event	Identifying specific costs of and financial strategies for managing an insurable event*

Question subject	Internal data analysis	External data analysis	Qualitative: Interviews	Qualitative: Focus groups	Quantitative surveys
Preferences			Ranking preferences	Ranking preferences	Ranking preferences*
Insurance sensitization			Identifying product understanding	Identifying product understanding	Identifying product awareness*
Marketing language			Understanding language used by clients to describe events, losses and fears	Understanding language used by clients to describe events, losses and fears	
Potential distribution channels	Identifying client transactional and financial behaviours (payments, loan disbursements, savings balances, etc.)	Identifying client financial services utilization in the country	Identifying client engagement with and trust of distribution channel	Identifying client engagement with and trust of distribution channel	Identifying client use of specific financial services and touchpoints*
Evaluating existing products	Documenting internal process and IT failure rates and client and partner complaints information		Identifying friction in the customer journey	Identifying friction in the customer journey	Discerning client satisfaction levels with specific operational issues*

*Can explore for statistical significance

1.6.2 Developing an Instrument and Data Collection Process

1.6.2.1 Data Collection Tools

Once you have identified the method for your external data collection, you need to develop the tools that your team will use to collect the data. Alongside the guidance in this section, you will also find several useful resources in [the Toolkit](#).

The first step in developing data collection tools is to turn your research questions into data collection questions. Data collection questions can be closed-ended (with specific options or choices) or open-ended (which can be answered in any way that the person being questioned wishes), and these question types are suited to different methodologies, as we will discuss below. Either way, to facilitate [analysis](#), the questions need to be consistent. The questions should also be phrased simply, using language that is understandable to the respondent (the person who is the subject of the research). By pushing yourself to use simple language, you will be moving one step closer to your future marketing strategy. You will start to test what is ‘simple’ and ‘easy to understand’ for your potential customers. Box 7 gives you some examples.





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Box 7: Using simple language when formulating questions

Sometimes we think we sound more informed or professional when we use technical language. However, the danger is that the person listening to us may not understand, and may be too embarrassed to ask clarifying questions. To get the information you need, explaining things clearly is important – and it's easier than you think.

First, forget all the training and explanations you have learned about insurance; instead, just describe the terms in your own words. Drop the technical jargon and don't expect your customers to learn a lot of new terms and conditions. Knowing these specialized words is not essential to their basic understanding of a product or of their financial lives and risks.

Consider some ideas for replacements:

Insurance = You pay a little every month (day/week/year) and if an unfortunate event happens, it covers part of your loss. If an unfortunate event does not happen, you have paid to cover someone else's loss, and one day, they may help to pay for yours. It is a protection.

Premium = Price

Term = Duration

Sum assured = Benefit paid

Mobile/e-wallet = Account on your phone

Deductible = You pay the first xx amount of the benefit

Claim = You inform the company of your loss

Lapse = Your protection ends because you did not pay

Value-Added Services = Additional benefits

Exclusions = What is not covered

These are just some of the terms you may be trying to explain, but there are many more technical terms about finance and insurance that you can make accessible. Try imagining that you're explaining it to your elderly relative or a young adolescent – that can help you focus on the best words to use.

Box 8 considers the sample hypotheses and research questions from the themes in Box 3. It illustrates how to turn a hypothesis into a research question, and then how to make these research questions easily understandable for your audience by turning them into data collection questions. The exercise also explains the methodology that might be best to use to collect the information from your respondents. When you begin to discuss your questions with clients, there is no need to start by saying that you are developing an insurance product. Instead, you should explain you are looking to offer the services that will help them manage costly events. If they have a negative

image of insurance, mentioning it at the outset might influence their attitudes about your conversation and colour the responses you get.

Remember that data collection takes time and that respondents become tired after they have spent time answering questions. To ensure that you keep your participants' attention and so get thoughtful and honest answers, a guiding rule is that closed-ended quantitative surveys should take no longer than 15 minutes over the phone or 20 minutes in person. Individual qualitative interviews can take longer, up to 30 minutes, because they are more engaging and conversational. Focus group discussions should be no longer than 75 minutes. Also remember that more data is not always useful; in fact, too much data can make the [data analysis process](#) more difficult to navigate.

Box 8. Turning research questions into data collection questions

1. Awareness

- *Hypothesis:* Most potential clients in my market have never heard of insurance.
- *Research Questions:* How much of my market is familiar with insurance? Where did those who are familiar learn about it? Why are others unaware?
- *Data Collection Questions:* What do you know about insurance? Where did you learn about insurance? Was that a useful and trusted resource for learning?
- *Methodology:* Client focus groups.

2. Gaps in the market

- *Hypothesis:* Low-income consumers are having trouble financing funerals and may benefit from a life insurance product that covers funeral expenses.
- *Research Questions:* Do other products on the market already offer funeral insurance? In what other ways do people pay for funerals? How much of a burden do the other financing strategies represent?
- *Data Collection Questions 1:* (to investigate through desk research or mystery shopping) Which existing products offer funeral financing? What segment do they serve?
- *Data Collection Questions 2:* (for potential clients) Have you had any recent deaths in your family? If yes, what were the exact costs of the funeral (burial, food for guests, flowers, etc.) and how did you pay for each of these? If not, what might you do if you had to pay for a funeral? Was it/would it be difficult to fund a funeral?





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- *Methodology 1:* External data analysis.

- *Methodology 2:* Client interviews.

3. Demand

- *Hypothesis:* Hospital insurance will sell very well because hospital stays are so expensive.
- *Research Questions:* How aware of hospital costs are potential clients? How would they pay for a hospital stay now, without insurance?
- *Data Collection Questions:* How much money do you think it would cost to spend one night in the hospital? How much money would you lose if you or your family member had to spend a night in the hospital (from lost wages or sales)? How much would you spend on transportation to the hospital if you had a serious illness or accident? Which sources would you use to pay for a five-night stay in the hospital if you had to check in for something tomorrow?
- *Methodology:* Surveys.

4. Delivery

- *Hypothesis:* Clients will buy insurance through their mobile carrier.
- *Research Questions:* How much do potential clients trust their mobile carriers? Would they want a higher-touch delivery channel?
- *Data Collection Questions:* Have you ever bought something using your phone? Would you buy a financial product using your phone? Why or why not?
- *Methodology:* Client focus groups.

1.6.3 Data Collection

Collecting **quantitative data** will allow you to gather information from a larger sample and generalize your findings to the market segment. These data are best suited to answer ‘how much’, ‘how many’ or ‘which one’ questions. **Qualitative data** will allow you to gain insight into your market’s underlying opinions, reasons and motivations. These data are best suited to answer ‘why’ and ‘how’ questions. An overview of each is provided below.

1.6.3.1 Quantitative Data

Quantitative data are often collected through surveys, which allow the researcher to ask a large number of people the same questions to reflect market trends. In quantitative data collection, closed-ended research questions are best. For example, you might ask which financial products a person owns, how many people they support financially, or how much money they have in savings.

Box 9 discusses how to create surveys for inclusive insurance, and the [Toolkit](#) contains several other resources to help you author surveys. Once you have decided on your survey instrument, you need to decide whether the information will be collected on paper or digitally. Paper surveys and questionnaires are more operationally complex, because they need to be printed, numbered, digitized and stored. However, if surveyors do not have access to mobile phones or tablets, paper surveys can be less expensive than digital alternatives. In the past, digital instruments relied on Wi-Fi or data connectivity on the ground, which could be sparse and unstable. Today, free tools such as [KoBoToolbox](#) are designed to work offline with most smartphones, tablets or desktop computers. Digital instruments can be more efficient, because you only need to enter data once, so information does not need to be re-typed. However, you should put in place protocols for uploading and reviewing quality to ensure that surveyors are accurately following the process.

Box 9: Surveys for inclusive insurance

Survey questions should be closed-ended, allowing respondents to answer questions by selecting one or more answers from a list of options. Always include demographic questions, including income questions, so that you know how to target the appropriate client segments. You can also use surveys to understand the potential of different marketing strategies and delivery channels, by asking about trust and engagement with different potential partners. Avoid, however, discussing pricing and willingness to pay in any great detail on surveys like this. Since there is as yet no tangible product that clients can assess and assign a fair and affordable price, any discussion of pricing is likely to be too abstract. Refer to the strategy described in the [testing the prototype](#) section below to deal with pricing, once a more concrete offer has been outlined.

The following are suggestions for survey sections, along with a few example questions.

I. Insurance awareness. These questions will help you understand how familiar your market is with insurance products.

- Question: Which of the following have you heard of?
 - Insurance that covers health care or hospitalization
 - Insurance that gives my family money if I die
 - Insurance that covers crop loss
 - I am not familiar with any of these





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II. Current financial service utilization. These questions will help you understand how well integrated your market is into the formal financial system. It will also provide ideas for distribution channels.

- Question: Which of the following products do you have?
 - Bank account, MFI account or cooperative account
 - Membership in a rotating savings and credit association (ROSCA) or village bank
 - Insurance (build the survey so the respondent is given options that include the products with which they reported being familiar in the previous section)

III. Product demand. These questions give insight into which products a customer might purchase.

- Question: Choose three statements of the following that you are most worried about.
 - If I die or my spouse dies, our family will have no support
 - I'm worried about getting sick and having high medical costs
 - I'm worried about getting sick and missing work
 - I'm worried about getting into an accident and having high medical costs
 - I'm worried about getting into an accident and missing work
 - I'm worried that my home will flood during the rainy season
 - I'm worried about something happening to my business, like theft or fire

Case Study 10. Using phone surveys to gain customer insights – The case of MAPFRE Colombia and Bancamía

“First [we] identify what the customer is interested in through our partners at Bancamía. Clients will tell them what products they need” – Diana Angel, financial channel chief, MAPFRE Insurance

The products: 1) Funeral insurance for up to six beneficiaries with coverage nationwide

2) Purse theft covering theft of a purse or personal items, as well as disability or death in the case of a robbery

MAPFRE, an insurance company, and Bancamía, a microfinance bank, partnered to divide the roles in the design and development of inclusive insurance products for Bancamía's clients in Colombia. In their partnership, Bancamía had strong market research capability, but limited insurance knowledge. So, to understand the needs of Bancamía's non-bank correspondent clients, MAPFRE

hired a specialized consulting firm to conduct a market study. The consultants used literature review, analysis of successful experiences in other markets and countries, phone surveys and field visits to suggest the best way to implement a pilot. Since the research took place during the COVID-19 pandemic, the consultants used KoBoToolbox (see more information in the [Toolkit](#) below) to carry out phone surveys remotely. A sample of the survey topics is included below. The surveys allowed the teams to understand the needs of their clients.

The consultants identified specific risks about which clients were concerned and helped MAPFRE select minimum viable products to test with clients that were already available in their product portfolio. This led the partners to go through a fast three-month iterative and agile process to test and tweak product design, training materials, marketing materials, operations and technology needs without waiting for a full product design process.

Structure of MAPFRE's phone survey:

1. Introduction – One-paragraph explanation of the study you are conducting and the purpose.

2. Consent – A consent question to make sure the person wants to answer the survey.

3. Knowledge about insurance – Types of questions: have you ever heard about insurance? Do you own any insurance? What types of insurance do you own? Are you satisfied with insurance?

4. Demographic information – Keeping the information anonymous, ask about age, gender, etc.

5. Risk and coverage – Questions about their workplace, and the risks they are most worried about in their day-to-day. Some examples: which of these risks do you worry about in your day? (Multiple choice answers). What do you think is the likelihood of any of these happening? Which of these risks do you believe would affect your household income more?

6. Coverage and premiums – Questions regarding the amount they would be willing to pay to receive a certain coverage. For example: If you had the opportunity to acquire insurance that would pay X in case risk Y happened, how much would you be willing to pay? (Multiple choice answers starting with the higher price you are trying to prototype; only ask for a lower number if the answer is negative, and introduce lower possibilities until the minimum price the prime would be viable for the product).





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7. Client experience with the commercialization channel – Ask if they use the channel you are studying, and how frequently? Do they use the competition? Which channels are the most trustworthy for the client? Ask for opinions about the channel and the personnel working in it. How would you like to receive insurance information? What type of information would you like to receive about insurance? What is your disposable income when visiting the financial channel?

8. Thank you and question about whether the client would be willing to participate in additional research activities.

1.6.3.2 Qualitative Data

Think about qualitative data collection as a series of guided conversations. These conversations can be individual conversations, conducted through interviews, or group conversations, conducted through focus groups. Research questions that are best suited to qualitative data collection are exploratory and open-ended. For example, you might ask questions about what financial risks someone faces, what financial anxieties someone has, or how someone prioritizes their expenses.

- Interviews allow you to speak with a single person in great depth and to ask them questions about sensitive topics that might not be appropriate in a group setting. Interviews also enable you to record individual stories, which can be a powerful tool for understanding your market.
- Focus groups allow respondents to engage in conversations with each other (guided by your data collection questions). Focus groups are a useful format for listing and ranking client needs and preferences, since participants can work together to agree on lists and ranks that resonate with them as a group. They are also the best medium for [customer journey mapping](#), as well as for gaining insight into how a market segment discusses its needs and preferences – your team will want to mirror this language in marketing materials. It is important to conduct focus groups with each client segment individually, both to learn as much as possible about that segment and to create a comfortable environment for participants. For example, having Erica and her fellow garment workers in one group would allow you to gather more information about how they are paid, the financial instruments they use, and their hopes and dreams for the future. This can help you consider which assets female garment workers are most interested in protecting. Boxes 10 and 11 provide guidance on conducting focus groups.
- Mystery shopping is typically seen as supply-side research, enabling you to find out what your competitors are offering, as well as how and through which channels they are offering it. Mystery shopping can also provide a more nuanced understanding of customers' experience during the sales process. When you or your team put yourselves in the customers' shoes, you can feel whether customers are being treated respectfully, observe whether customers are receiving consistent and clear messages about the product and find out how staff respond to questions. The

Consultative Group to Assist the Poor (CGAP) offers a [Guide to Mystery Shopping for financial services](#) that can help orient your team on this path.

Most qualitative analysis involves small samples, which means data can be analysed using spreadsheet software, such as Microsoft Excel or any simple matrix format. Specialized software is also available for larger and more complex data sets. This kind of software can also be useful when organizational capacity for sophisticated analysis is low. Our [Toolkit](#) offers resources that can help.

Box 10: Focus groups with potential clients

Starting the focus group: Introduce the group to what you are doing and make it clear that you are trying to learn from the group – there are no right or wrong answers. If speaking with a delivery channel or internal staff, emphasize that their performance is not being validated in any way.

Questions: The ideal focus group question is one that will inspire a discussion. There should be 3–4 questions, and each question you ask should be associated with some ‘probing’ questions: that is, follow-up questions that can help to move a discussion along if it is stalled. Here is some guidance on focus group questions for inclusive insurance:

- Start with a warm-up question, such as “Tell us about your work, business or household”, depending on who the participants are. If your participants are connected to you through a work-related relationship (microfinance institution, merchant group, etc.), ask work questions. If you know them through a family-related relationship (school, church, etc.), ask family questions.
- Organize your questions around three topics: risk, financing and trust/distribution. Some suggestions for questions and probes for these categories are below.

1. Risk: “What do you worry about?”

Probe for risk types such as health emergencies, deaths, accidents and disasters. Listen to the language used to describe these risks and fears. They can help you design marketing language.

2. Financing burden: “What events would be most difficult for you to pay for?”

Probe for the risk types that were mentioned in the previous question, specifying which are most costly and difficult to pay for. Consider ranking these from difficult to easy to pay for and from likely to unlikely and then creating a preferential ranking of insurable risks.

3. Trust/Distribution: “If an insurance product existed that could help you pay for the consequences of the risks that we discussed, who would you trust to buy it from?”

Probe for distribution channels like insurance agent, bank, MFI or mobile operator.





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Final tips: Focus groups for inclusive insurance tend to be centred around ranking activities (for example, the most relevant risk, the most expensive risk or the most desirable distribution channel). It can be helpful to write these down on a board that everyone can see and ask the group to rank them together. This gives you a group consensus and also allows you to hear the group's thoughts about the issues, which can be very helpful in product development and marketing. Listen for specific language that is used to describe these things to make sure that when you design marketing strategies, the language is simple and accessible.

Box 11: Focus groups with staff of distribution channel

Starting the focus group: As with the client group, introduce the group to what you are doing and make it clear that you are trying to learn from the group – there are no right or wrong answers. To ensure that participants are open and share information with you, make sure no supervisors are present and emphasize that their performance is not being validated in any way.

Questions: The ideal focus group question is one that will inspire a discussion. There should be 3–4 questions, and each question you ask should be associated with some 'probing' questions: that is, follow-up questions that will help move a discussion along if it is stalled. Here is some guidance on focus group questions for inclusive insurance: Start with a warm-up question, such as "Tell us about your work. What motivates you to work here?"

- Organize your questions around the same three topics as you would use with clients: Risk, Financing and Trust/Distribution. With this group, spend more time on distribution questions. Some suggestions for questions and probes for these categories are below. For distribution channels, rephrase these as being about clients, not about the participants themselves.

1. Risk: "What risks are your clients exposed to?"

Probe for risk types like health emergencies, deaths, accidents or disasters. Determine which are closely related to the interaction with the delivery channel. For example, if the channel is a credit provider, which risks might impact loan repayment?

2. Financing burden: "How do clients pay for the cost of these events when they happen?"

Probe for which mechanisms are most burdensome. Consider ranking these from difficult to easy to pay for and from likely to unlikely and then creating a preferential ranking of insurable risks.

3. Trust/Distribution: “If an insurance product existed that could help clients pay for the consequences of the risks that we discussed, would you sell it to your clients?”

Probe for whether they have and/or trust insurance themselves, and then ask more questions about how much commission or other incentives they would want to receive for selling insurance. Also ask about training clients and how they typically receive training, in order to kickstart thinking about these issues. Finally, consider asking whether they have access to payment channels and how they might support claims management.

Case Study 11. Understanding barriers to customer demand – The case of AXA Mandiri, Indonesia

The table below shows some of the insights collected through qualitative focus groups with clients with AXA Mandiri in Indonesia. Insights were sorted according to four themes or dimensions (trust, understanding, unpredictable cash flows and family decisions) to gain a richer understanding of how clients make purchasing decisions. This allowed the researchers to better understand how explaining products clearly to customers could build trust, but also that these explanations alone were not sufficient. Product simplicity and one-time payments were also critical to avoiding misunderstandings and late payments. Finally, by discussing family relationships and dynamics, the researchers identified the difficulties in marketing products to women. Men had strong opinions about their wives’ purchasing decisions and were often a barrier to purchasing insurance. Mandatory products linked to women’s existing product consumption or family, for example, avoided this problem.

Demand side barriers	
Trust	<i>“I trust the insurance [card] because we are inside the bank [branch]”</i> – Formal employed woman
	<i>“Once I had insurance...when I could not pay the premium, it stopped [and I lost everything]. I realized it was my mistake, but I never trust insurance”</i> – Formal employed woman
	<i>“Insurance agents hike the prices up in order to make more money”</i> – Retail bank customer
Understanding	<i>“I had AXA insurance, but when I went to use it I learned that the system was reimbursement. I was shocked”</i> – Female Mandiri retail customer
	<i>“Most people understand insurance here in Tangerang, but not in the villages”</i> – Female microloan customer



Unpredictable cash flows	<i>"I had health insurance, but I stopped paying the premiums. I needed the money for something else"</i> – Female microloan client
Family decisions	<i>"My wife would not buy [insurance], she already has credit and that is too many expenses"</i> – Formal employed man <i>"I can't buy anything without talking to my husband first"</i> – Female microloan client

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4 To continue on the Violet Route 4, start here in this Guide

2.6.3.3. Customer Journey Mapping

Customer journey mapping is a qualitative tool that relies on understanding and empathizing with the client around their entire experience with a product. It can provide the key to discovering frictions in the customer journey as clients learn about, how to acquire, pay for, and make claims on, an insurance product. This can improve the customer experience and ensure greater acquisition, payment compliance and claims. Remember that inclusive insurance needs to offer value for end customers, so it is essential that customers understand products and make claims when they are due. That means that processes need to be clear and simple, with as little friction as possible. The customer journey map can help identify which products, services, actions and interactions or touchpoints will lead to a smooth customer experience.

You can map your customer journey by individually interviewing a sample of clients about their experiences, or by conducting focus group discussions. Box 12 discusses how to lead an individual or group in a customer journey mapping exercise. Before you begin, it is a good idea to capture to which segment each participant belongs to, since different types of clients may have very different perceptions and experiences, giving them very dissimilar 'journeys'. Customer journey mapping can also be conducted during [design workshops](#) to map out the process that your institution would ideally imagine for a client.

Box 12. Customer journey mapping (example of products currently in the market)

Customer journey maps can be used to understand how a client learns about a product and the client's experience with the product. With this information, a service provider can generate client-centric recommendations for product development, process improvement and customer satisfaction improvement. Customer journey maps can also be used in the [product design phase](#) when developing new products.

Follow these steps to construct a customer journey map for current clients:

What you need: This exercise works best as an interactive focus group activity, though it can be done with individuals as well. You will need something to draw on that is big enough for the group to see, and a few different coloured pens.

Step 1. Identify the objective for the map. You may want to focus on the customer's journey when purchasing your product, when paying premiums or when filing a claim for the product. Or you may want to look at the entire journey from start to finish. For this example, we will focus on purchasing the product.

Step 2. Next, design the map. Ask respondents to tell you the steps they took in their journey. Start by asking how they first heard about the product, and then ask what happened next. Customers may have unique processes. Identify the steps in the process from the client's perspective and create a column for each step: for example, discover, consider, enrol, pay and confirm.

Step 3. Once you have written these down and agreed on the steps with clients, add rows that represent actions, touchpoints, thoughts, emotions and areas of improvement. Go back through each step and ask your clients questions about each of these and write the answers for each in the column under the step. For example, "What were you thinking at this step?", "How did it make you feel?" or "How could this step have been improved?"

Step 4. Finally, analyse the data. It is clear in this example that the customers would have benefited from product materials, and also that the distribution channel (the bank branch) creates significant friction in the process.

1.6.4 Sampling Strategies

Your research sample is made up of the people whom you will survey, interview or speak with in a focus group. Ensuring that you choose the right people for your research is as important as designing your research tools. They have to be comfortable speaking to you and not be worried that their jobs, loans or commercial relationships might be affected by what they say. It is important to invite people as randomly as possible to avoid only selecting those who are most engaged and outspoken. You also need to ensure that when people are speaking to you, they are in a space that feels safe and private. In practice, this may be difficult. Some people from your segments might live very far away and have no transportation to reach you. Some people may be uncomfortable participating. To ensure you hear from a broad range of people, you might consider having a trusted person or institution invite respondents, and you might offer participants a small incentive.





To begin, think about the kinds of people you want to have in your research sample. If you began to create segments before this step, you can use them to determine the right people to speak to, as well as to ensure that you interview enough members of each segment or typology. If you have a large pool of clients to draw from, and they represent the market well, you can focus on recruiting your clients for the research. If you have identified client segments that are not represented in your client base, you will want to include outside respondents. For example, if your market includes a high frequency of college-educated, single women, but you currently have no products that serve this segment, you may want to make a connection with a local university to recruit female alumni. Another important decision is defining the number of people to whom you will speak. This is your sample size. Different methodologies require different sample sizes and determining a sample size may be partially dictated by your capacity to reach people and by your budget.

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Box 13: Respondent recruiting strategies

While many good resources exist to help you find the best way to reach participants (see the [Toolkit](#)), you may want to be a little more strategic about the people you sample when doing research for inclusive insurance. Here are some ideas for how to sample effectively:

- 1. Go where potential clients are:** If you are hypothesizing a need for a product for small business owners, go to the locations where the kind of businesses that you want to target are located and ask people if you can talk to them during their downtime.
- 2. Take advantage of community organizations:** If you want to speak with smallholder farmers, get in touch with a cooperative or a community savings and loan organization for farmers, and find out if you can attend one of their meetings.
- 3. Ask respondents if they can refer you to friends:** This strategy is called snowball sampling, and it is a great way to increase your sample of a specific segment.
- 4. Talk to current clients:** Since they are already engaged with your company, they can be a great resource.
- 5. Talk to sales agents and distribution channels:** The staff who work directly with clients will have important insights to share. Also, you need to understand potential distribution channels to design and distribute your product.
- 6. Offer incentives** such as transport reimbursement, refreshments or even cash to make sure everyone attends. Check with your distribution channel first to make sure you align with their incentive policy.

When sampling respondents for **qualitative data**, you should aim for 13–20 respondents per [segment](#). After about 10 respondents, you begin to see patterns you can analyse in preferences and behaviours. For focus groups, two groups of 6–8 people per segment are better than one large group. This way, a group dynamic that goes awry can be mended by a second similar population and findings can be validated between groups. Qualitative data is not statistically significant or representative. You are just looking to discuss the answers to the questions “why?” and “how?” and to understand them across different experiences.

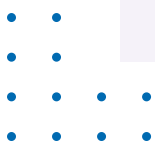
In **quantitative data** gathering, choosing the right sample size is important. Many existing survey tools such as [SurveyMonkey](#) and [Creative Research Systems](#) walk you through the process of sample size selection. However, online sample calculators generally consider the need for statistical power, which you may not. If you are concerned with statistical power and assessing statistical significance from your data, then you do want to ensure that you target a precise sample size. Alternatively, you may be more concerned with gathering enough data to adequately gain insight into and describe your market, and you may be constrained by budgetary restrictions or timelines that will limit your sample size. If this is the case, a good goal is to try to collect surveys from around 200 people, or about 60 per segment, and to ensure that all the segments that you are interested in are represented. Of course, more is always better, but less is workable too – basically, try to get as many respondents as you can! Finally, if you are conducting an academic survey, you will likely want to work with an academic researcher or institution.

1.6.5 Best Practices: Respecting Participants and Data Protection

Whether you are speaking with your clients or with other members of the population, be mindful of some important principles in collecting this type of data, as outlined in Box 14.

Box 14. Principles of collecting data from individuals participating in your research

- 1. Gain the informed consent of all participants** by explaining the goals of your research as well as who will have access to the information that they share. Participating in data collection must be voluntary, and respondents should be allowed to decline to answer any specific questions and to stop participating at any time.
- 2. Anonymize the data** in any meetings or publications, even internally. Any opinions, stories or quotes that a person shares with you should not be repeated alongside their name. Instead, you can share their story with anonymous descriptors, such as their age, location and job. Ensure that these descriptors are not specific enough for someone to be able to identify the person. Consider giving participants identifying numbers and storing their names and numbers in a separate file from the data itself. Store all data in a secure way.
- 3. Compensate participants** for participating in your research. Not only will this help encourage people to participate, but it will also demonstrate your respect for their time and opinions.





1.6.6 Fieldwork: Collecting the Data

When your data collection instruments and sample recruitment plans have been finalized, your team will need to finalize a data collection plan. Along with the guidance in this section, the [Toolkit](#) contains resources for managing data collection, including tools that can be used to ensure gender inclusivity is considered throughout this process.

Data collection includes managing the fieldwork and determining the form in which you want the data. For surveys, this might mean a plan for downloading data from mobile devices, or a programme for data entry when paper [surveys](#) are being used. For interviews and focus groups you will need to think about the requirements of your [analysis](#) plan. Do you want interviews and focus groups recorded? Do you want interviewers and facilitators to take notes? Would it be useful to have recordings transcribed (written down word for word)?

You will need to determine who will be conducting the data collection: that is, the fieldworkers, who perform the researcher tasks of surveying, interviewing and facilitating focus groups. Make sure that your fieldworkers are experienced with the target population, and ideally ensure a gender balance to enable people of all genders to speak more freely and comfortably.

Regardless of who is doing the fieldwork (whether it is surveyors from a survey firm, loan officers from a distribution partner, etc.), training should be provided to ensure that questions are asked in the same way and with the same intention to all respondents. This is an important part of the research process that can be easy to let slide, but without providing formal training, you risk wasting time, funds and energy collecting data that does not adequately answer your research questions. Training should include a session on how to ensure that you are respectful and inclusive of all types of respondents. This includes women, youth, the elderly and people with disabilities.

It might be helpful to have a discussion to explore the biases that fieldworkers may have when recruiting and talking to respondents, to ensure that they are aware of the need to be as inclusive as possible. Fieldworkers may come from different socioeconomic groups or age groups and may not be sensitive to the types of constraints older or more vulnerable respondents face. They should also be instructed to be gender inclusive, highlighting that in some cultures and contexts, women may prefer to be interviewed separately from men. In other contexts, women may need to be spoken to with more caution, since they may have reservations about revealing personal information. Consider the perspective of your more vulnerable respondents and ensure they are reflected in your approach. Box 15 provides tips on recruiting surveyors, interviewers and focus group facilitators. Box 16 provides guidance on training.

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You will also need to make sure you have a plan for quality checks. Checking surveyors, for example, could involve calling a few random respondents and ensuring that they spoke with the surveyor, or it could include analysing data for outliers or patterns among surveyors that might indicate they are faking data. To quality check interviews and focus groups, you might listen to parts from a few recordings.

Finally, unless you are using a survey firm that has protocols in place, you will want to think about how to best compensate and incentivize fieldworkers. Consider paying a small daily rate for 'showing up', alongside a fee per completed survey for surveyors (and make sure these are reviewed before payment) or for interviewers and facilitators, a fee per completed interview/focus group and relevant notes. Reimburse fieldworkers for transportation and airtime as well as any other work-related expenses.

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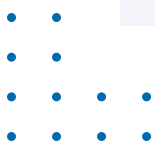
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Box 15. Surveyor, interviewer and facilitator recruitment

If you are working with a consultancy, they might already have trained researchers who can conduct surveys, interviews and focus groups for you. If you are conducting research in house or through a distribution channel, you will probably have to recruit fieldworkers on your own. Here are some tips:

- 1. Contract a market research firm to carry out the fieldwork.** Even if you are conducting the research yourself, you may want to hire a market research firm in order to take advantage of their existing network of fieldwork staff. This is a more expensive option; however, it would mean you could access trained and vetted researchers as well as more senior researchers who can perform quality checks and manage the fieldwork process.
- 2. Talk to professors at a local university.** Students in research-oriented or social science fields, such as sociology or anthropology, are generally both familiar with the research process and interested in gaining hands-on experience, making them excellent candidates for carrying out market research.
- 3. Hire from within the community.** The primary responsibilities of the people doing data collection are ensuring that respondents understand questions and that respondents are comfortable answering questions honestly. A great way to make sure of this is to hire fieldworkers from the community in which you are collecting data.
- 4. Be thoughtful when using internal staff.** Internal staff may be appropriate for some data collection, particularly those who work closely with clients and have already developed trust relationships. Unfortunately, internal staff tend to have pre-existing ideas about clients' needs and may be biased





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towards organizational or personal goals. While having internal staff conduct fieldwork is not always inappropriate, it is important to consider how this might affect the research.

5. **Ensure core competencies.** At minimum, fieldwork staff should be able to speak the language of the respondents with whom they are working and should be respectful, personable, honest and reliable. If using a digital tool for collecting data, they should be comfortable with the technology being used.

Final note: In addition to focus group facilitators, you may want to hire note takers for focus groups if resources are available to do so. If not, this may be a good place to make use of internal staff, but to avoid bias, be sure to assign staff members from outside the working group to this task.

Box 16. Tips for training and paying your surveyors, interviewers or facilitators

Training sessions should be held to ensure that data collection questions are asked in the same way and with the same intention to all respondents. A template for a training session is below.

1. Sensitization (roughly 1 hour):
 - Begin the training session by asking one or two trainees about their own experiences, or those of friends and family, with unexpected financial shocks. Ask recruits to explain the financial measures they took to deal with the problem.
 - Introduce the concept of insurance and explain the purpose of the research.
 - Ask if anyone has had bad experiences with insurance and discuss the importance of not introducing their personal experiences into the research process.
 - Engage in a discussion of biases towards people and how to remove these prejudices from data collection.
2. Review of instrument (roughly 2 hours):
 - Go around the room and have the trainees take turns reading sections of the instrument. After each section, explain the meaning and purpose of the question as well as exactly how you want them to ask the question. Allow trainees to ask questions before moving on.
3. Break (30 minutes)

4. Technology or note taking

- If performing a survey, introduce the trainees to the survey app and its features.
- If performing a focus group, discuss plans for transcripts or note taking. For example, if recording and asking the interviewers to transcribe the interview, explain exactly what the final product should look like (i.e., an exact transcription of the interview or notes on the responses). If training note takers for focus groups, discuss what is important for them to write down and what to listen for.

Practice (remainder of day):

- Divide trainees into pairs and have them practise on each other.
- Share experiences and tips from practice with the entire group.

1.7. Analysing Your Data

Most projects suffer not from too little data, but from too much data. Keeping your data collection tools short and to the point will reduce the complexity of data analysis and make it more effective. To be as efficient as possible, think about your analysis plan before you create your data collection tools. Remember that your analysis needs to be [unbiased](#), and that it needs to consider the results of the research rather than your initial hypotheses and opinions.

Analysis of qualitative interviews should focus on how respondents (by segment) manage risks and their perceptions of the difficulties of their risk management tools as well as of the likelihood of the events that pose risk. Analysis should also assess which delivery channels are most trusted. You might find qualitative software programs such as [Dedoose](#) or [Nvivo](#) helpful in analysing your data. This kind of software is particularly useful if you have large sets of data or if you do not have analytical personnel available to work on the study. You can also use a spreadsheet table, using Microsoft Excel or another spreadsheet application, with questions as the column headings and respondents as the rows. This can enable you to compare responses across individuals and identify patterns. Remember to make note of the demographic characteristics of respondents to ensure that your analysis includes segmentation. Focus group analysis can also be grouped in tables, with one row for each group.

Analysis of quantitative data should begin with thorough data cleaning. Before you begin, go through your data and ‘clean’ them. First, eliminate duplicate and blank entries. After this, consider coding some open-ended answers or adjusting any inconsistencies: for example, if the answer to a question is “3”, and the responses are written as “3”, “three” and “III”, these should all be recoded to “3”. The analysis can be conducted





in a statistical software package or in a spreadsheet application such as Microsoft Excel, depending on internal capacity. You can learn a lot from survey data without doing anything sophisticated. Begin with basic descriptive tables that show who was interviewed (gender, age, occupation, income etc.), as well as tables of survey responses to each question, giving frequencies and averages depending on the questions. If you want to know how many people answered that they have a loan, you can show the frequency of this response (e.g., 40 percent). If you want to know how often people see a doctor, you may want to show an average (mean) and standard deviations if you have a large data set. You can then make tables of the results by segment to explore the risks, preferences and financial constraints specific to each segment.

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Checklist Section 1: Market Research

Checking whether the team did,

- ☐ Define resources and timing for the research?
 - ☐ Decide who will do the research (in-house or outsource)?
 - ☐ In cases where research activities are being outsourced, hire the consultant?
- ☐ Frame hypotheses (Box 3)?
- ☐ Develop research questions (Box 3)?
- ☐ Identify client segments?
 - ☐ Conduct a bottom-up segmentation exercise (Box 6)?
 - ☐ Define client segment(s)?
 - ☐ Create personas for the market segment(s)?
- ☐ Analyse internal data, including...
 - ☐ Client demographics?
 - ☐ Risks?
 - ☐ Sales?
 - ☐ Mortality / Claims?
 - ☐ Payments?
- ☐ Identify and analyse external data sources, including...
 - ☐ Census?
 - ☐ National surveys?
 - ☐ World Bank DataBank?
 - ☐ Industry publications?
 - ☐ Research papers?
 - ☐ News?
 - ☐ Social media?
- ☐ Identify closest points of contact to your target client (external partner, front-line staff, etc.)?

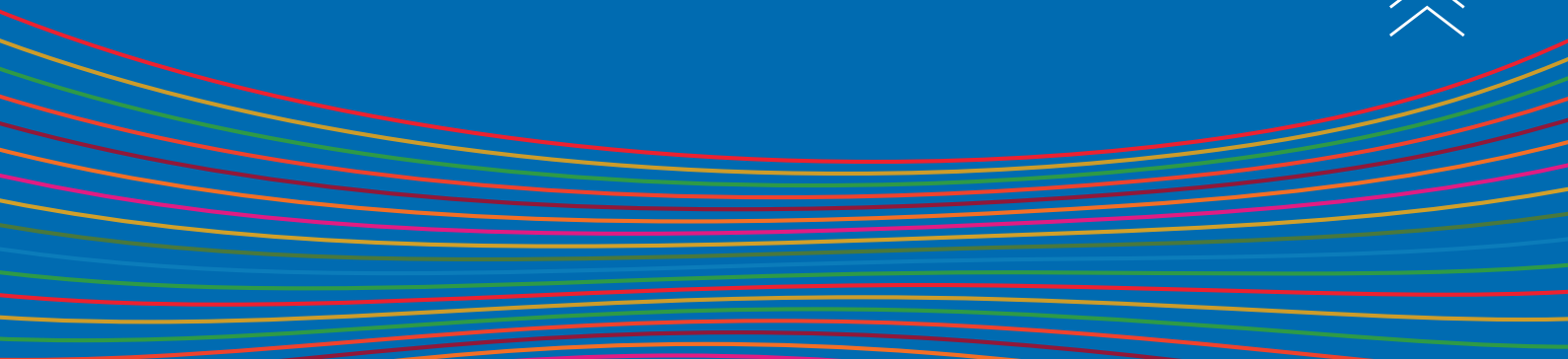
- ❑ Identify research gaps that will need new data collection?
- ❑ Design data collection tools to collect new data, including...
 - ❑ Turning research questions into data collection questions (Box 8)?
 - ❑ Creating quantitative data collection tools (interviews, focus groups, etc.)?
 - ❑ Creating qualitative data collection tools (surveys, Box 9)?
 - ❑ Creating a customer journey map (Box 12)?
- ❑ Calculate and set your sample size?
- ❑ Fieldwork: collect data in the field (Box 13 and Box 14)?
 - ❑ Create a sample recruitment plan and a data collection plan?
 - ❑ Determine who will collect the data?
 - ❑ Recruit the personnel that will collect the new data and train them (Box 15 and Box 16)?
 - ❑ Conduct quality checks on the information collected?
- ❑ Analyse the data, including...
 - ❑ Descriptive tables?
 - ❑ Charts and graphs?
 - ❑ Tables of results by segment, risk, preferences and financial constraints?





Section 2

Product and Process Design



Section 2. Product and Process Design

- 1 If you have gathered data, following the Orange Route 1, it is now time to develop products. We will begin with a design workshop.
- 2 If you have followed the Green Route 2 and conducted some bottom-up segmentation, you are now ready to think about the needs of these segments through a design workshop.
- 3 If you decided on the Blue Route 3 and want to begin your process with a design workshop, you are in the right place.
- 4 If you have chosen the Violet Route 4 and conducted some research on the customer journey of an existing product, you may want to brainstorm solutions with your working group and hold a design workshop.

Manager's Brief: This section puts into practice many of the insights and ideas that were developed during the market research phase. At this point your process, the whole working group needs to actively participate, since many of the ideas that arose in the market research phase will need to be tested, both with clients and operationally within the organization. So, it is essential that the entire working group participate in design workshops, taking ownership of ideas, providing feedback and committing to responsibilities and action items. Design workshops help you brainstorm ideas and ensure the engagement of the entire working group – because when everyone participates, everyone feels ownership of the product.

Offering inclusive insurance can be an exciting project for your institution's staff; you are not only developing new and innovative products and processes, but also interacting with new partners, and perhaps most importantly, serving vulnerable communities and other new market segments with useful products. This provides a social and commercial value that everyone can be excited about. In this phase, you will build on that excitement.

This section also briefly addresses ways to operationalize ideas from the design workshop into partnerships with new delivery channels and pricing exercises. It provides tips for testing the prototypes generated through the design workshop with actual clients and for finalizing the product development process.





2.1. Prototyping and Design Workshops

Design workshops, which use human-centred design processes, are one efficient way to develop product prototypes and to engage your internal team, allowing them to share their knowledge and take ownership over the product and process. They enable you to think about distribution, marketing and customer journey at the same time as you develop your inclusive insurance products. You can also use a design workshop to work on and improve an existing product.

There are many resources available on how to manage design workshops. [IDEO](#) offers extensive training courses, and other, free courses are listed in [the Toolkit](#). And in Box 18, you can read a case study of an inclusive insurance initiative in which design workshops were held remotely.

Definition

Human-centred design is a problem-solving technique that puts real people at the centre of the development process, enabling you to create products and services that resonate with and are tailored to your audience's needs. The goal is to keep users' wants, pain points and preferences front of mind during every phase of the process. By doing this, you can build and improve more intuitive, accessible products that are likely to turn a higher profit because your customers have already vetted the solution and feel more invested in using it. Tools such as customer journey mapping, co-creation and focus groups can be very useful in this process.

The main guiding principle of design workshops is to empathize with your target customer, which will help you to imagine their lives and their financial vulnerabilities and how they manage them. You will begin with what IDEO classifies as “Inspiration”, which is a process of empathizing with your customers. Then, you move on to “Ideation”, where you brainstorm ways to solve customers' problems. Finally, in the “Implementation” phase, you design products and processes from the clients' perspective rather than the perspective of the organization. Through this process, you will find ways to create value for clients, which will, in turn, translate into value for your organization. You may invite a distribution partner to these workshops, or you may use the workshops to identify potential delivery channels ([see next section](#)) and establish partnerships afterward.

To the extent that you have data to support your ideas, it will make the design workshop a more enriching experience. Even if you start with no data, however, these workshops allow you and your partners to work collaboratively to solve problems around one common goal: developing more inclusive insurance products for vulnerable households and businesses. Be aware that creating a product or prototype in a ‘bubble’ is risky. To be client-centric, you need to be absolutely sure that you are solving real problems

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for real people. The workshops are a step towards inclusive product design, but they should not be used to replace client data and insights.

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Box 17. Hosting a design workshop

Step 1. Set aside time and space: These sessions should last at least four hours, either consecutively or over two days. They should take place in a conference room or other space away from everyone's daily workstation.

Step 2. Choose your team: This should be your [working group](#), plus other relevant stakeholders in your organization. To ensure the widest range of experience possible, include people from different positions and different levels of your organization, as well as from different product lines.

Step 3. Throw away preconceived notions. Ensure that everyone leaves their biases outside the door and that you create a non-judgemental space. You can do this by discussing [internal biases](#) that may restrict your ideas, or by sharing something personal (but not intimate) about each other (such as people's favourite hobbies, special skills, etc.).

Step 4. Go over all of the data that you have collected. Ask one person to briefly summarize the results of all your market research efforts to date.

Step 5. Identify some hypotheses about the risks and covers that are needed by some target segments. Do this by considering the data as well as your experiences. Validate your hypotheses with available data if you can, or else identify the data you will need to validate them.

Step 6. If you have not already done so, define your customer segments through internal, external or new data collection. While this might be done at a different phase, a design workshop is a great place to integrate [bottom-up segmentation](#). If no data are available, make some initial assumptions and identify the data you need to validate the segmentation and market sizing.

Step 7. Brainstorm product ideas for each segment by thinking about products that will address the risks you have identified. You may use information from your market research to design products or you may use hypotheses, or alternatively you may begin the process by modelling your product ideas after existing products. Have everyone throw out ideas and be bold! You can use props like whiteboards and sticky notes and have people move around the room and observe each other's suggestions.





Step 8. Prototype products based on the product ideas from step 6. In this step you will consolidate product ideas, organize them by product segment and streamline them into actual products. You may want to consult product leads and an actuary at this point in the process to assess feasibility.

Step 9. Consider the customer journey, keeping in mind the ways in which the products will be sold and marketed and the payment channels that could be effective both for collecting premium payments and for distributing claims. Use the principles of design thinking and empathy to consider how clients will best understand and use products.

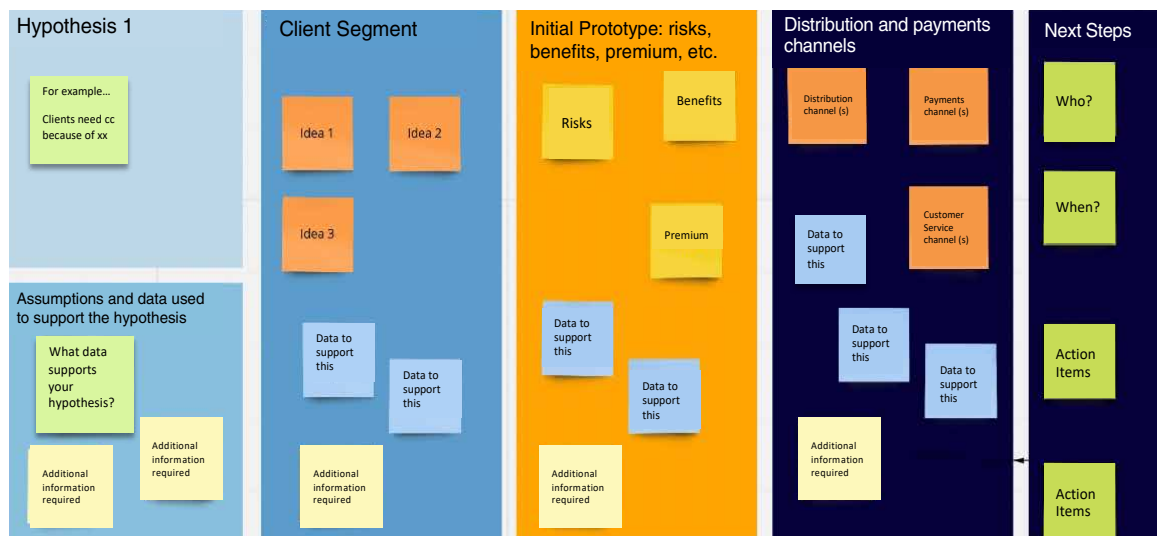
Step 10. Create an action plan to refine prototypes and test them in the field.

Step 11. Refine products and develop a final product description to submit to regulators (if needed), as well as a client journey to consider as operational issues are finalized.

Box 18. Inclusive insurance design workshop tools

EA Consultants has conducted online design workshops to help insurers develop inclusive insurance products using Miro, an online tool. The tool facilitates remote discussion and brainstorming and allows participants to work on the same virtual board, filling out their ideas collaboratively. The format below shows how a Miro Board can be set up for thinking about a hypothesis for a specific client segment: for example, rural market vendors cannot lose income during severe climate events and would benefit from insurance coverage. The board considers the assumptions included in this hypothesis (for example, that market vendors cannot transport materials during severe events), the characteristics of the client segment, and the type of cover that may be useful to support this client. It also considers the distribution and payments channels to be used, and it can be set up to consider concrete actions and next steps. The example below can be used as a Miro Board or else adapted to in-person brainstorming. Remember to question your assumptions and use data to justify your thinking as much as possible if you want to prototype with clients at the centre.

Figure XI. Example of a Miro Board



Source: Miro.com.

2.2. Distribution Channels

If you have followed the Orange Route 1, you have already gathered a lot of information about the way clients think about different distribution channels, how frequently they use them and how much or little they trust them. Frequency and trust are very important in considering the role of a distribution channel. Today, many insurers are integrating digital tools into some aspect of back-end or front-end distribution. But since many target markets may not be comfortable with fully digital processes, it can be useful to think about distribution more broadly, as a multichannel process that reaches some target clients digitally and others with a more human touch.

2.2.1. Partnering with Distribution Channels

If you are an insurer, consider what you need from your distribution channel before you open partnership discussions. You can rely on your distribution channel for all or part of the work along the customer's journey. Box 19 provides a checklist that your working group can discuss to identify your partnership needs. But remember, it is a partnership: you are not outsourcing the work, you are collaborating towards a joint outcome. Partners need simple, useful and attractively priced products. They need training to understand how the product works and how to make claims when needed. They need excellent customer support to ensure that their clients are not disappointed. And they need a smooth and simple claims process. Sometimes, partners need special sales training that can teach them how to offer insurance responsibly and not mis-sell (See [Section 3](#) below). If an insurer can provide all this, distribution partners will be excited to collaborate with them.

Once you have identified what you are looking for in a partner, make sure that the partner has sufficient capacity. For example, if you need a retail partner's cashiers to





explain insurance to customers at the cash register, make sure that the existing business model allows for cashiers to be trained, and then take the time to do this.

It is very important in this part of the process to define an attractive incentive scheme for these front-line workers. Some partners will engage insurers actively and even pay the front-line sales force directly with commissions from insurers. Others will prefer to manage their own incentives and collect a general amount of commission to divide up among staff. Be aware of how different schemes might influence the incentives of front-line workers. If they are rushed, can they explain a product well? If incentives are very high, how will you manage the risk of mis-selling?

You should also be aware that without regular and sufficient training, partners may not explain your product well to customers. To be client-centric, front-line staff need to understand the product and communicate effectively about it. Training should be conducted before rolling out products, but it also needs to be frequently refreshed, since staff turnover is common. Technology can help reduce the cost of these refreshers by allowing for text, web-based and video modules to explain and reinforce front-line staff's understanding of concepts.

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Box 19. Checklist for preparing a conversation with a distribution partner

Fill out this checklist in advance of discussions to help guide your negotiations. Make sure expectations are clear from the start. As you consider each point, think about whether this distribution channel is a convenient and trusted source for customers in accessing these services. Ultimately, your aim is to get closer to the customer to improve their experience.

- ☐ **Awareness.** Do you need the distribution channel to educate customers about your product and how to use it? Will this be done with above the line marketing (traditional advertising) or using below the line resources that engage directly with clients on the ground? Can the distribution partner help design marketing materials that are attractive to customers and easy to understand?
- ☐ **Acquisition and enrolment.** Will the distribution channel be enrolling customers onto your product and if so, will it use its own forms and technology, yours, or a combination of both? Are there any regulatory constraints that impact its role in this process?
- ☐ **Payments.** Will the distribution channel collect premium payments on your behalf? Will these be grouped or paid individually by clients? Consider the cost of these transactions and the benefits of using one or multiple partners to collect payments.

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- ❑ **Servicing and post-sales support.** Does the distribution channel have the capacity, either through branches, call centres or field staff, to answer questions about your insurance product or solve issues that arise when clients lose policies or need to change beneficiaries?
- ❑ **Claims management.** Managing claims is part of post-sales support, and it is a very important part of ensuring that clients receive value from the product. Can the distribution channel facilitate this process by collecting information from clients and their families when they make a claim? Can it help gather required documentation?

2.3. Pricing Your Product

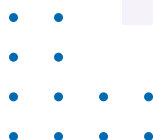
Pricing is an iterative process and should be considered as part of the product development process, and not the start or end point. When iterating product design, getting the price right is important, since clients' resources are limited and even a very relevant cover may not be useful to a client if it is not affordable. Actuaries can be useful in helping you to determine some initial pricing estimates. You can then test these estimates with target clients in a prototype testing activity, and then adjust and finalize them as the product coverage and benefits are refined.

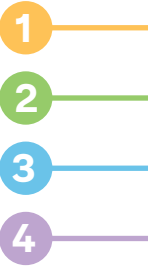
Inclusive insurance products require a new approach to pricing, because data may not be available, and even if they are available, data may not be accurate. Traditional actuarial tables may not include the type of client that inclusive insurance aims to serve. In some cases, these clients may have lower risks than the general population (for example, if they belong to a distribution partner that only covers healthy young workers); in other cases, they may have higher risks, for example, if they live in precarious conditions.

Box 20. Expert tips on pricing inclusive insurance

In [*Actuaries in Microinsurance: Managing Risks for the Underserved*](#), J. Blacker and M. Yang recommend some guidelines:

- Identify evidence-based financial risks
- Pool risks through scale, diversification and appropriate reserving
- Stress-test various pricing scenarios
- Reduce costs that you can control, such as operations, by reducing inefficiencies and leaning on partnerships for distribution
- Build rigorous actuarial models





Experience pricing can be a useful tool in setting prices. This model allows insurers to use real data from past experiences to make assumptions about future claims. It requires a relatively large longitudinal sample, which may be available for some risks. The great advantage of this method is that it helps you leverage existing internal information without requiring large external data sets on populations that may not be well studied. For example, microfinance institutions may track their own client mortality rates to assess client risk. They can share this information, and actuaries can use it to extrapolate future mortality risk. For some risks, it is important to stress test varying scenarios and have clear assumptions to ensure that they can be monitored appropriately. For example, if an MFI portfolio is primarily composed of urban merchants, but has plans to expand to older, rural farmers, mortality probabilities might change.

Exposure pricing, on the other hand, uses external data, often leveraging non-traditional data sets. It can be most useful when considering new, innovative product covers, where experience is limited. Exposure pricing makes assumptions about the frequency and severity of claims. When data are not available, actuaries can use alternative sources of information to complement their models. For example, climate risks can be estimated by reviewing records in local government agricultural departments and/or asking clients directly about their own recent experiences and damage. Similarly, fires in public markets are usually documented by local radio stations or newspapers. And extensive bodies of research exist on low-income communities, some of which offer data on financial shocks in local communities. By working with partners and collecting data from clients, national surveys and third-party sources, insurance companies can build sufficiently robust models.

Credibility pricing combines both methods, when they are available, to ensure a more credible scenario. It assigns relative weights to each method, allowing actuaries to leverage the most available information. This can be especially useful when submitting new products to regulators who might require a robust explanation of pricing in approving new products.

2.4. Prototype Testing

Prototype testing takes us back to the principles of [collecting new data](#) and can happen in [Focus Groups](#)- or [surveys](#). When you are testing prototypes, create presentable, easy-to-read materials to show clients the product prototypes. These should mimic the marketing materials, language and sales speech that you would use if your product had already been defined. This way, you will obtain the most realistic feedback possible and can test out your draft marketing materials, language and training for front-line staff at the same time as you test out your product.

When showing clients a new product, make sure that you develop an instrument for surveys and focus groups that allows clients to explain what they like and dislike about

each product. If you have a few options, it would be very useful to ask clients to rank the products in order of preference. Remember to ask clients to provide their gender, age, occupation and any other characteristics by which you will segment them, so that you can later see if one particular segment preferred one product to another.

Since you will be speaking to clients about very concrete products, [work with your actuary](#) and define some approximate premiums for each one. This way, when clients give you their opinions about the product, they are also providing their opinions about the product's affordability. You can test hypothetical pricing. When your clients state their product rankings, ask whether they would pay a premium 100 percent higher than the one you estimate. If they say no, ask whether they would pay a lower price. Keep reducing the price, thereby learning their price sensitivity threshold. If you reach your estimated premium and they are not interested in paying for the product at that price, ask what features, if any, would make the product worth that price, or whether any features could be eliminated to make the product more affordable.

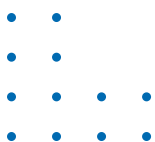
A more ethically dubious method, but one that some insurers do use, is selling the client the prototyped product (for example an MVP – Minimum Viable Product) at a set premium to find out whether potential clients will buy it through their planned distribution channel that is not yet available in the market and may not be ready to be serviced. In this case, when clients agree to buy it, they are told that they will be officially enrolled in a few weeks, and their responses are tracked in a survey instrument with some elements that mimic an enrolment form. The clients' information is captured so that they can be contacted with updates on the product's development. Be aware of the ethical issues with selling customers products that do not yet exist, and if you decide even so to take this approach, do not take any payment from the customer. When the exercise is complete, explain to the customer that the product has changed and offer a different product if they are interested.

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Case Study 12. Designing and prototyping products – The case of Pioneer Life in the Philippines

Pioneer Life's innovative ER Care product covers clients when they go to the emergency room. It is cashless (subject to coverage limits) and enables clients to avail of emergency care from a hospital or clinic. The product was born out of conversations between Pioneer and their customers during field visits. In one, Pioneer Inc. CEO Lorenzo Chan and his colleagues were visiting a customer in his home and found around 10 more visitors than expected waiting to receive them. Chan decided to turn this visit into an informal interactive townhall and asked the visitors if they still have needs with which an insurer could help them. Some shared that when they go to the emergency room, the hospital requires a deposit. Being unable to pay means no access to urgent medical services.

Chan found the insight interesting, but says that *"two or three anecdotes do not make a concept"*. He went back to Pioneer's microfinance partner to validate the exchanges, and then proceeded to organize a few focus group discussions with clients. These provided confirmation there was a need for cashless emergency care in that market segment. Pioneer found a partner with access to a network of clinics and hospitals that was accessible to the market. They designed a product prototype and ran this past more potential clients. One salient input was to include maternity care as an emergency benefit, since women faced the same issue when they arrived at the hospital for delivery. Pioneer went back to the drawing board and included a small coverage for maternity.

Designing the product required multiple iterations of talking to clients, going back to the drawing board and adjusting the product. It also required a very clear idea of the type of partnership that would be critical to ensuring the client's needs were met. After a pilot test in 2019, the product launch was interrupted in 2020 as a result of the COVID-19 pandemic. Since its relaunch in April 2021, Pioneer has sold 11,600 policies with a total premium value of \$440,000.

2.5. Final Product Development

After prototype testing, your team will assess the results of your testing and go through some iterations with your actuarial and product teams. This step can include a second design workshop in which the same participants take the feedback from testing and refine the designs. This is also a good time for actuarial consultation, if you have not already done this. You may want to use tools such as the [RICE Scoring prioritization model](#), which scores products by Reach, Impact, Confidence and Effort. This can help determine which products are most viable in terms of opportunity, risk and resources needed. The ILO's [PACE model](#) can help you think through the I in RICE (Impact) by understanding more holistically the value of the product to customers across four dimensions: Product, Access, Cost and Experience.

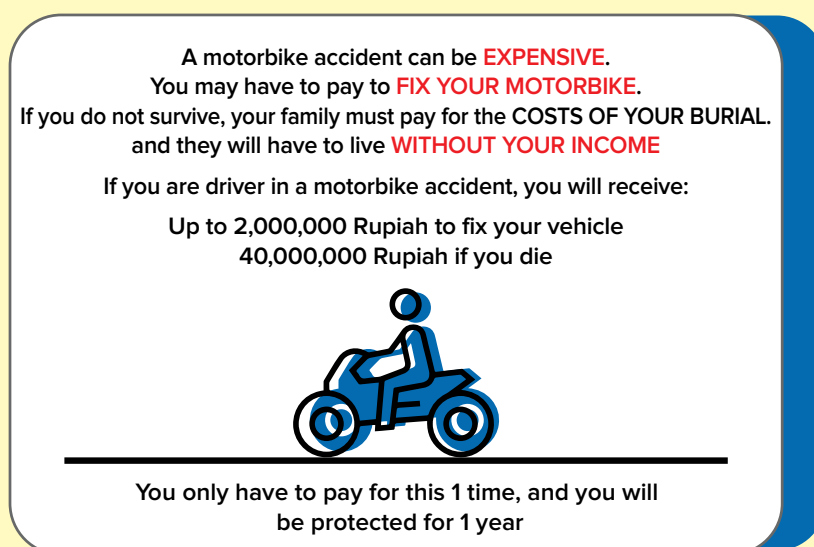
This development part of the process requires a lot of discipline to ensure that products are simple as well as easy to understand and use. Be aware that having to explain complicated exclusions, waiting times and deductibles to clients adds to distribution costs and the risk of mis-selling. It will also reduce the likelihood that clients understand the product, and thus they might value it less than you anticipate. Moreover, inclusive insurance products tend to have short terms, between one day and one year, and as such, waiting periods may make little sense.

Making a product ‘tangible’ is always a challenge in inclusive insurance, particularly if the product covers unlikely, catastrophic events. Value-added services such as telemedicine, pharmacy discounts and vehicle support may be very attractive to customers, as they are tangible and can be used even when a policyholder does not suffer a catastrophic event covered by insurance. But be aware that some ‘extra’ features may increase the price but not add value or tangibility, since they will most likely go unused. While some value-added services are very useful, others are designed for higher-income customers and may not meet the needs of your clients. Review evidence of usage of value-added services in other inclusive markets before you consider them. If this evidence is not available, analyse the usage of value-added services in traditional markets. If it is already low in those markets, it will likely be lower in inclusive markets where clients may have less time or be less comfortable using remote services.

Case Study 13. Testing product prototypes with clients – The case of AXA Mandiri, Indonesia

The case study of AXA Mandiri, Indonesia led to the development and testing of various products based on the external data collection exercise and design thinking workshops. These cards were then used to test prototypes with sample clients.

Figure XII. AXA Mandiri’s prototype cards





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Riding on a motorbike can be **DANGEROUS**.
If you are in an accident, you may suffer from an expensive **INJURY**, and
If you do not survive, your family must pay for the **COSTS OF YOUR**
BURIAL, and they will have to live **WITHOUT YOUR INCOME**.

If you are a motorbike passenger in an accident, you will receive:

5,000,000 Rupiah if you are injured
50,000,000 Rupiah if you die



You only have to pay for this 1 time, and you will
be protected for 1 year

Checklist Section 2: Product and process design

Checking whether the team did,

- ☐ Conduct a prototype and design workshop (Box 17)?
- ☐ Identify possible delivery channels?
- ☐ Review partnerships needs and possible collaborations (Box 19)?
- ☐ With the support of the actuarial team, price the product?
- ☐ Roll out a prototype test, involving...
 - ☐ Testing hypothetical pricing, or offering the client the prototyped product and seeing whether they buy it?
 - ☐ Developing an instrument to collect client feedback (surveys or focus groups)?
- ☐ Analyse data collected in the prototype test?
- ☐ Conduct a second design workshop with actuarial consultation?
- ☐ Develop the final product?



Section 3

Selling the Product: Designing a Market Strategy with Your Research Findings





Section 3. Selling the Product: Designing a Market Strategy with Your Research Findings

- 1 If you have developed a product or products following the Orange Route 1, you have a lot of information to help you design an effective marketing strategy for your product(s).
- 2 If you followed the Green Route 2 you have some very good insights from front-line staff that can be used to design a marketing strategy.
- 3 If you are on the Blue Route 3, you are ready to do some thinking about how you will sell your product, applying a smart and efficient marketing strategy.
- 4 If you have chosen the Violet Route 4, you may decide to refresh some of your marketing materials, sales pitches or incentives, or perhaps you need a marketing strategy refresh. You have come to the right place!

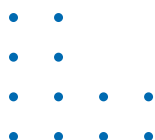
Manager's Brief: It can be very tempting to stop the client-centric process once you design a product, but instead of an ending, think of it as a beginning: the beginning of your new client-centric approach to ensuring that you have created a valuable product and process that is inclusive of even the most vulnerable. [As marketing expert Philip Kotler says](#), “Marketing is not the art of finding clever ways to dispose of what you make. It is the art of creating customer value.” This section emphasizes the importance of using the information you have gathered about the client to design an effective marketing strategy that strengthens the process of value creation. A strategy should address **who, what, where and how** you will reach out to potential clients and transform them into new and recurring clients.

Many operators assign all the marketing and communications of their inclusive insurance products to an internal marketing or communications department within their institution. This has some risks when working on inclusive insurance. First, marketing your product depends very much on what you are marketing and on whether your product is appropriately designed for your target customer and segment. The process begins there; this client-centric design can be then incorporated into a strategy to offer the product. Consider also that the skills and capacity of different external stakeholders may not be sufficient to completely outsource this role.

If your business' usual target customer is in a low-income or vulnerable segment, you may be very experienced in how to communicate with the customer but not in how to explain insurance products and their technical characteristics. Alternatively, if you are specialized in insurance, you may be experienced in offering explanations about insurance, but less familiar with how to communicate in simple and transparent language that is easily understood by the target

segment. This is why market research can be especially helpful when you plan a marketing strategy for an inclusive insurance product. It can tell you more about the clients you are targeting, the risks they worry about, their expectations when buying a product, how they learn about the product and which channels they trust most. Market research can also tell you about clients' income and ability to pay, as well as the most accessible payment methods for them. Your target clients may also have insights into the claims process and how benefits should be paid out. If your market research involved distribution channel front-line staff, such as loan officers at an MFI, government workers, mobile money agents or programme staff at a non-profit organization, they will have given you some important insights into how they work and what motivates them. This will help you identify appropriate partners, design effective incentive systems and customize training programmes. Clients who buy insurance should know what they are buying, understand how to use it and value it. Otherwise, you will just be taking clients' money without offering value in return. This is why proving clear marketing messages and [tracking performance](#) are essential in inclusive insurance.

If you completed Sections 1 and 2 of this Navigator, you already have most of the elements of a successful marketing strategy. Through this process, you have likely defined your target market, as well as your product and its value to that market. You have come up with some ideas about distribution partners and you have some sense of the language that clients use to understand your insurance product. You will likely have discovered many other interesting insights about your existing and potential clients. For example, are they easy to reach by phone, in groups or individually? How easy is it for them to understand the concept of insurance? Who do they trust most to explain or offer this product? All this information will help you design your marketing strategy. Once you have defined your strategy, you can consider the cost and whether it is affordable. Marketing a small premium to many customers requires strategies that are different from marketing a large premium to a few customers. Above the line strategies such as billboard advertisements, radio and TV can be extremely expensive. Consider instead using local radio stations, or social media and influencers. Technology can be useful in promoting your product as well, but remember, your segment may have less understanding of insurance and lower trust in technology, so analyse any digital plans carefully to see if they work. Below the line strategies that deploy variable costs, such as face-to-face agents, may be more effective on a per unit basis in reaching and building trust with your end clients.





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Box 21. 'Below the line' marketing example

Many insurers in Colombia use their own call centres to reach potential customers with new insurance offers. They partner with utility companies, for example, which provide lists of clients that insurers can call to promote products and enrol new customers. Premiums are then deducted from utility bills. Some utility companies even have their own call centres dedicated to this function and earn commissions from sales.

As Box 22 describes, your strategy should address **who, what, where and how** you will reach out to potential clients and transform them into new and recurring clients. Box 23 can help you think about how you can use your research findings to address each of these issues.

Box 22. Considerations in your marketing strategy

Consider these elements of your marketing strategy as you plan to take your product to market. A strategy is not just a set of materials or an incentive scheme, but a plan that identifies targets and how they will be achieved and assigns responsibilities, resources and deadlines to the process.

WHO

Market sizing. How many customers do you want to reach in the short, medium and long terms?

Client segments. Which specific segments will you target?

WHAT

Competition. What value-add will your products offer versus the competition? Remember that in informal or underserved markets, the 'competition' might be the informal strategies that clients currently use to manage risk rather than a formal financial product.

Value proposition. What is the value proposition of the product and process vis-à-vis what clients have access to already?

WHERE

Distribution. Who will enrol clients? Who will take premium payments? Who will offer post-sales customer support? Who will process and pay claims?

HOW

Communication. Who will make clients aware of a product? How will you train them? What points of contact are most effective in your segment: face-to-face, billboards, phone, social media, web or a combination of many types?

Marketing. What materials, trainings and incentives are needed to support the product distribution?

Budgeting and planning. Who will be responsible for each action item in the marketing strategy? How will these responsibilities be embedded in partnership agreements, commissions and other incentives? When are key milestones for the project? How much will this cost?

3.1. To Whom are You Selling?

A marketing strategy begins with defining your target market by assessing the market size and defining the client segments you want to reach. Your [internal](#) and [external](#) data collection exercise should have provided you with an idea of which market segments you are targeting and the approximate size of these segments in your target geographic area. You might develop some [personas](#) (such as Eduardo and Erica) to bring these clients to life and imagine how they will interact with your products. Box 23 gives a detailed example of a situation of a health shock suffered by Eduardo and Erica and how the family handles it. This can help you consider all of the elements to keep in mind in defining a client-centric marketing strategy.

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Box 23: A client-centred marketing strategy



When Eduardo became sick with malaria in 2019, he was ill with high fever symptoms and weakness and was unable to work for over two weeks. Eduardo's wife, Erica, could not manage his shop because of the very rigid schedule she had at the factory. Moreover, Erica relied on Eduardo to bring her to work in the morning, which he was unable to do. Luckily, Eduardo was able to get help from his sister, who watched the shop. His mother watched his sister's children while his sister worked in the shop. After work, Erica checked in on the shop and made sure all of the accounts were in order. Everyone worked together to help out, but one problem was that Erica had to pay extra for a moto-taxi to take her to work every morning. This represented a big part of her monthly income. Additionally, she had to pay for medicine for Eduardo's illness. To deal with the financial impact on the household, the couple did a few things:

- Reduced their food expenses for the month
- Obtained a small loan from a neighbour to cover the cost of Eduardo's medication and other expenses
- Saved money on gas from Eduardo not driving his vehicle.

When you are marketing to people like Eduardo and Erica, remember to emphasize the value of the product to them. The product will help avoid borrowing from friends and family and cover Erica's additional expenses (transportation) until Eduardo can go back to work. The couple would likely not respond to the message of the product as a way to protect Eduardo, since he has managed much of his risk.





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3.2. Defining Your ‘What’: The Value Proposition

Consider the value proposition of your product for these clients and how the product might be different from what the clients can already access. When thinking about your value proposition, it is not enough to consider whether your target market has access to similar insurance coverage; you must also consider the informal ways in which they already manage their risks.

Consider the case of Eduardo, and how he manages the risk of falling ill in Box 23. What would be the value proposition of a malaria insurance cover for Eduardo? The product might appeal to him if it covers the cost of medicine and household expenses, such as Erica’s transportation. If the product was marketed as one that would help cover business losses, Eduardo might think *“my sister can watch the shop, I don’t need the insurance.”*

3.3. Where Will You Offer the Product? Identifying Distribution and Partnerships

In the example of malaria insurance for Eduardo, an ideal distribution partner for an insurance company might be the pharmacy. Ideally, a distribution partner has a financial relationship and a relationship of trust with the end customer. This helps both provide a trusted acquisition process and a payment channel. Learning about who clients trust is an important part of [market research](#), as some will be more trusted than others, such as in the case of Erica in Box 24 below.

Box 24: Identifying the right distribution partners in the Philippines



When interviewing Erica and her colleagues in a series of focus groups, we discovered that Erica trusts her company and her manager. Many of the workers eat together with their managers during lunch and have picnics with their colleagues on special holidays. Their managers have connected them with a bank that receives their salary, and this bank has offered them loans that allow them to buy vehicles and even homes. Erica used one such loan to purchase Eduardo’s motorbike, and she trusts the bank because her manager connected her with it. This experience is important in considering a potential delivery channel for insurance both to Erica and to Eduardo. As Eduardo works informally, there are fewer ways to reach him, and Erica’s work might be a useful channel.

However, the lessons we learned from interviewing Erica and her colleagues are not applicable to all situations. In another series of focus groups, we heard that a different factory has gained much less trust from its workers. In fact, there have been some uncomfortable situations in the factory, in which some women were given longer breaks and more leniency because they smiled at a manager more and “acted friendly”. This bothers the workers a lot. They feel vulnerable and prefer to keep their lives as private as possible so as not to create any conflict at work. When trust in the employer is low, it is less likely that staff will trust the institutions with which the employer works.

When you identify a suitable distribution partner consider the following:

1

Does this partner work with the target market I have identified?

2

Ask the distribution channel for [internal data](#) on their clients or hold some [Bottom-up segmentation](#) focus groups with front-line staff to verify that you are, indeed, targeting the same population. Remember that ‘the poor’, ‘the vulnerable’ or ‘bottom of the pyramid’ are not one single segment. There may be multiple segments in these broad categories.

3

Are our incentives aligned?

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Incentives are not everything, but they are critical. You might have a great product but if your distribution channel does not offer it to clients or spend time highlighting and explaining it, it will not get to your end customer. If you are partnering with a brick-and-mortar business, when you interview front-line staff, ask them what motivates them. Make sure you offer ideas that are not only financial. See [Section 3.5](#) for a discussion of sales incentives.

Consider different types of incentives for different distribution channels. For example, fintech or insurtech distributors may not ask for a commission, but instead, might use your insurance product to incentivize client behaviours. Case Study 14 below explains how insurance was used to incentivize acquisition by women of a credit card reader, for example. This case emphasizes the importance of tracking performance by sex to understand the gender implications of different strategies.

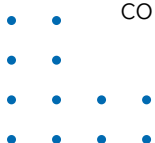
Case Study 14. Using insurance to incentivize fintech adoption – The case of Noahui Soluciones in Mexico

Noahui Soluciones, a platform that onboards low-income merchants to fintech products, partnered with KiWi, a fintech providing low-cost pay-as-you-go credit card readers, to test the impact of adding free life insurance to each KiWi terminal to incentivize client acquisition and usage. After a pilot test, they learned that women disproportionately purchased KiWi terminals over men when they were offered free insurance. This was a good opportunity to expand KiWi’s reach to a new client segment: women, who typically purchased fewer KiWi terminals than men.

Source: Noahui Soluciones, Mexico

What role will the partner have along the delivery spectrum?

Distribution channels can take on different roles. One mistake that insurance companies might make in partnering with a distribution channel is assuming that the partner can be useful across the whole delivery spectrum (Figure XIII). Each actor should focus on their core competencies. To ensure this happens, it is important to discuss what these core competencies are when sitting down with distribution channels and insurers and





identifying the relative roles and responsibilities in detail. You can see from the delivery spectrum below that finding a partner that can do all of the tasks in the spectrum is not easy. For example, trusted sources of support might be very useful for awareness building, education and acquisition but may not have the technical interface to cover enrolment.

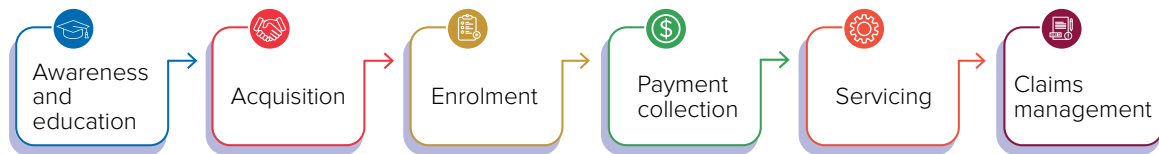
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Figure XIII. The inclusive insurance delivery spectrum



Case Study 15. Plugging multiple partners into one insurance platform – The case of Democrance in the United Arab Emirates

The product: Personal accident insurance for remittance senders

Description: Accidental death and accidental permanent total dismemberment

Sum assured: ~\$11,000

Term: 1 month

Volume: 104,479 policies

Democrance is a B2B data-enabled, white-label SaaS (software as a service) plug-and-play technology platform that digitizes sales and distribution verticals of the insurance value chain for emerging market segments. It allows insurance companies to leverage existing distribution channels that are not set up to offer insurance. For example, in the United Arab Emirates, the company partnered with AXA Insurance and Hello Paisa, a remittance operator, to facilitate the addition of a free insurance product to Hello Paisa remittance transactions with minimal IT integration. This offers value to Hello Paisa customers, gives the company a competitive advantage in a crowded market, and helps AXA Insurance with the acquisition, enrolment, and payment collection pieces of the delivery spectrum. AXA is able to handle claims through the Democrance platform as well, covering the final two parts of the spectrum. The only gap in the delivery spectrum exists in awareness and education; Hello Paisa may be trusted by its customers but may not have the right incentives in place to educate clients.

Figure XIV. Democrance, AXA and Hello Paisa's Hello Protect product



Source: Hello Paisa.

How will we monitor success?

In Section 4.1 below, we discuss servicing your inclusive insurance product and how to [measure success](#). Consider both social and financial goals and assign indicators to the appropriate partners. For example, if you are measuring claims, insurance companies may be best prepared for this. If you are measuring poverty indicators, a distribution channel may be closer to the customer and have more data or better capacity to collect data for the product.

3.4. How to Effectively Communicate with Clients

Whether you conducted full market research, limited market research or some prototype testing, you have learned something from your clients about their impressions of your product. These insights are very important because they reflect the understanding





and perceptions of clients in their own words. When clients hear explanations of your products in their own words with their priorities and needs in mind, they will be more open to understanding the products and they will see more value in them. Often, a clear and transparent marketing flyer or speech can have a much greater impact on building client awareness and education than a long education session – and it can be more cost-effective as well.

Box 25 contains some tips you can use when you analyse the results of your client conversations to develop marketing messages and materials. If you can, test your draft materials with a small sample of clients to make sure that you have identified the most relevant images, explanations and language.

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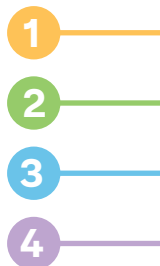
Box 25: Tips for using market research to develop education and communications materials

Listening to customers has huge benefits in developing marketing and education materials. Clients can tell you the risks that they worry about and the aspects of a product that they like the most or understand the least, which can help you focus your materials so that they are as simple and relevant as possible.

Language: If you have listened carefully, you may discover the best name for your product from listening to clients. For example, in the [Changamka case above](#), the researchers discovered that explaining a “hospital cash” product as “sleep in the hospital cash” was a clearer way to explain that coverage only began if the insured person spent the night in the hospital.

Personal characteristics: If you decide to use animated characters or photos of clients, you should look at the people you interview and try to demonstrate to them through visual aids that the product is meant for them. Some insurers aim for ‘aspirational’ photos that show middle-class houses. While this might be appropriate to your market, it can also signal to some clients that the product is not for them. Instead, consider aspects of the people you interviewed. You do not want to show anyone in messy work clothes, which could be offensive, but you want to show and celebrate what the target clients really look like.

Main product characteristics: Through your qualitative research, or perhaps through your work prototyping products, your team should also have identified the main points that clients will find attractive in the product, including whether the premium is affordable. They may also find the product very relevant in terms of coverage because they are very aware of the financial cost of a covered event. Another point clients may have noticed is the amount of the benefit or



that it is ‘right-sized’ for their needs. Or maybe the ease with which they can enrol appeals to them. Listen carefully and make sure these qualities are included in your marketing materials, sales pitches and messaging. Keep your main points short, though, or they will be hard for clients and front-line staff to remember!

Other issues to consider: Perhaps in your discussions with potential clients, you identified the brands they trust most. Consider using similar styles and colours to these in your materials. Or maybe you have found that the locations where they can make a claim are important to them. This would suggest highlighting the locations with a map or photos. You may find that different market segments or people from different regions use different cultural references or even languages. This may require adapting the materials to suit these differences. Using populations from the target market in your materials can help your marketing team adapt to these differences easily. The most important thing is to listen carefully to all your target clients and reflect on anything you learn that can help them better understand the product.

3.5. Distribution: How to Train and Motivate a Sales Force

3.5.1. Who Will Be Trained?

Before you consider ways to train and motivate a sales force, you need to figure out whom you need to train. For example, if you are working with a microfinance distribution channel, loan officers may be tasked with offering the product, but cashiers who are taking loan payments also need to understand why there is a monthly charge in their customers’ loan payment receipt. Often, cashiers need to ‘resell’ the insurance product because clients have forgotten they have coverage and complain about a bill. If you are working through a multichannel delivery process, consider also call centre staff, social media managers and senior managers who control performance evaluations and commissions for staff. Even the security guard at the door should be aware of the product in case anyone walks in and asks for insurance. You do not want a guard to say, “no, we only offer money transfers here, not insurance” just because they are uninformed.

3.5.2. How Will You Train?

Once you have decided who will be trained, consider how you will train your delivery channel. Begin by understanding your partner and how it currently trains its front-line staff and management. You will want to use or adapt existing methods that are familiar to staff. As well as easing the learning burden on staff, this can help operationally, if you are working with a complex organization or in a wide geography, by making training easier to implement. You may want to use digital tools, in-person training or both. If you or your partner already conduct in-person training, you might consider adding more





sessions to cover insurance distribution. Remote training can be convenient and much more cost-effective; however, it can in some instances be less effective in achieving learning outcomes. Remote tools can be used alongside hands-on activities to ensure that learning remains active. Keep in mind that staff often rotate, and so you will need a plan for refreshing training on an ongoing basis. Online and SMS delivery will likely be the most cost-effective for refreshers. It is very important that training be conducted by experts who understand the product, but also understand the customer and how they learn. A team of trainers or multiple sessions may be most effective. Regardless of how you train, it is very important to include simulations in the training so that front-line staff can practice and gain confidence with the material before speaking with clients.

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3.5.3. What Will You Train on?

Training front-line staff can be daunting. Often, we are training people who themselves do not understand or value insurance, which makes it difficult to transform them into inclusive insurance advocates. The easiest way to do this is to have them try the product by giving them discounts or free insurance to ‘test’. When this is not possible, or if the product is not very tangible because it covers only catastrophic events (such as life or property insurance), you can still find ways to get your sales force excited about selling your product. Many [resources](#) are available online to develop insurance sales training. When adopting these methods for inclusive insurance, you should keep in mind that your clients may have low awareness and trust in insurance, so there will be an important component of education in your sales strategy. Part of this will consist of offering a transparent and clear explanation of the product, using the most relevant materials. Another part will come from your client’s and their community’s experience with the product. Paying claims easily, promptly and effectively shows that you are keeping your promise and that you can be trusted.

Box 26: Your training programme

When designing a curriculum, keep in mind some important concepts that should be covered:

Operational issues

- How materials will be distributed
- How enrolment paperwork and/or technology works
- How payment processes work
- How claims processes work
- How staff will be compensated for sales (if relevant)
- Who can answer questions
- Data tracking protocols

Commercial issues

- The covered event and why it is relevant to your client (for example, “climate change is affecting your crop cycles”)
- The financial needs of clients when they face such events (for example, “when clients suffer a loss in yield, they have less money to reinvest in their next cycle”)
- How the insurance product addresses these problems (for example, “this product pays clients \$200 if their production losses are over 50 percent of estimates”)
- How the insurance product is paid (for example, “clients can pay for this with their loans”)
- How claims are made (for example, “clients can call their loan officers to make a claim if they suffer a loss of over 50 percent”)
- Where clients can turn for more information (for example “clients should call this number when they have questions”)

3.5.3.1 Simulations and Field Practice

Despite knowing how a product works, front-line staff are often uncomfortable selling insurance when it is not their main activity. They might worry their relationship with the client will be damaged if the client does not like or trust the product, or they might feel concerned that a client may ask questions they cannot answer. As a result, it is important to practice selling through simulations among peers, and if possible, with a select group of clients under supervision to test out staff members’ confidence and assuredness in selling.

3.5.4. Commissions and Other Incentives

Even if they are fully dedicated to your product, most sales representatives will expect a commission for selling insurance, especially if a product is not bundled with a loan or a free service but is a voluntary or stand-alone product. The problem is that commissions on inclusive insurance tend to be quite low because premiums are low in order to make products affordable. This is where some creativity is needed to incentivize sales. Consider some ‘carrots and sticks’ to motivate sales. Some ‘carrots’ you might offer could be points that can be traded in for prizes or activities and events. Recognition might also be an incentive, where offices with high sales can be celebrated throughout the company and invited to a special meal. You might also consider ‘sticks’. Some microfinance institutions set insurance targets that trigger additional benefits when loan sales targets are met, for example. However, if targets are not met, loan officers forgo some component of their commission on loans. Regardless of whether you use





carrots, sticks or both, it is essential to balance the need to meet sales targets with consumer protection. Clients who buy insurance should know what they are buying, understand how to use it and value it. Otherwise, you are taking clients' money without offering value in return. This is why, in inclusive insurance, it is essential to provide clear marketing messages and [track performance](#).

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Case Study 16. Incentivizing voluntary renewals – The case of Compartamos Banco in Mexico

In 2012, the Microinsurance Learning and Knowledge (MILK) project studied the demand for an inclusive life insurance product and learned that voluntary renewals could be promoted through the use of initial subsidies, as well as standardized sales training and messaging about the product. The life insurance product was offered to over 1.8 million clients of Compartamos Banco in Mexico. Compartamos subsidized coverage by providing one free module (with a \$1,160 benefit) to each of its village bank borrowers. At their own cost, borrowers had the option to purchase up to seven additional modules. The study involved a randomized control trial (RCT) that tested the impact of eliminating the free module of insurance on clients' purchase decisions and total insurance coverage. The results showed that those clients in groups with no subsidized coverage were 5.2 percentage points more likely to purchase insurance (one or more module) and purchased 0.15 more modules on average. This suggested that the use of subsidy may have contributed to increasing client trust and perception of value of insurance, so that when they were faced with losing the product, they voluntarily purchased it.

Figure XV. Analysis of standardized marketing interventions

Factual poster



Source: Compartamos Banco.





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El Seguro *de Vida* de Compartamos Banco

- 1.- Protección a tu familia desde \$15,000 hasta \$105,000 pesos para afrontar gastos inesperados
- 2.- Trámites sencillos, sin exámenes médicos
- 3.- Un pago desde \$57 pesos o \$4 pesos semanales junto con tu crédito
- 4.- Entrega del 100% de la suma asegurada a tu beneficiario en 48 hrs después de presentar la documentación completa
- 5.- La compra del Seguro *de Vida* es una decisión **VOLUNTARIA**

¿Cómo ayuda el Seguro *de Vida* cuando falta un ser querido?



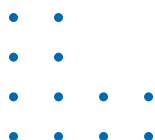
Compartamos Banco
Tu especialista en microfinanzas

Source: Compartamos Banco.

The study also analysed the use of two standardized marketing interventions to offer these additional modules across the Bank. The marketing interventions standardized the information provided to borrowers by introducing two posters that loan officers brought to group meetings. Loan officers were trained to follow the script precisely and use the posters as visual aids. The top half of the posters provided the same basic information about the product. In the bottom half, a ‘factual’ poster emphasized the financial toll that a funeral takes on a family and how insurance benefits can compensate for some of these financial costs. The ‘emotional’ poster used a series of pictures to tell the emotional story of a family saddened by the death of a breadwinner and how insurance helped them to recover. Half of the groups were presented with the factual poster; the other half were presented with the emotional poster. The study found strong suggestive evidence that the standardized marketing approach, regardless of whether factual or emotional, increased sales of insurance. The percentage of clients who purchased any insurance increased by more than 20 percent after the standardized approach was adopted. It suggested that providing clear, factual information helps clients make informed choices that can lead to voluntary policy renewals and help build a more sustainable and responsible market for insurance. [More information is available in the full study here.](#)

3.5.5 Renewals

When establishing your enrolment and sales processes, consider how you will manage renewals. Renewals are an important way to control costs and build a market. It is much easier and more cost-effective to grow a market from a base of loyal customers than it is to acquire new customers after each policy term. If you have provided a positive experience that clients value, renewals should be less work and you can consider reducing the level of touch needed to explain and convince customers to buy your product again. Fully automatic renewals might be feasible when partnering with a payment channel where customers pay on a recurring basis (such as public utilities), but customers should be informed of renewals to ensure ongoing trust and satisfaction. Some countries have strict regulations about obtaining client consent for renewals to make sure that clients understand they will be billed for a new policy and to remind clients of the coverage they hold. Insurers or partners may also be able to contact clients directly or through low-cost channels such as SMS and phone to renew policies, which reduces cost and increases efficiency. Commissions for such services should be negotiated in advance. Discuss with your partners how the process will take place and how clients will be informed of renewals.





Checklist Section 3: Selling the product

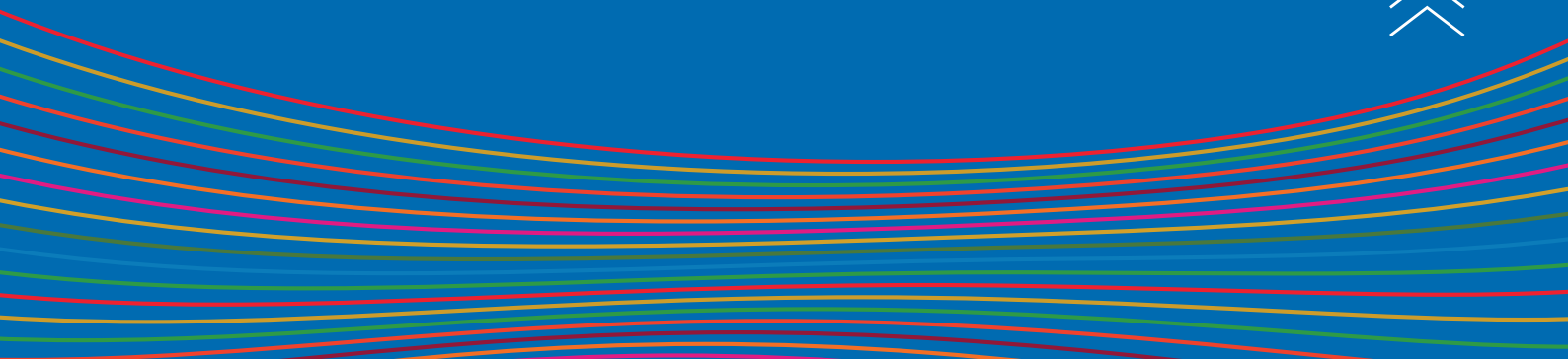
Did you...

- ☐ Design the market strategy (Box 22), determining...
 - ☐ **Who** is your target market?
 - ☐ What is the market size?
 - ☐ What are your client segments?
 - ☐ **What** is your value proposition?
 - ☐ What is the competition?
 - ☐ What is the value proposition?
 - ☐ **Where** are your distribution and partnerships?
 - ☐ Does the partner work with the target market?
 - ☐ Are your incentives aligned with your partner?
 - ☐ What role will the partner have along the delivery spectrum?
 - ☐ How will you monitor success?
 - ☐ **How** will you carry out your planning, communication and marketing?
 - ☐ How will you develop education and communication materials for clients (Box 25)?
- ☐ Establish distribution, including...
 - ☐ Defining who will be the sales force (microfinance distribution channel, loan officers, call centre, social media managers, senior managers, staff on commission)?
 - ☐ Training the sales force (Box 26)...
 - ☐ On operational issues?
 - ☐ On commercial issues?
 - ☐ Developing marketing material?
 - ☐ Creating simulations and field practice?
 - ☐ Defining and promote commissions and incentives?
 - ☐ Tracking performance of sales?
 - ☐ Establishing a clear renewal process?



Section 4

Servicing the Product





Section 4. Servicing the Product

- 1** If you have followed the Orange Route 1, you will already have some methods in place that you can adapt to monitoring your product's performance and making sure that clients are well served and your initiative is financially sound. Remember that claims payments and management are an important part of good customer service. As such, this stage in your route should be iterative and not linear.
- 2** If you followed the Green Route 2, you are ready to put in place some measurement tools to monitor your product performance and make sure that clients are well served and that your initiative is financially sound. Remember that claims payments and management are an important part of good customer service. As such, this stage in your route should be iterative and not linear.
- 3** If you are on the Blue Route 3, you are ready to put in place some measurement tools to monitor your product performance and make sure that clients are well served and your initiative is financially sound. Remember that claims payments and management are an important part of good customer service. As such, this stage in your route should be iterative and not linear.
- 4** If you have chosen the Violet Route 4, you may decide that you need to refresh some of your monitoring indicators, specifically those that identify the outcomes of your hard work along the route. Remember that claims payments and management are an important part of good customer service. As such, this stage in your route should be iterative and not linear.

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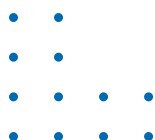
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Manager's Brief: Whether you are implementing an inclusive insurance project to strengthen your business, support the achievement of the United Nations' Sustainable Development Goals (SDGs), or both, you will need to constantly support your clients and monitor and measure your progress. The first step is to design post-sales support early on in the product design process – don't leave it to the last minute. After all your investment in your inclusive insurance product, the last thing you can afford to do is disappoint the customer. According to [McKinsey](#), a single negative experience has a four to five times greater relative impact than a positive one. Studies in the United States reinforce this, showing that 96 percent of customers will switch brands to get better customer service ([Forbes](#)). Therefore, there is great value to both the insurer and distribution partner in making sure that customers understand, value and know how to use a product. This section discusses the importance of having an after-sales process to serve insurance clients that reinforces the product's value to the client and ensures that clients understand how to use it and how to make a claim. This section reviews some tools mentioned earlier as well as new tools that can help ensure that clients are served well throughout their journey.

The section also reviews how to establish metrics for measuring your success. While client satisfaction is a critical metric, it is not easy to measure with one indicator. Net promoter scores can be biased, and there is more to inclusive insurance than satisfaction; the product must be financially and socially valuable. When measuring your success, you may be seeking information to make a management decision about continuing or scaling a project, or perhaps you need to report outcomes to shareholders or partners. If you have received public donations to implement the project, your funders may also require a rigorous evaluation or academic study of the impact on your programme. This section focuses on the internal reasons for monitoring and measuring success that can support your organization's decision-making, communications and overall client interaction.

We consider that monitoring is an ongoing process and requires a programme to establish some metrics in advance that can be reviewed and analysed frequently. A simple KPI dashboard will be a useful tool for this. You might also want to have regular discussions with partners, field staff and clients to get a sense of how things are going on the ground. Some useful tools for this are the [customer journey maps](#) we used for our market research earlier, which can help identify specific obstacles or friction in the client experience. Once you identify potential areas of client friction, you can adapt your product or process and





other partners to make sure these changes are reflected in the overall client experience. Often in inclusive insurance, the claims process is a source of great friction for already bereaved customers. If you can provide a simple and easy experience, you can satisfy your customer at their most difficult time and achieve long-term loyalty and positive reputational impact through word of mouth.

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4.1. Post-Sales Servicing

4.1.1. Customer Support

There is ample research suggesting that even with good training and education, customers often do not understand an insurance product that they purchased. This can be problematic, because a client who does not understand a product cannot fully and accurately value the product. Moreover, if the claims process is not clear, the client may fail to submit a claim or submit an incomplete or inaccurate claim, which leads to disappointment. The last thing you can afford to do is disappoint one customer. When you disappoint one customer, you are disappointing many more. According to [McKinsey](#), a single negative experience has a four to five times greater relative impact than a positive one. Therefore, for both the insurer and distribution partner, it is essential to make sure that customers understand, value and know how to use a product. Communicating all of this at the point of sale is difficult. Clients may be distracted, for example, if they are also applying for a loan. They may be uninterested in some of the aspects of the product, such as claims processes that they feel are not relevant at the time of purchase. Or they may just be busy.

Consider incorporating some automated post-sales support in your process and training your staff accordingly. Post-sales support includes answering questions when clients come with questions and knowing where to direct complaints. Post-sales support can be offered through various channels. As more and more customers use social media and online channels, it makes sense to incorporate multiple channels in your post-sales support. These might include the following:

- Outbound call centres
- Inbound call centres
- Outbound SMS
- Inbound SMS
- Front-line staff
- Online and social media.

Case Study 17 below offers some practical advice. Consider how your clients already communicate with you and try to use these same channels. In many cases, the

distribution channel might be the most trusted and consistent contact with customers. It may also be the known brand name behind your product. As such, it might make sense to train and support the distribution channel in offering post-sales support. For example, by making outbound welcome calls to customers, call centres can identify whether clients are aware of their purchase and can assess their level of satisfaction and main concerns. This information can be very valuable to improve future marketing of the product. Call centre staff can also use the calls to refresh customers' understanding of the product and offer to answer any questions they may have. Remember that not only good news needs to be communicated to clients after a sale. Case Study 18 below shows the reputational damage that can take place when clients are left in the dark.

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Case Study 17. Leveraging post-sales support and welcome calls – The case of Aseguradora Rural in Guatemala

The product: Women's Cancer Coverage "I live secure"

Description: \$2,875 benefit for a gynecological cancer diagnosis, \$750 benefit for death by any cause and a preventive health package focused on main gynecological cancer screening and early-stage treatments as well as discounts on medicines in selected pharmacies, discounts on lab exams and examinations in the health provider network for procedures not covered by the policy.

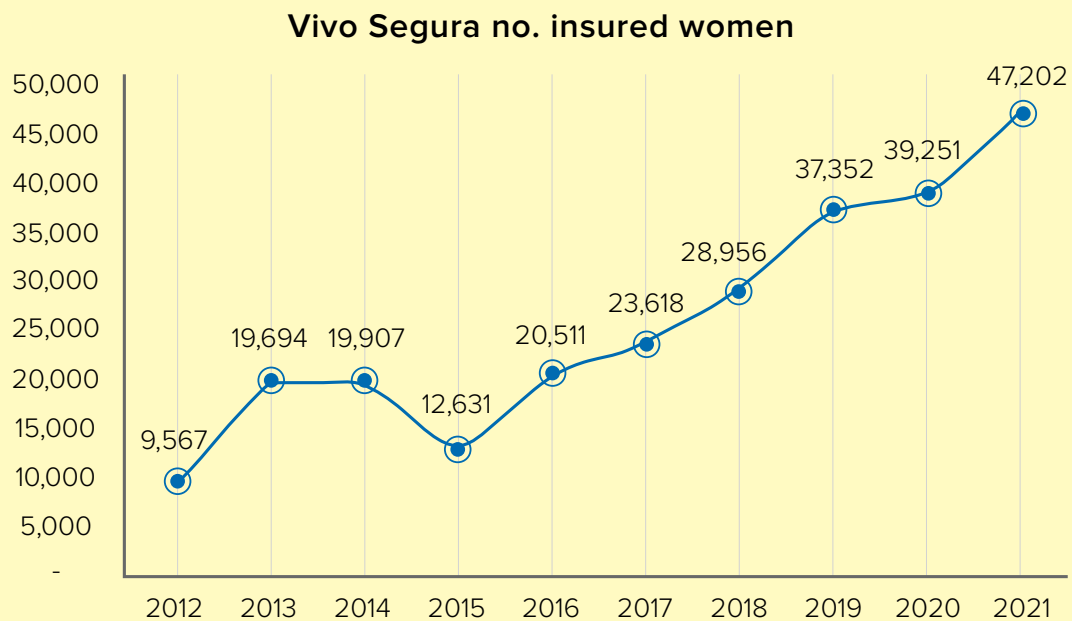
Coverage: 47,202 women (2021)

In 2012, Aseguradora Rural, a leading insurer in Guatemala, developed an insurance product for low-income women clients of its partner bank, Banrural. Over the first year, as the product scaled up, time for training had to be reduced, and staff understanding of the product suffered. This had implications for end client understanding and required a more scalable solution to ensure clients understood the product, which had various covers and benefits related to women's preventative and curative care of gynecological cancers. The insurer strengthened channel capabilities. It increased group promotion activities, developed an e-learning module for bank staff, and provided more product information to doctors so that they could also inform clients about the products' benefits. It also set up outbound call centre welcome calls to remind clients about preventative health benefits and it monitored the quality of information given by sales staff. These calls enabled the insurer to reinforce the value of the product while also conducting quality control of field staff. The initiative has grown steadily since.





Figure XVI. Women insured by Aseguradora Rural and Banrural, 2012–2021



For more information, see M. Solana, L.G.F. Gonçalves and A. Merry, '[Case Brief: Aseguradora Rural](#)', International Labour Organization Impact Insurance Facility, 2013.

Case Study 18. Dealing with post-sales support failure – The case of Econet, First Mutual Life and TrustCo in Zimbabwe*

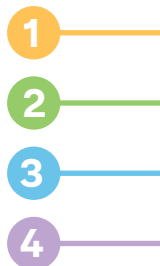
The product: Life insurance

Description: A freemium product for Econet mobile subscribers who receive up to \$40 of life cover for \$4 of airtime, \$180 for \$9 in airtime and \$10,000 for \$100 in airtime.

Coverage: 1.6 million subscribers in its first year

In 2010, Zimbabwe's largest wireless network operator, Econet Wireless, established a life insurance product called EcoLife in partnership with First Mutual Life (a prominent insurer in Zimbabwe) and TrustCo (a Namibian technology service provider). The scheme provided life insurance to all Econet customers who enrolled by sending an SMS. Policies were activated as soon as customers spent a minimum of \$3 on airtime. Within the first week, 100,000 Econet subscribers had registered for the product and after a month this number grew to 300,000. In less than seven months, the product had been taken up by 1.6 million subscribers.

In 2011, seven months after the launch of the product, TrustCo terminated its agreement with Econet due to a dispute concerning royalties payable. Without the TrustCo platform, Econet was unable to manage the product (as their tripartite



agreement did not allow Econet to seek for a different technology provider) and suspended the EcoLife service. Overnight and unexpectedly, 1.6 million Econet subscribers (approximately 20 percent of the Zimbabwean adult population) lost their EcoLife cover and were not compensated (although the product was in theory free, many users might have increased their airtime usage in order to qualify for the policy).

Demand side research was conducted in September 2013 to test the impact of the failure of EcoLife on the Zimbabwean market. Of those surveyed, 42 percent were dissatisfied with insurance and 63 percent ruled out use of similar products in the future. One customer explained, *“I joined EcoLife, but up to now I don’t understand what happened to it, I was never refunded for my airtime... It is so painful...”* Only 17 percent of EcoLife clients indicated they had received formal notification of the product’s discontinuation. None of the dissatisfied users filed a complaint with the Consumer Council of Zimbabwe or the Insurance and Pensions Commission, but most said they did not trust Econet any more. This was especially problematic since, in 2014, Econet won a lawsuit that enabled it to offer Ecolife once again.

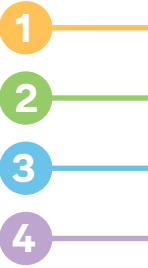
*Adapted from International Labour Organization Impact Insurance Facility Training Case Studies.

4.2. Claims Management

Managing claims is arguably one of the best ways to market your inclusive insurance product. If your insurance product has agile claims processes and limited rejections, customers will trust your product and tell their friends, family and neighbours about it. If a claim is not handled well, the same will be true.

Claims management begins in the product development phase, where to be most effective, products need to be designed to be simple and to have limited exclusions and documentation requirements. Low-income, marginalized and rural clients frequently have limited documentation and may not have some formal documents that are common in urban settings, such as marriage certificates, land titles or even medical certificates. They may not have access to doctors who can provide evidence that they do not have pre-existing conditions. They may not know how to obtain a police report or death certificate, or they may lack confidence in local authorities who issue these certificates. So, you should consider as many alternative methods of verification as possible, including informal records and references from neighbours, lenders and municipal leaders when appropriate (see Case Study 19). With inclusive insurance, which has low margins and large scale, it can be much more cost-effective to investigate a few potentially fraudulent claims than to process many documents verifying eligibility.





Process design is essential. You may decide to centralize the process, by using a free inbound call centre or by sharing the work with a distribution partner. The important thing is to think through the process and ensure that all staff are aware of it, so that customers receive consistent information when they need it most. Remember that even if the insurance company has a toll-free number, some clients might still go to the person who sold them the policy to make a claim. If they bought the claim at a retailer, the cashier at the counter may not be familiar with the process or know how to facilitate it. If the distribution channel is a microfinance institution, the staff may be more familiar with the product and have internal processes to support clients. Ensure that whatever the point of contact, staff have the right training to deal with the issue. It can also be helpful to train staff to guide clients to the right authorities and even to serve as intermediaries when dealing with authorities in more difficult environments to help smooth the claims process.

Using a [customer journey map](#) can help you visualize the process from the perspective of the client, so that you ensure that you are aware of all of these potential issues. Your team can create a map by considering all of the touchpoints in the claims process and imagining how a client might interact with them. Then, you can test the map with your front-line staff, and ideally with some customers who have made claims on other products or from other institutions. [You can refer to Section 1 on market research for more information on customer journey mapping.](#)

Box 27. Claims simulation exercise

Consider conducting a claims simulation with front-line staff to make sure they are clear on the process. You can choose two or three scenarios, such as these examples:

- Client A has suffered a loss but does not know what documents they need or how to file a claim. How will you support them?
- Client B has suffered a loss and gathered the appropriate documents but does not understand how to file them. How will you support them?
- Client C has provided documentation, but it shows that they are not the beneficiary of their wife's life insurance policy. How will you handle the situation?

Simulations should also ensure that staff can access a support centre that can answer questions and that they understand the paperwork and processes required on the back end to file a claim.

The next step in a smooth claims process takes place at the point of sale. Often, customers do not fully understand the coverage and requirements to make a claim and may be disappointed, even if they are filing a claim erroneously. Therefore, the most important aspect of claims management may be a transparent sales process. Marketing

material should be simple, clear and transparent, highlighting the most salient aspects of coverage, and including what is **not covered**. Claims processes should be understood by front-line staff in advance of sale and incorporated into the operational components of [staff training as mentioned in Section 3 above](#). You can also use post-sales welcome calls (mentioned in [Section 4.1.1](#)) to reinforce client understanding of the product and of what is and is not covered. Consider practising or simulating various potential scenarios with staff to make sure they understand the process clearly.

Finally, having a system for tracking claims that is as automated as possible can be very useful. Consider tracking as many of the following metrics as possible and set some targets for when payments are made. For example, in the Philippines, the market has a well-known 1-3-5 standard practice. A client makes a claim on day 1, is informed of the result on day 3, and is paid by day 5. With digitization, this process is beginning to be cut to 24 hours in total. The only way to know if you are meeting client needs on claims is by tracking these data:

- Date an event occurs
- Date when clients inform the channel/insurer
- Date when clients submit all required paperwork
- Date of response (approval/rejection/request for more information)
- Date of payment
- Date of collection of payment.

Case Study 19. Understanding why paying claims is the most important part of an inclusive insurance initiative – The case of Pioneer Life in the Philippines

Pioneer Life is one of the first companies in the Philippines to offer microinsurance, and one of the first dedicated initiatives to scale worldwide (which includes its joint venture with the Philippines' largest MFI – CARD). Pioneer Inc. CEO Lorenzo Chan attributes its exponential growth to one principal factor: paying claims. In 2013, Super Typhoon Haiyan hit the country. This was followed by Typhoons Rammasun, Hagupit and Jangmi in 2014. Pioneer incurred large losses.

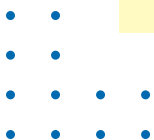
“At that time, we were in the red, but continued paying claims”, says Chan. It was a challenging time, with most of the country devastated by the successive typhoons. During Haiyan, instead of meeting clients in government central hubs, Pioneer set up a table, chairs and a tarpaulin banner in areas where townspeople congregated. When the usual required documentation, destroyed by the typhoon, was not available, the company quickly shifted to alternatives including a simpler claim verification process with the help of its MFI partner and

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local community leaders. Some insurers avoided or delayed paying claims and lost customers, but Pioneer soon discovered that keeping their word and paying all legitimate claims quickly would lead to a substantial long-term effect on the business and how they were regarded.

“After 2013, the business grew exponentially. Our enrolment doubled through word of mouth from our customers. But additionally, other partners saw that we were paying claims when their insurers weren’t and came to us. That is what caused our exponential growth!” The entire value proposition to clients, after all, is about claims. *“Why else would they buy the product?”* adds Chan.

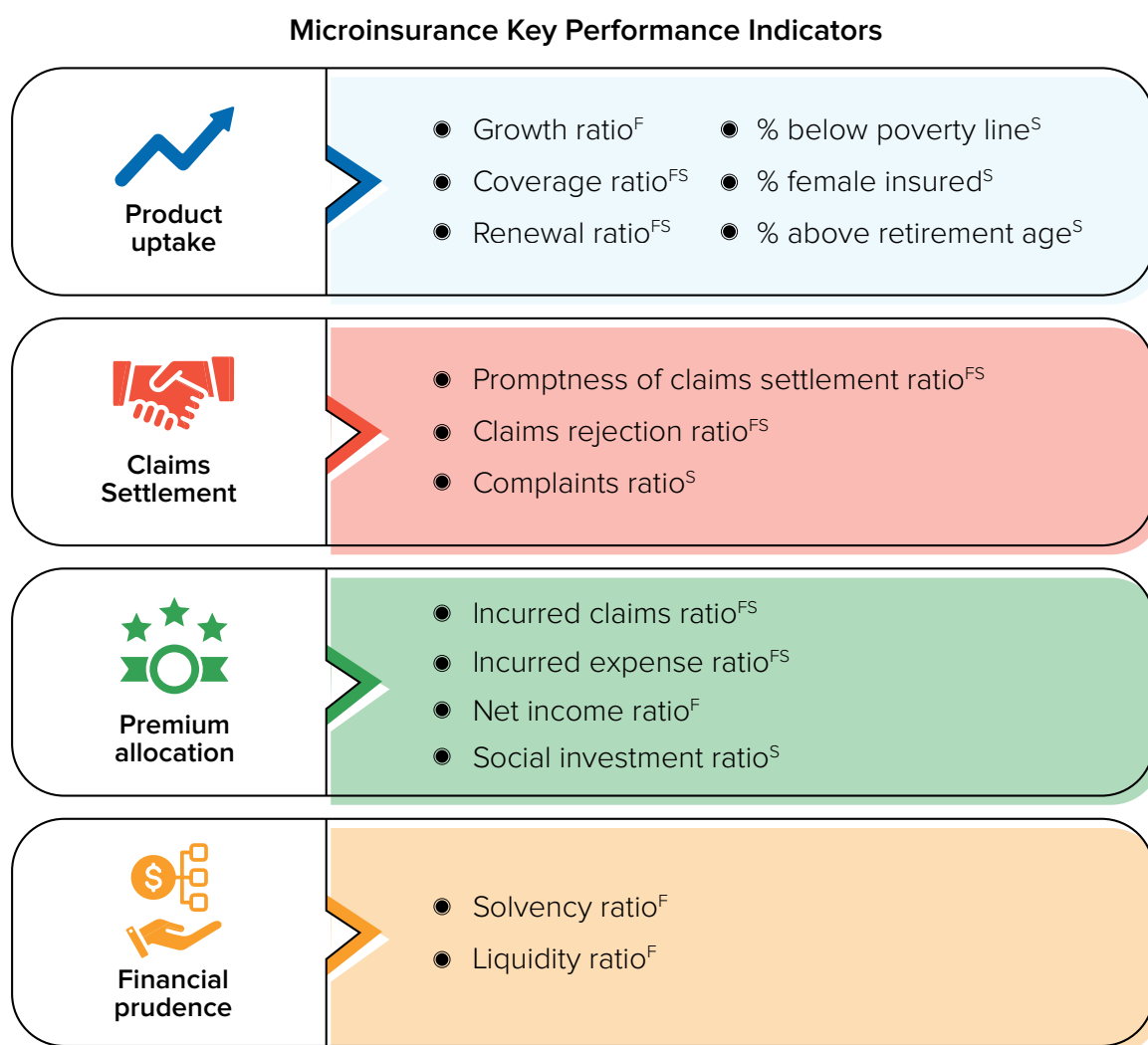
4.3. Monitoring Execution vs. Targets

4.3.1. Monitoring Financial Indicators

Financial indicators, such as those measuring revenues, claims and profitability, and social indicators, such as frequency of complaints regarding that product, seem very different from each other, but in fact they are extremely interrelated. If you ask a person with scarce resources to give you their hard-earned money in exchange for a service, and they are not satisfied with the service you provide, the impact on your bottom line can be severe. When designing your initiative, it can be useful to look at benchmarks (both internal and external) and set some targets for both financial and social indicators. These should include targets for product updates as well as claims, premium allocation and financial prudence targets. You may have additional internal targets to set, or perhaps your partners would like to meet some additional targets. Discuss these targets in your working group early on in the process of designing your initiative to ensure that you have clear financial objectives and mechanisms in place to track the indicators that matter most to you and your team.

[Microfact](#) publishes a list of indicators useful for tracking inclusive insurance (Figure XVII). These include both financial (marked with F) and social indicators (marked with S). Microfact also offers spreadsheets that your team can use to track performance in Microsoft Excel or other spreadsheet software. Indicators are an important part of the picture, but institutions should also consider the purpose and intent of their work as they evaluate how inclusive they are, since without an insight into intent, inclusivity is difficult to measure.

Figure XVII. Microfact KPIs

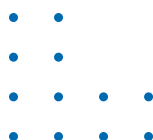


Source: Microfact.

4.3.2. Monitoring the Client Experience

Your client-centric process should be an ongoing one; it should not stop at enrolment, or even at post-sales and claims. Client-centricity requires a constant process of understanding your clients, their needs and the changing market environment. Because of this, you may wish to embed client interaction into your monitoring process to assess client perceptions of your process and product and allow for adjustments along the way.

Various tools can be used for this purpose, and many have been discussed in the [Market Research Section](#) of this Navigator. You just need to adapt the questions to evaluate customers' experience with service, understanding of the product and perception of value to create an effective feedback loop. It is important to work with your partners when going through this exercise. They may be closer to the end customer or have more data that can be used to improve products.





To evaluate customer service and consumer protection, consider mystery shopping. This can help you understand how front-line staff are offering your product and whether they are following sales protocols and ensuring that customers are being told exactly what they are buying and how to use it. CGAP offers a [Guide to Mystery Shopping for financial services](#) that can help orient your team on this path.

If you would like to hear what customers think about your product, consider short SMS or phone surveys asking 1–2 quick questions about their recent experience. Here you can ask basic questions about your product to make sure that clients understood it. This can be much more informative than standard Net Promoter Scores (NPS), which simply ask whether a customer would recommend your product to a friend or colleague. NPS responses can be influenced by bias and be difficult to interpret. Christina Stahlkopf in the [Harvard Business Review](#) suggests asking customers questions about their actions rather than their thoughts to eliminate some bias and add nuance to NPS questions.

A brief call welcoming new customers to your product after they enrol can also clarify whether they have understood that they are enrolled and are aware of any payment that they will be making on premiums (See Case Study 17 about Aseguradora Rural for an example). Monitoring your social media can also be essential in some markets to understand where clients might be frustrated. Your most frustrated clients may use social media channels to vent their grievances, and they want to be heard. More and more organizations are experimenting with machine learning and coding social media complaints to track where customers are finding obstacles in their experiences.

If you need to identify any obstacles in the [customer journey](#) and understand why they occur, you might consider holding some [Focus groups-discussions](#) with customers.

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Case Study 20. Revisiting a product with qualitative insights – The case of Britam and KTDA in Kenya

In 2007, Britam partnered with Kenya Tea Development Agency (KTDA), a national cooperative association that was set up to support small-scale tea farmers and has over 600,000 small-scale tea farmers as members. Britam started by offering a funeral insurance product to cover tea farmers and their spouses. Around 21,000 tea farmers enrolled in the product in 2007. It was an encouraging start. But starting in 2008, the enrolments began to decrease, and only 3,100 farmers enrolled in 2010.

Figure XVIII. Britam and KTDA enrolments, 2007–2017

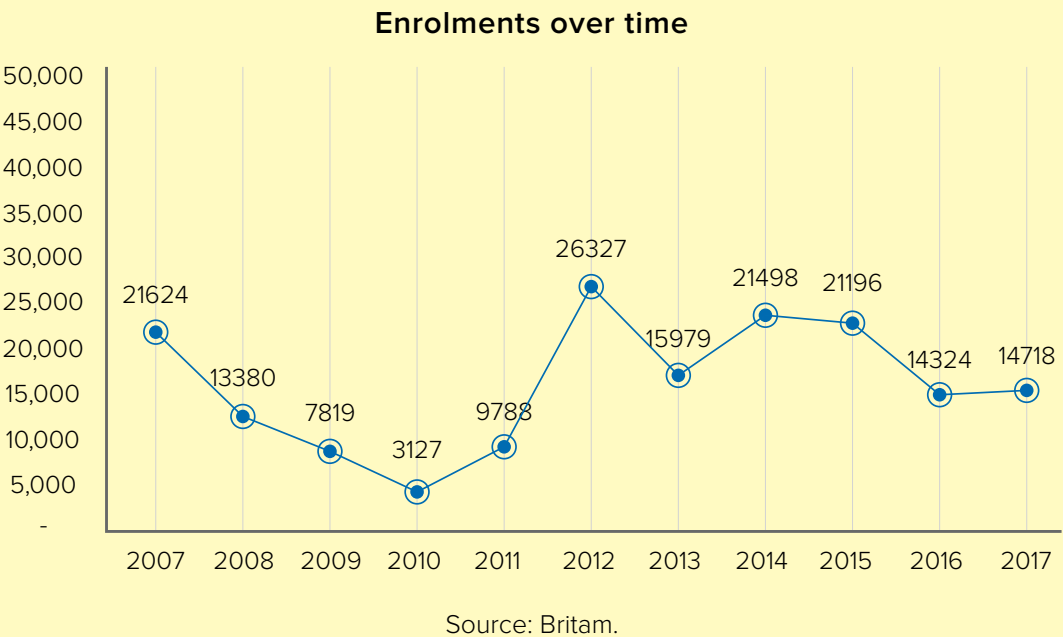
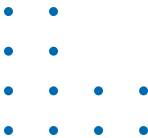


Figure XVIII shows the 85 percent decline within three years, which was very concerning to Britam. To understand the reason for the decline, Britam decided to conduct customer research with the farmers through focus group discussions and in-depth interviews. This research presented interesting insights:

- Product benefits:** Research found that a form of social insurance existed among the farmers, where the community contributed towards funeral expenses to support the bereaved family. This made funeral insurance unattractive, since an informal coping mechanism already existed. Instead, farmers preferred hospitalization cover, because expenses could be much higher and were borne by the family with only limited support from the community.





- **Family cover:** Initially, the product only covered farmers and their spouses. However, farmers valued their children and wanted a cover that could protect their entire family.
- **Multiple choices:** The funeral insurance product had only two premium options, but it was found that farmers wanted more options so that they could choose the level of coverage based on their needs and ability to pay.

Based on these findings, Britam redesigned the product into hospitalization and surgical insurance with family coverage and provided up to six premium options. This new product was rolled out in 2011 and immediately appealed to the farmers. Since the relaunch, the product has been able to consistently enrol more than 10,000 farmers every year. This experience demonstrated that understanding local cultural factors and customer perception is critical in designing a winning product.

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4.4. Updating Training Processes and Refreshing

As you monitor the client experience through quantitative and qualitative data, you may learn that you need to adapt your product, change its pricing or change a process to offer a more seamless customer experience. Your front-line staff will need to be retrained or offered a refresher, and materials may need to be updated. This illustrates that your inclusive insurance process is not linear but circular. Just when you think you have reached the end of a route, you realize you need to go back on the road and make adjustments!

Above, we discuss the importance of including an ongoing training refresher in your initiative. Many distribution channels work with models that imply high front-line staff turnover, and it may not be possible to conduct in-person sessions with the frequency needed to keep sales staff up to date. Online training, short videos and training using SMS or chat apps such as WhatsApp can be a helpful complement in ensuring that no one is left behind. Chat rooms and WhatsApp groups also allow front-line staff to ask questions and receive responses on-demand when they are faced with a client who needs answers.

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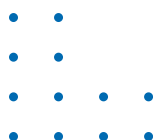
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Checklist Section 4: Servicing the product

Did the team...

- ☐ Incorporate post-sales support into the insurance process, including through...
 - ☐ Outbound call centres?
 - ☐ Inbound call centres?
 - ☐ Outbound SMS?
 - ☐ Inbound SMS?
 - ☐ Trained front-line staff?
 - ☐ Online and social media support?
- ☐ Define a simple, agile and clear process for paying claims, including...
 - ☐ Ensuring that information provided to clients is clear and transparent, including explaining waiting periods, exclusions and pre-existing conditions?
 - ☐ Establishing an agile system for processing claims?
 - ☐ Adequately training front-line staff and back office to manage claims?
 - ☐ Establishing clear monitoring indicators and a process for monitoring them?
- ☐ Develop monitoring processes and indicators, including...
 - ☐ Looking up benchmarks to set up indicators?
 - ☐ Defining targets?
 - ☐ Selecting financial and social indicators to monitor (KPI dashboard)?
 - ☐ Developing mechanisms to track indicators?
 - ☐ Revisiting qualitative tools to monitor the client experience, such as...
 - ☐ Customer journey map?
 - ☐ Online surveys?
 - ☐ Focus groups?
 - ☐ Mystery shopping?
 - ☐ Short SMS (or WhatsApp) surveys?
 - ☐ Phone surveys?
- ☐ Make changes or adaptations to the product (if necessary), in...
 - ☐ Pricing?
 - ☐ Process to offer?
 - ☐ Better customer experience?
 - ☐ Other_____?
- ☐ Offer ongoing training to staff on existing and new product characteristics?





The Toolkit: Resources for Conducting Market Research

Here you will find different resources related to each section of the Navigator, including the name, a brief description, and a link to the tool.

Section i. Using this Navigator and Preparing for the Work:

[Capacity building assessment](#): Designed by ILO and the Microinsurance Innovation Facility, this self-assessment tool helps providers establish capacity in developing microinsurance activities.

Tags: Planning, Self-assessment

[Process Mapping for Microinsurance operations](#): This self-analysis tool helps support institutions around their process related to microinsurance. Designed by Allianz in cooperation with GIZ.

Tags: Planning, Self-assessment

[A Microinsurance Toolbox: Solutions to Challenges](#): This step by step tool shows how to develop a product within an institution.

Tags: Planning, Product development

[Watch this video](#) by NewHope Church to reflect on your own internal and cultural biases.

Tags: Internal bias, Culture bias

[Watch this video](#) with CEO Claire Burns to learn more about MetLife's client-centred journey and understand how the company changed their mindset from product to client-centred business units.

Tags: Planning, Strategy, Client-centred

[Watch this video](#) to hear from Ovia K. Tuhairwe, Deputy Managing Director at Radiant Insurance Services in Rwanda and others on being a client-centred organization.

Tags: Planning, Strategy, Client-centred

[Watch this video](#) to learn more about Pioneer Card's client-centric journey presented by CGAP.

Tags: Planning, Strategy, Client-centred

Section 1. Market Research:

[Read EA Consultants' tips](#) on bottom-up segmentation for financial inclusion.

Tags: Market research, Qualitative research, External data collection

[Read more about creating a persona](#) from writer Eric Jan Huizer.

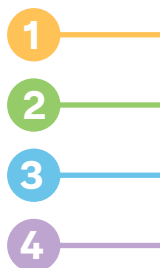
Tags: Design thinking, Personas

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[EasyAgile](#): This paid tool helps you to create personas.

Tags: Agile methodology, Design thinking, Personas

The [UX Collective](#) offers great insights into design thinking, including agile design and persona creation for tech solutions. Many of these can be applied to an inclusive insurance development effort.

Tags: Agile methodology, Design thinking, Personas

[Client Math Toolkit](#): This toolkit helps you to gauge how well a specific insurance product is providing value to end users.

Tags: Client value, Qualitative research

The [CGAP Customer-Centric Guide](#) focuses on the relationship between consumers and business success by pinpointing areas in a user journey that can be made more customer friendly. The Guide includes a useful resources page with video clips of cases from multiple insurance initiatives.

Tags: Client value, Market research

[The Bill & Melinda Gates Foundation Gender Equality Toolbox](#) is made up of tools that can guide foundation staff in designing, managing and measuring the results and impact of gender intentional and gender transformative investments.

Tags: Gender, Market research, Impact measurement, Quantitative research, Qualitative research

[International Research And Training Institute For The Advancement Of Women \(UN-INSTRAW\)'s Gender Research: A How-To Guide](#) provides researchers with practical information on integrating gender concerns into research projects and programmes.

Tags: Gender, Market research, Quantitative research, Qualitative research

[World Bank DataBank](#): This analysis and visualization tool contains collections of time series data on a variety of topics, indicators and data from World Bank member countries.

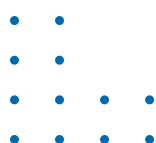
Tags: Quantitative research, External data

Fasecolda, the Federation of Colombian Insurers, provides a [database](#), developed in 2021, which can help you understand and analyse relevant external data available in Colombia to design inclusive insurance products for rural customers.

Tags: Quantitative research, External data

[Country Diagnostic Studies: Analytical Framework and Methodology](#): Offered by the Access to Insurance Initiative, this framework gives details of how to conduct a context analysis in a specific country around microinsurance.

Tags: Quantitative research, External data





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Survey and data collection tools:

[SurveyMonkey](#): This Android, iOS and web-based platform and hosting site allows you to design a survey, collect responses, analyse data and present results. There are free and paid versions depending on needs. The application does not require an internet connection, contains a sample size calculator, and offers tables and charts to summarize basic results.

Tags: Market research, External data collection, Quantitative research, Survey software

[KoBoToolbox](#): This Android and web-based suite of tools for field data collection can be used in challenging environments where internet access is limited. It is free and open source. It does not offer tables and charts to summarize findings and requires knowledge of statistics for analysis.

Tags: Market research, External data collection, Quantitative research, Survey software, Sample size calculator

[Google Forms](#): This web-based platform and hosting site allows you to design a survey, collect responses, analyse and present results. It does not offer tables and charts to summarize findings and requires knowledge of statistics for analysis.

Tags: Market research, External data collection, Quantitative research, Survey software

[Creative Research Systems](#): This web, mobile and phone-based survey software platform offers multiple services, including a free and easy-to-use sample size calculator.

Tags: Market research, External data collection, Quantitative research, Survey software, Sample size calculator

Qualitative Analysis Software:

Most qualitative analysis involves small samples, which can be analysed in Microsoft Excel or any simple matrix format. Specialized software is also available for larger and more complex data sets. It can also be useful when capacity for sophisticated analysis is low. Read more about new qualitative methods in the i2ifacility's [10 innovations in qualitative research: Broadening the financial inclusion survey toolkit](#).

Tags: Qualitative research, Focus groups

[Dedoose](#) is a cross-platform app for analysing qualitative and mixed methods research with text, photos, audio, videos, spreadsheet data and more.

Tags: External data collection, Product development, Qualitative analysis

[Nvivo](#) helps you discover more from your qualitative and mixed methods data. You can use this app to uncover richer insights and produce clearly articulated, defensible findings backed by rigorous evidence.

Tags: External data collection, Product development, Qualitative analysis

[Atlas.ti](#) helps you uncover actionable insights with intuitive research tools and best-in-class technology. You can use this tool for all levels of need, from basic analysis tasks to in-depth research projects.

Tags: External data collection, Product development, Qualitative analysis

Section 2. Product and Process Design

[Microinsurance Product Development for Microfinance Providers](#): This guide from consultancy group Milliman helps stakeholders to launch microinsurance products, beginning with institutional assessment, market research, prototyping, piloting and review on a circular framework.

Tags: Product development, Microfinance

[Miro](#) is an online whiteboard for easy collaboration. It is fast, free and simple to use online. It can be used with a variety of other online video conferencing apps to promote online collaboration.

Tags: Agile methods, Design thinking, Design workshops

[IDEO](#) is a global design company committed to creating a positive impact. The company creates human-centred products, services, spaces and organizations that empower communities, cities and even countries. They offer a variety of tools, videos and courses to promote the adoption of design thinking.

Tags: Agile methods, Design thinking, Design workshops

[Rapid prototyping for inclusive insurance: Testing customer challenges and gaining early insights on feasibility](#). This guide by the International Fund for Agriculture Development. presents the rapid prototyping process for inclusive insurance implementation. Its focus is to ensure that donors and their implementing partners understand the importance of prototyping and plan for it at a high level in project design and implementation processes.

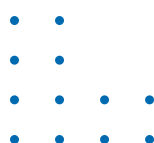
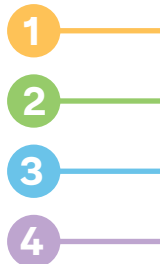
Tags: Agile methods, Design thinking, Design workshops

[The RICE Scoring prioritization model](#) helps product managers determine which products, features and other initiatives to put on their roadmaps by scoring these items according to four factors: reach, impact, confidence and effort.

Tags: Agile methods, Design thinking

[Partnership assessment tool](#): Created by ILO and the Microinsurance Innovation Facility, this tool facilitates the assessment of current/potential partnerships for microinsurance activities.

Tags: Partnerships





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2.3 Pricing your product

The ILO Impact Insurance Facility's [Pricing for Microinsurance: A Technical Guide](#) is a useful guide to defining pricing for microinsurance products.

Tags: Pricing, Actuarial

Milliman's [Health Microinsurance Instructional Pricing Tool](#) is a guide to key actuarial principles for the pricing of health-related products.

Tags: Pricing, Actuarial, Health

[Actuarial pricing tool](#): This tool provides a case study and example on how to price a specific life product.

Tags: Pricing, Actuarial, Life insurance

2.4. Prototype testing:

[The ILO Impact Insurance Facility's PACE Model](#) offers a framework to evaluate specific microinsurance products across four dimensions of value: product, access, cost and experience. It can be used to assess new and existing products.

Tags: PACE, Client value, Evaluation

[Rapid prototyping for inclusive insurance: Testing customer challenges and gaining early insights on feasibility](#): This brief document from Milliman explains rapid prototyping as a process, using a case study from China.

Tags: Prototyping, Agile methodology, Product testing

Section 3. Selling the Product:

[Country Process Guidelines for Microinsurance Market Development](#): This toolkit from the Access to Insurance Initiative offers an overall framework to assess the desired outcomes of a microinsurance development process.

Tags: Marketing strategy

EA Consultants' blog post on [Humanizing Large-Scale Services](#) gives insights into developing an effective product marketing strategy.

Tags: Marketing strategy, Human touch

Section 4. Servicing the Product:

4.1 Post Sales Servicing

[Where Net Promoter Score Goes Wrong](#): This Harvard Business Review article explains how to apply the NPS and gives answers to frequent questions about the tool.

Tags: KPIs, NPS, Client value, Sustainability

[The Three Cs of Customer Satisfaction](#): This article from McKinsey & Company describes how consistency is a necessary tool to make customers happy.

Tags: Client value

4.1.2 Monitoring execution vs. targets

[Microfact](#): NGOs Belgian Raiffeisen Foundation (BRS) and Appui au Développement Autonome (ADA) have pooled their expertise to create Microfact, which offers monitoring and financial performance analysis tools that focus on building the capacity of microfinance institutions.

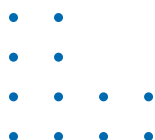
Tags: KPIs, Client value, Financial sustainability

[Performance Indicators](#): Ada, BRS and the Microinsurance Network offer this handbook on KPIs to help evaluate the performance of microinsurance activities.

Tags: KPIs, Client value, Financial sustainability

[Social performance indicators](#): Ada, BRS, the Microinsurance Network, Grameen Credit Agricole Microfinance Foundation offer this resource is a framework to evaluate and improve microinsurance products.

Tags: KPIs, Client value, Financial sustainability





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