



**INSURANCE REGULATORY  
AUTHORITY**

**ASSESSMENT OF INSURANCE UPTAKE BY TEACHERS:  
A CASE STUDY OF KAKAMEGA COUNTY**

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## **EXECUTIVE SUMMARY**

Teachers play an important role in the society as opinion leaders and shapers. It is therefore assumed that if teachers get knowledgeable about insurance, they would positively influence the society towards the purchase of insurance. On the other hand these teachers can be made to appreciate insurance more by getting to know their concerns on insurance and where possible come up with measures to address these concerns. It is in this light that a survey was conducted among primary school head teachers during an education forum held in Kakamega County on 23<sup>rd</sup> January 2013 mainly to determine factors affecting insurance uptake by teachers. Some of the areas that were covered in the survey include: information needs on insurance by teachers, challenges faced in accessing insurance, level of awareness of insurance policies and insurance policies currently held.

From the survey it was established that 72% of the sampled head teachers had some form of insurance with the most common policies being Education policy (31%) and Life policy (32%). Some of the reasons advanced as to why some head teachers did not have any form of insurance was related to negative talks they have heard from others regarding insurance (36%), perceived complications in claims compensation (32%) and perception that insurance is expensive (11%).

The key challenge faced by the head teachers in accessing insurance was the perceived dishonesty of the insurance agents despite over (74%) indicating they would purchase insurance in the future and 87% of the respondents indicating that they would recommend insurance to other colleagues/relatives.

In order to enhance insurance uptake among teachers, there is need to upscale consumer education programs. This should take cognizance of the fact that teachers in different age groups have different insurance needs. The Authority could also consider advising insurance companies to train on the different insurance products available in the market. Effort should also be made to simplify insurance language used in the proposal forms among others.

## **1.0 INTRODUCTION**

Teachers play an important role in the society as opinion leaders and shapers. It is therefore assumed that if teachers get knowledgeable about insurance, they would positively influence the society towards the purchase of insurance. Head teachers on the other hand are in charge of the schools and the rest of the teachers and more often than not represent these schools and teachers in many forums. It is therefore assumed that if information about insurance is given to the head teachers then many teachers and the society as whole will also access the same information.

One way through which these teachers can be made to appreciate insurance more is by getting to know their concerns on insurance and where possible come up with measures to address these concerns.

### **1.1 Objectives of the Survey**

The main objective of the survey was to determine the factors affecting insurance uptake by teachers. Specifically it was meant to determine:

- I. Awareness levels of different insurance policies among teachers
- II. Policies currently held by teachers
- III. Challenges faced in accessing insurance
- IV. Make recommendation base on I,II and III

### **1.2 Limitations of the Survey**

The key limitation of this survey is that only the primary head teachers were included in the sample therefore the findings may not be representative of all teachers in the county. However, the findings will provide an indication of factors that affect insurance uptake by teachers.

## **2.0 METHODOLOGY**

### **2.1 Survey Study Area**

The survey was carried out in Kakamega County and mainly targeted primary head teachers; the teachers were drawn from the County.

### **2.2 Data collection**

Data was collected by the use of structured questionnaire; the questionnaires were self administered. However, where necessary, some teachers were assisted in completing the questionnaire.

### **2.3 Sampling procedure**

The teachers who attended the forum were randomly selected by education officials from Kakamega County. All the teachers at the forum filled in the questionnaires.

### **2.4 Data analysis and report writing**

After the fieldwork, the questionnaires were edited, a code-list for questions that were not pre-coded was developed, and data was entered in to Excel, cleaned and exported to SPSS for analysis. The results are hereby presented.

### 3.0 FINDINGS

In this section analysis has been done by setting demographics as bases where significance was realised.

#### 3.1 Characteristics of sample population

There were more male teachers (69%) at the forum than female teachers (31%); majority of the teachers were in (45-55) age bracket and most of the head teachers had attained tertiary level of education (57%). **Figure 1** is a summary of the profile.

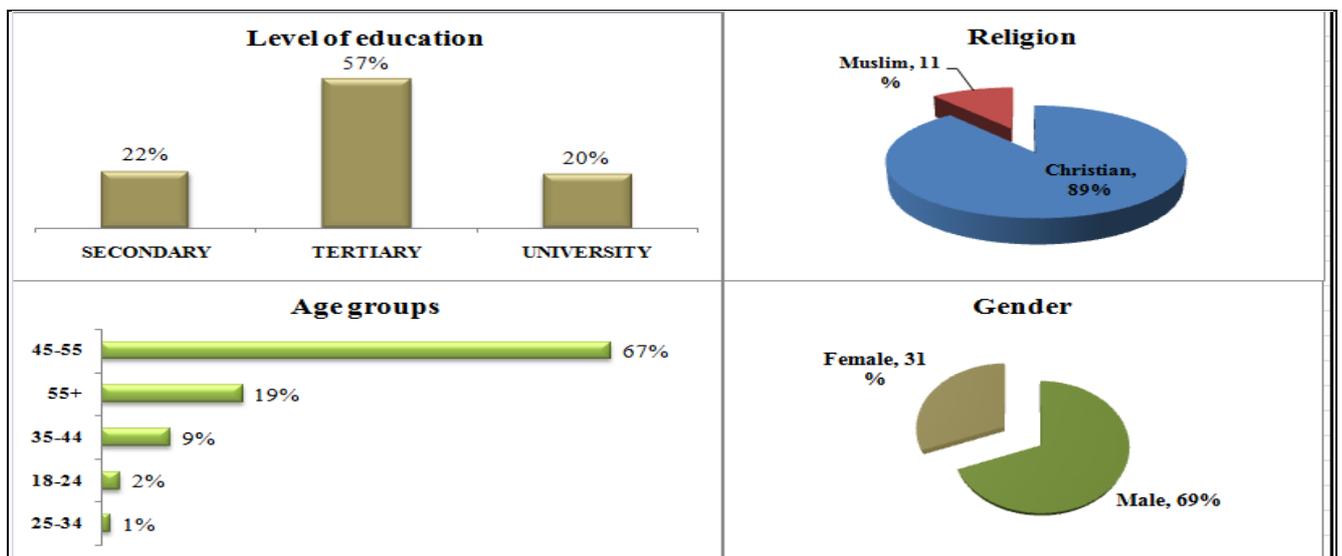


Figure 1: Characteristics of the sample

Source: survey data

Base: 167

### 3.2 Awareness of different insurance policies

Most head teachers in Kakamega County were aware of Life policy (32%) and Education policy (31%). This calls for intense sensitization on the other insurance products in the county. **See figure 2** for more details.

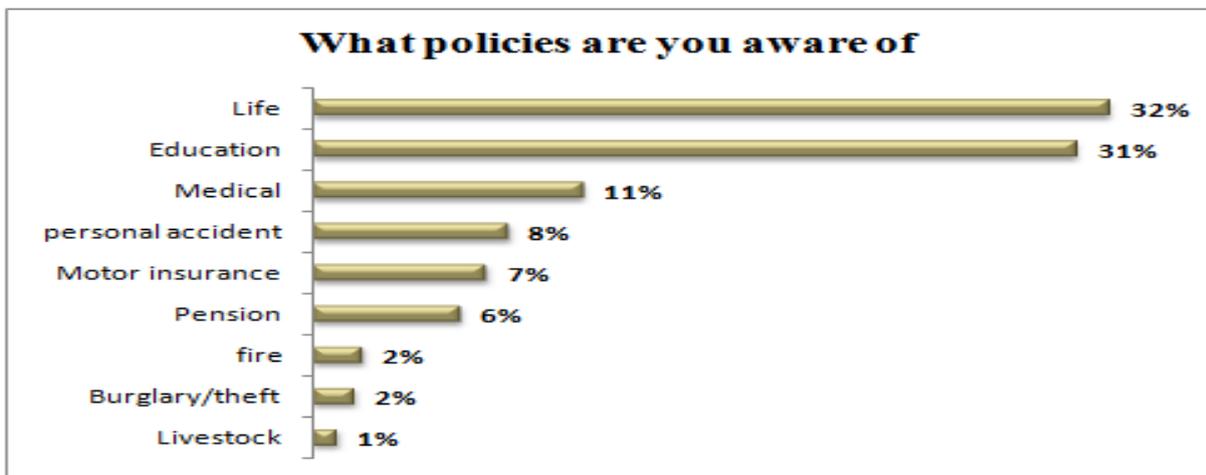


Figure 2: Awareness of insurance policies

Source: survey data

Base: 229

### 3.3 Share of different insurance policies among public primary school teachers

Life policy was the most common policy (44%) followed by education policy (34%). This could possibly mean that head teachers in the county are more informed about the two policies than the others which gives room for educating the teachers more on the policies with low uptake; this could increase insurance uptake across all products. **Figure 3** summarizes policies taken by head teachers.

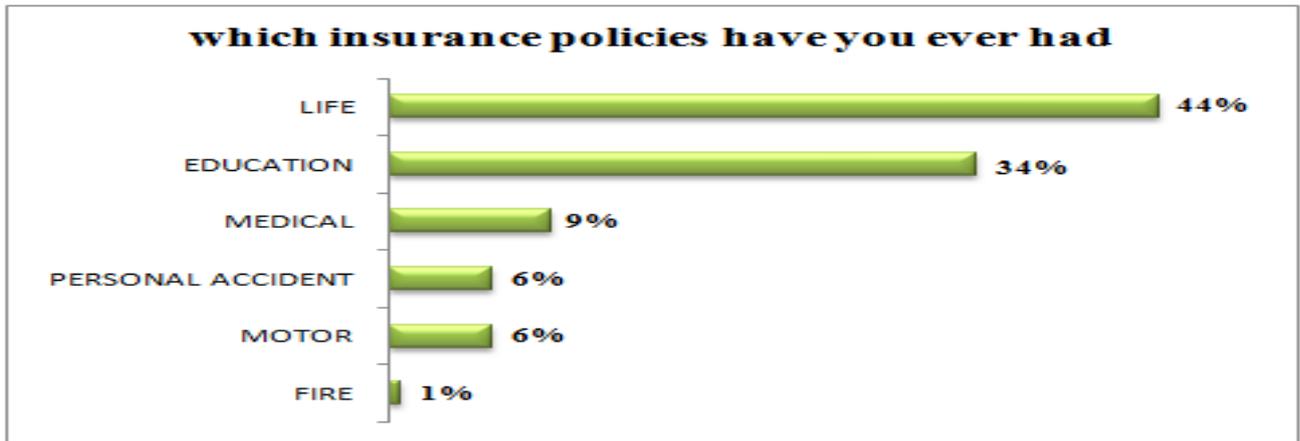


Figure 3: Insurance policies ever had

Source: = survey data

Base: 151

### 3.3.1 Insurance policies by Gender

Uptake of medical and personal accident insurance policies was much higher in female head teachers as compared to the male head teachers while uptake of life, education and motor insurance policies were higher in male head teachers. This could be attributed the fact that most males are perceived to be the head of households and therefore have more financial responsibilities which they have to find a way of handling and taking up insurance is an option. They are also believed to own more vehicles than females in the rural areas. **Table 2** is a summary of different insurance policy uptake by gender.

Table 1: Insurance policies by Gender

GENDER	POLICIES EVER HAD				
	MEDICAL	LIFE	EDUCATION	MOTOR	PERSONAL ACCIDENT
<b>MALE</b>	25%	65%	56%	57%	25%
<b>FEMALE</b>	75%	35%	44%	43%	75%

Source: survey data

Base: 149

### 3.3.2 Insurance policies by Age

Insurance uptake of different policies was high in the (45-55) age group. This could be due to chance since most of the respondents were in this age group. See **table 3** for details.

*Table 2: Insurance policies by Age*

Age group	Policies ever had				
	MEDICAL	LIFE	EDUCATION	MOTOR	PERSONAL ACCIDENT
<b>18-24</b>	7%	2%	6%	11%	25%
<b>35-44</b>	21%	9%	2%	11%	0%
<b>45-55</b>	50%	70%	76%	67%	50%
<b>55+</b>	21%	20%	16%	11%	25%

*Source: survey data  
Base: 159*

### 3.4 Barriers to insurance uptake by head teachers

Negative talk about insurance (36%) from other people was the main barrier to insurance uptake among surveyed head teachers. Complications related to compensation (32%) and the cost of insurance (11%) were also considerable contributors to none purchase of insurance by teachers.

The perception that insurance compensation is complicated was higher among teachers in the (44-55) age group (27%). A perception that insurance companies do not give compensation was higher among teachers aged (35-44) years (20%) while negative talk about insurance by other people (34%) was the major hindrance to insurance uptake by both female and male teachers in Kakamega County.

### 3.5 Potential of insurance

72% of the respondents had taken insurance with the remaining 28% not having any form of insurance; this does present immense opportunity to grow insurance uptake among teachers.

Majority of the teachers (74%) indicated that they would in future take insurance policy different from the ones they already have; teachers in (35-44) age bracket were more willing to purchase insurance in the future (85%) as compared to the other age groups. However there was higher proportion of male teachers (20%) who were not willing to take insurance in future compared to female teachers (15%). This may also require more education on insurance so as to encourage those with negative perceptions to change and embrace insurance

### 3.6 Likelihood to recommend insurance to colleagues/relatives

Majority of the teachers (87%) indicated that they would encourage others to purchase insurance. The proportion was higher among teachers between the ages between 45-55 years (47%) and those aged 35-44 years (32%). A higher proportion of male teachers (54%) would recommend insurance to others compared to the female teachers (46%). See **figure 4** for more details.

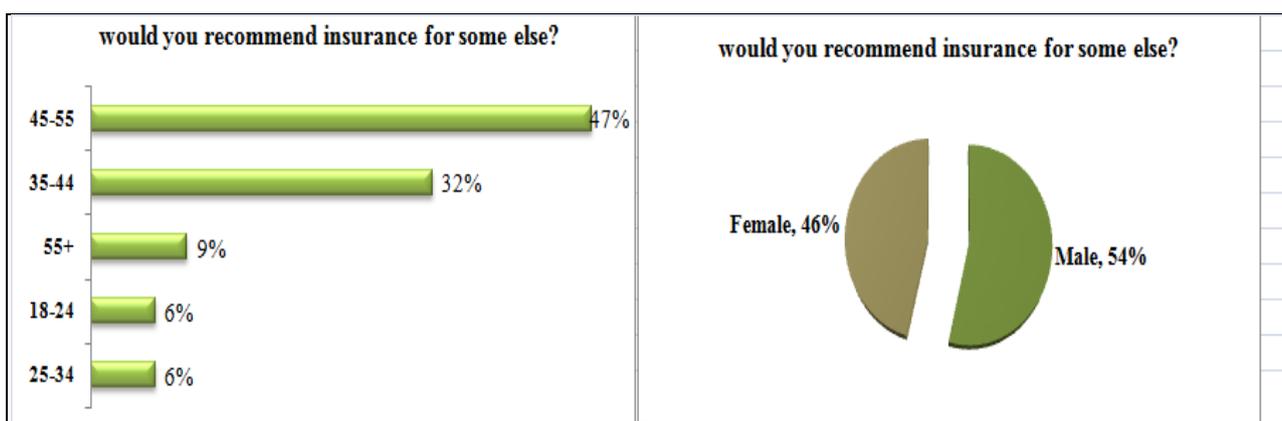


Figure 4: Would encourage someone to buy insurance

Source: survey data

Base: 159

### **3.7 Challenges Faced by teachers in accessing insurance**

The key challenge faced by teachers in accessing insurance was to do with the dishonesty of agents (78%); other significant challenges were: delay in compensation (66%), complexity of the language used in the proposal forms (63%) and inaccessibility of insurance companies (58%); On the other hand, 55% of the teachers indicated that insurance is not expensive.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions**

There is potential for insurance among teachers as majority of the surveyed teachers indicated they would purchase insurance in the future, and would also recommend insurance to colleagues/relatives.

### **Recommendations**

In order to enhance insurance uptake by teachers in the county, it is recommended that;

- I. Consumer Education programs be intensified.
- II. The Authority should encourage insurance companies to sensitize the public on the different insurance products available in the market.
- III. Language used in the Proposal forms should be simplified so as to enable the teachers understand what they are committing themselves to.
- IV. Measures should be put in place to ensure that claims are settled appropriately.
- V. The Authority should ensure that all the agents transacting the insurance business are licensed to help reduce the perception that insurance agents are conmen and dishonest.
- VI. In order to bring services close to consumers, Insurance Companies should be encouraged to open more branches in the Counties.