



INSURANCE REGULATORY AUTHORITY

**FACTORS AFFECTING INSURANCE UPTAKE BY TEACHERS IN PUBLIC
PRIMARY SCHOOLS: CASE STUDY KISII COUNTY**

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MARCH 2011

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ACKNOWLEDGEMENT

The authors take this opportunity to acknowledge the contributions of the IRA staff in collecting data in this survey and the teachers who took their time to complete the questionnaire.

LIST OF ABBREVIATIONS

IRA	Insurance Regulatory Authority
SPSS	Statistical Package for Social Sciences

EXECUTIVE SUMMARY

A survey was conducted among public primary school teachers attending an education forum in Kisii County in January 2011 to establish the level of insurance uptake among teachers and the factors that affect insurance uptake. Specifically:

- i. Establish awareness levels of different insurance policies among teachers
- ii. Establish current level of insurance uptake by teachers
- iii. Establish the policies the teachers have currently
- iv. Establish barriers to insurance uptake by teachers
- v. Establish intended future uptake of insurance and the policies they intend to purchase
- vi. Suggestions to enhance insurance uptake by teachers

It was established the usership of different insurance policies vary across gender and age. Only 60% of the teachers have insurance while 40% do not mainly because: of negative talk they have heard from others regarding insurance (35%); lack of good understanding of insurance (24%); perceived complications in compensation. Half of the teachers (50%) said that insurance is not expensive. The key challenge the teachers face in accessing insurance is to do with the dishonesty of the insurance agents (83%).

There is potential of insurance growth among teachers as majority (87%) said they would purchase insurance in the future, and 92% said they would recommend insurance to colleagues/relatives.

1.0 BACKGROUND

The Insurance Regulatory Authority's mandate is to regulate, supervise and develop the insurance industry in Kenya. Developing the sector is a key challenge as penetration is very low, at about 2.6%. The Authority has adopted various approaches to enhance penetration; one of these approaches is Consumer Education which is aimed at creating awareness of insurance among the public, and the role of the Authority in the insurance industry. One such program was held in Kisii County among Public primary school teachers in January 2011. This group was targeted because teachers play an important role in 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, teachers present the largest proportion of insurance claimants (IRA internal records 2010). In this light, a survey was conducted among the teachers during the education forum to establish their information needs on insurance and the challenges they face in accessing insurance. Some of the areas that were covered in the survey include: level of awareness of insurance policies; insurance policies currently have; reasons for not having insurance; insurance policies intend to have in future; likelihood of recommending insurance to others; challenges to accessing insurance; suggestions of how insurance uptake by teachers could be enhanced.

The key limitation of this survey is that the teachers were drawn from one County only and therefore may not be representative of all teachers in the country. However, the findings will provide an indication of factors that affect insurance uptake by teachers.

This report is a summary of factors affecting insurance uptake among teachers.

2.0 TERMS OF REFERENCE

3.1 Aim

The survey was carried out to assess insurance information needs of teachers and the challenges they face in accessing insurance so as to develop a policy paper on insurance in the education sector.

3.2 Objectives

The main objective of the survey was to establish the factors affecting insurance uptake by public primary school teachers. Specifically,

- vii. Establish awareness levels of different insurance policies among teachers
- viii. Establish current level of insurance uptake by teachers
- ix. Establish the policies the teachers have currently
- x. Establish barriers to insurance uptake by teachers
- xi. Establish intended future uptake of insurance and the policies they intend to purchase
- xii. Suggestions to enhance insurance uptake by teachers

3.3 Limitations of the survey

The teachers were drawn from one County only and therefore the results may not be representative of views of all teachers in the country. However, the findings will provide an indication of factors affecting insurance uptake by public primary school teachers.

3.0 METHODOLOGY

4.1 Survey Study Areas

The survey was carried out in Kisii County and mainly targeted public primary school teachers attending an education forum; the teachers were drawn from the County.

4.2 Data collection

The data was collected by the use of a structured questionnaire; the questionnaire was self administered. However, where necessary, the Authority's staff at the forum provided assistance to the teachers in completing the questionnaires.

Some of the issues in the questionnaire that respondents addressed include: level of awareness of insurance policies; insurance policies currently have; reasons for not having insurance; insurance policies intend to have in future; likelihood of recommending insurance to others; challenges to accessing insurance; suggestions of how insurance uptake by teachers could be enhanced.

4.3 Sampling procedure

The teachers who attended the forum were randomly selected by education officials from Kisii County. In conducting the survey at the forum, a random procedure was used; all the teachers at the forum filled in the questionnaire. The distribution of the respondents is detailed in the "characteristics of sample population" section.

4.4 Characteristics of sample population

There were more male teachers (79%) at the forum than female teachers (21%); most of the teachers were aged 31-40 years. The sample distribution on the basis of gender and age is summarized in table 1.

Table 1 : Characteristics of sample population - Gender and age

Gender	Total	Age			
		18-30 Years	31-40 Years	41-50 Years	Above 50 years
Male	79%	25%	41%	14%	20%
Female	21%	16%	62%	14%	8%

Source: Survey data

Base, n = 180

4.5 Data analysis and report writing

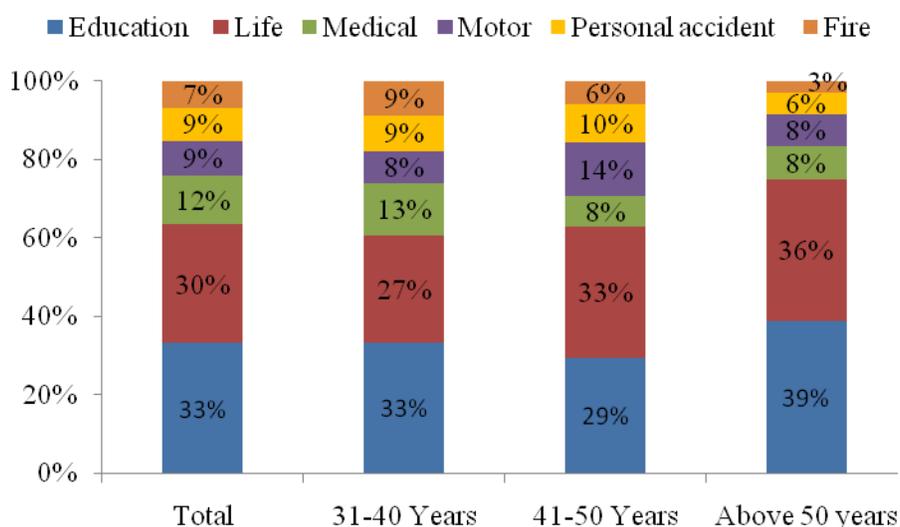
After the fieldwork the questionnaires were edited, a code-list for open-ended questions was developed to facilitate coding of the open-endeds; the questionnaires were then coded. The data was entered into SPSS after which it was cleaned and checked for consistency before analysis was carried out. The data was analysed by use of SPSS and the outcome is hereby presented using descriptive statistics.

4.0 FINDINGS

5.1 The impression of teachers on different insurance policies

Education policy (33%) and Life policy (30%) take the lead in awareness among the public primary school teachers in Kisii County; the proportions are relatively higher among teachers who are above 50 years of age at 39% and 36% for Education policy and Life policy respectively. Medical insurance policy is the number three policy at 12% among the teachers and it seems to be more common to the teachers aged 31- 40 years. Teachers aged 41-50 years tend to be more aware of Motor and Personal Accident policies compared to the teachers in the other age brackets. Figure 1 summarizes the proportions of awareness of insurance policies among teachers in the different age groups.

Figure 1 : Proportion of insurance policies - Age

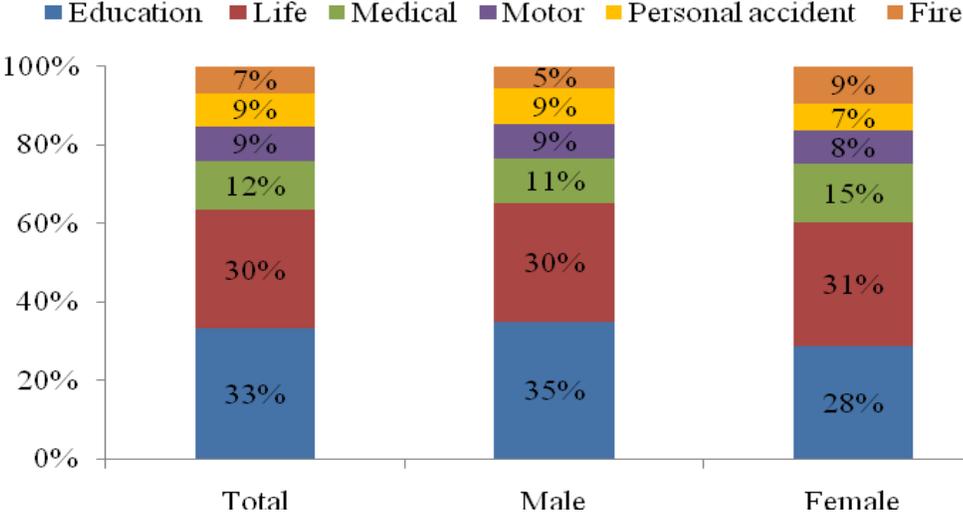


Source: Survey data

Base, n = 138

There is slightly higher proportion of male teachers who are aware of education policy (35%) compared to the female teachers (28%). However, females seem to be more aware of Medical insurance compared to males at 15% and 11% respectively. Figure 2 summarizes the proportion of awareness of the different insurance policies among gender.

Figure 2 : Proportion of awareness of insurance policies - Gender



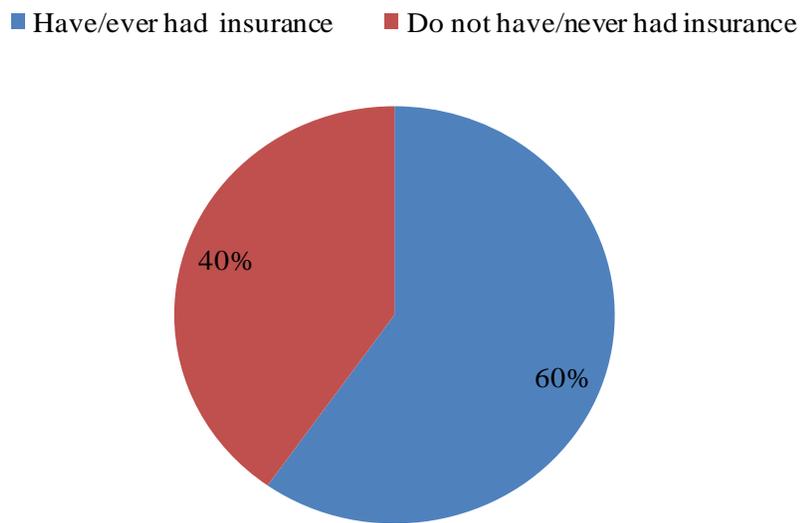
Source: Survey data

Base, n = 138

5.2 Penetration of insurance among teachers

The penetration of insurance among public primary school teachers in Kisii County is at 60%. However, 40% of the teachers who attended the forum are not insured; this presents an opportunity to grow insurance uptake among teachers. Figure 3 summarizes current insurance uptake by teachers.

Figure 3 : Current insurance uptake by teachers



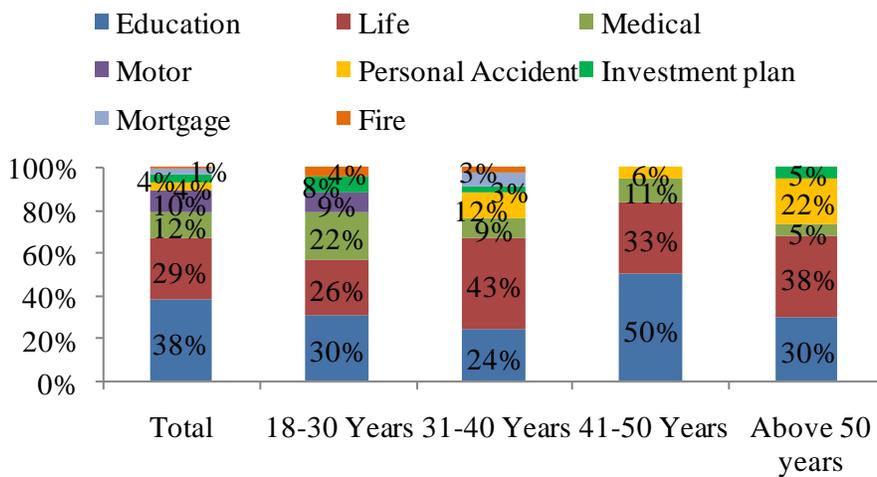
Source: Survey data

Base, n = 180

5.3 Share of different insurance policies among public primary school teachers

Education and Life policies combined contribute to more than half (67%) of the share of policies held by public primary school teachers in Kisii County. The uptake of Life insurance policy is relatively higher among teachers aged 31-40 years (43%) while the proportion of Education policy uptake is highest among teachers aged 41-50 years (50%). The proportion of teachers with Education policy is the same among teachers aged 18-30 years, and above 50 years of age at 30%. There is a higher proportion of teachers above 50 years of age with Personal Accident policy (22%) compared to the teachers in the other age brackets. Figure 4 summarizes insurance policy uptake by the teachers in different age groups.

Figure 4 : Insurance policy uptake by teachers - Age

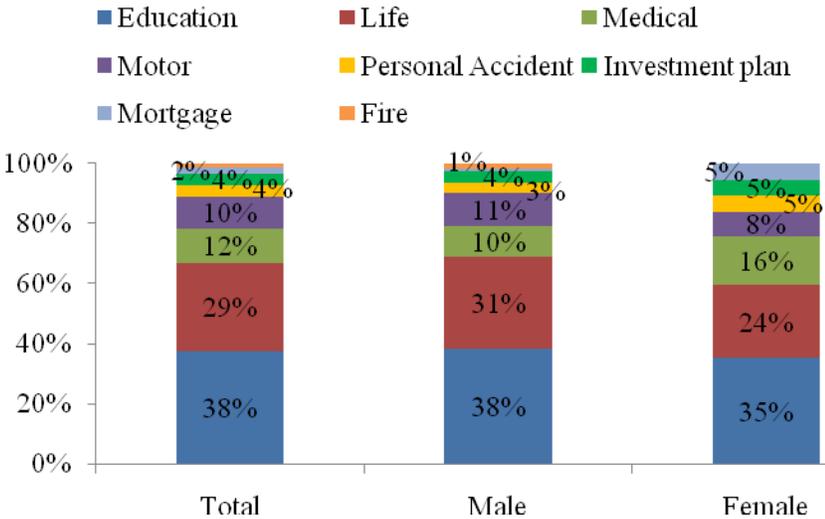


Source: Survey data

Base, n = 105

The male teachers show a higher preference for Education policy (38%) and Life policy (31%) compared to their female counterparts at 35% and 24% respectively. However, the female teachers have a higher preference for Medical policy (16%) compared to the males at (10%). Figure 5 summarizes insurance policy uptake by the teachers that were surveyed.

Figure 5 : Insurance policy uptake by teachers - Gender



Source: Survey data

Base, n = 105

5.4 Barriers to insurance uptake by public primary school teachers

Negative talk about insurance (35%) from other people is the main barrier to insurance uptake among teachers. Poor understanding of insurance (24%) and complications related to compensation (20%) are also considerable contributors to none purchase of insurance by teachers. A perception that insurance companies do not give compensation is higher among teachers aged 41-50 years (14%) while the perception that insurance is expensive is higher among teachers above 50 years (12%). Table 2 summarizes the barriers to insurance uptake by teachers.

Table 2 : Barriers to insurance uptake - Age

	Total	18-30 Years	31-40 Years	41-50 Years	Above 50 years
Have heard people talk negatively about insurance	35%	32%	42%	36%	29%
I don't have good understanding of insurance	24%	32%	18%	18%	24%
Compensation is complicated	20%	18%	21%	23%	18%
Insurance companies don't give compensation	6%	0%	8%	14%	6%
I don't know the insurance products available	5%	6%	5%	5%	6%
Insurance is expensive	5%	3%	3%	5%	12%
Have never heard about insurance	3%	6%	0%	0%	6%
There are no insurance policies that meet my needs	2%	3%	3%	0%	0%

Source: Survey data

Base, n = 65

There is a higher proportion of females teachers who have poor understanding of insurance (31%) compared to males teachers (24%) while the proportion of those who claim that compensation is complicated is higher among male teachers (21%) compared to female teachers (15%). Table 3 summarizes the barriers to insurance uptake by teachers across gender.

Table 3 : Barriers to insurance uptake – Gender

	Total	Male	Female
Have heard people talk negatively about insurance	35%	36%	35%
I don't have good understanding of insurance	24%	21%	31%
Compensation is complicated	20%	21%	15%
Insurance companies don't give compensation	6%	5%	12%
I don't know the insurance products available	5%	6%	4%
Insurance is expensive	5%	5%	4%
Have never heard about insurance	3%	4%	0%
There are no insurance policies that meet my needs	2%	2%	0%

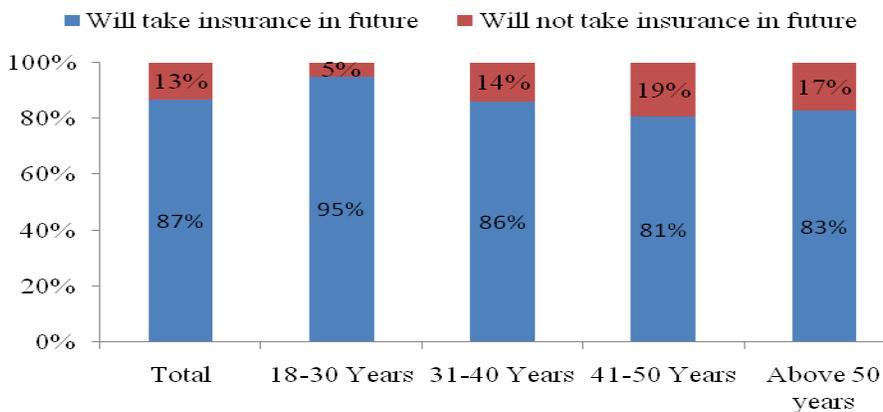
Source: Survey data

Base, n = 65

5.5 Potential of insurance

Majority of the teachers (87%) said they would take insurance policy in future; there is a greater probability (95%) of purchasing insurance in the future among teachers aged 18-30 years when compared to the other age groups. Figure 6 summarizes the intention of the teachers to purchase insurance in future.

Figure 6 : Intention of teachers to buy insurance in future - Age

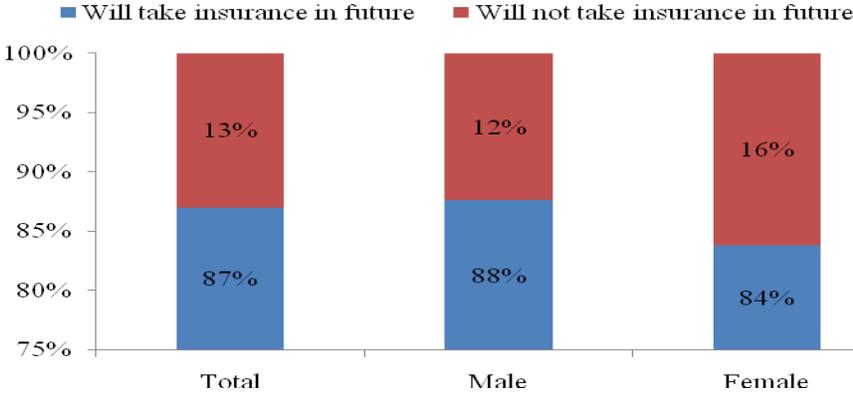


Source: Survey data

Base, n = 174

There is higher proportion of female teachers (16%) who are not willing to take insurance in future compared to males (12%). Figure 7 summarizes the intention of teachers to purchase insurance in future across gender.

Figure 7 : Intention of teachers to purchase insurance in future - Gender



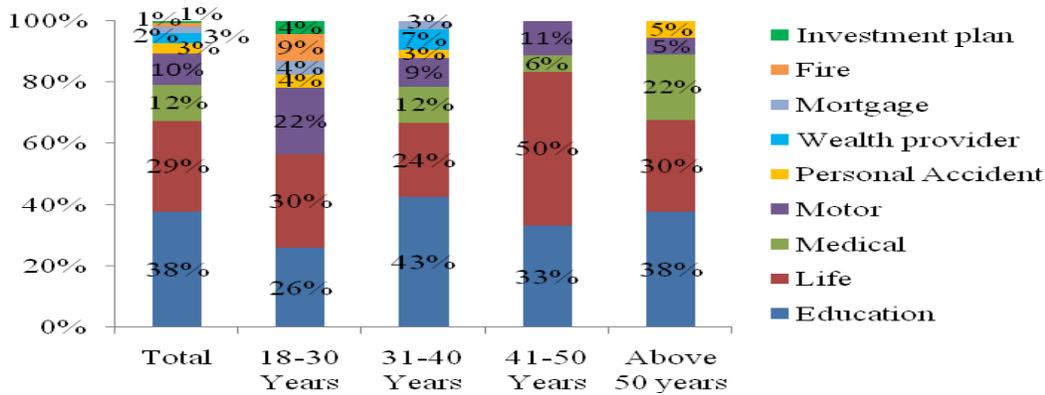
Source: Survey data

Base, n = 174

5.6 Potential of the different insurance policies

Education and Life insurance policies have a higher potential of purchase compared to other policies. The proportion of teachers who are likely to take Education policy is higher among those aged 31-40 years (43%) and those aged above 50 years (38%). The proportion of the teachers who said they will take Life insurance policy is highest among those aged 41-50 years (50%). Figure summarizes future policy uptake by teachers across the different age groups.

Figure 8 : Uptake of insurance policies in future by teachers – Age

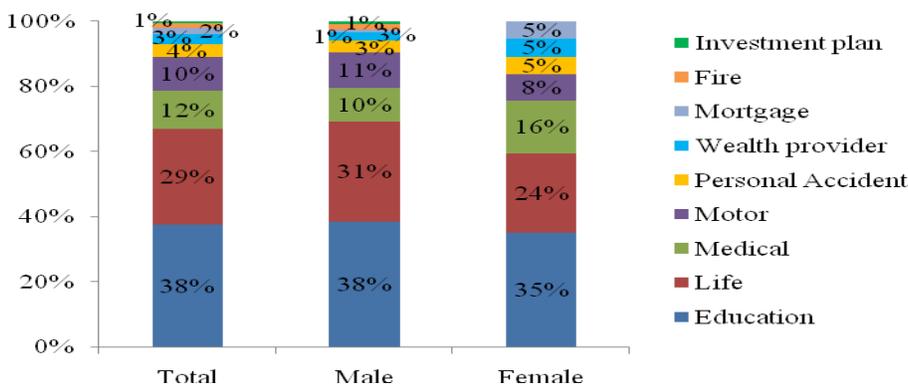


Source: Survey data

Base, n = 105

Medical policy will continue to be considered more important by women (16%) in future compared to men (10%). Male teachers have a higher preference for: Education policy (38%); Life policy (31%); Motor policy (11%) compared to the female teachers at 35%; 24%; and 11% respectively. Figure 9 summarizes future policy uptake by teachers across gender.

Figure 9 : Uptake of insurance policies in future by teachers – Gender



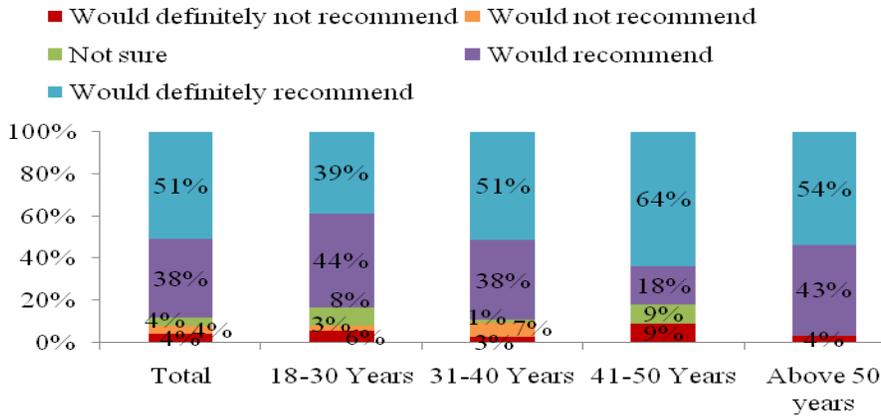
Source: Survey data

Base, n = 105

5.7 Likelihood to recommend insurance to colleagues/relatives

Majority of the teachers (89%) claimed that they would encourage others to purchase insurance. The proportion is higher among teachers above 50 years (97%) and those aged 31-40 years (89%). Figure 10 summarizes the likelihood of teachers to recommend insurance to others across age.

Figure 10 : Likelihood of teachers to recommend insurance to others - Age

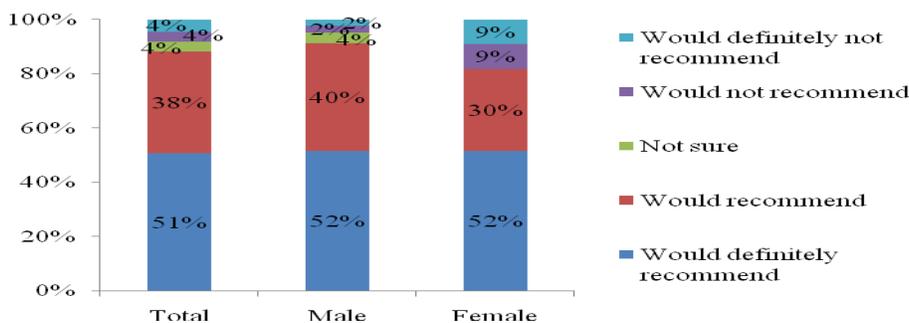


Source: Survey data

Base, n = 160

A higher proportion of male teachers (92%) would recommend insurance to others compared to the female teachers (82%); a higher proportion of female teachers (18%) claim that they would not recommend insurance to others compared 8% of females. Figure 11 summarizes the likelihood of teachers recommending insurance to others across gender.

Figure 11: Likelihood of teachers to recommend insurance to others - Gender



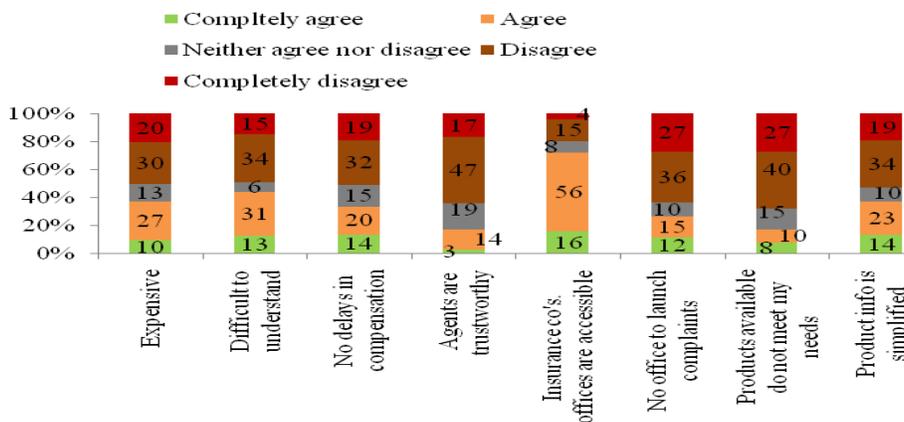
Source: Survey data

Base, n = 160

5.8 Challenges teachers face in accessing insurance

The key challenge the teachers face in accessing insurance is to do with the dishonesty of agents (83%); other significant challenges are: delay in compensation (66%) and complexity of information of insurance products (63%). On the other hand, 50% of the teachers said that insurance is not expensive. Figure 12 summarizes the challenges teachers face in accessing insurance.

Figure 11 : Challenges teachers face in accessing insurance



Source: Survey data

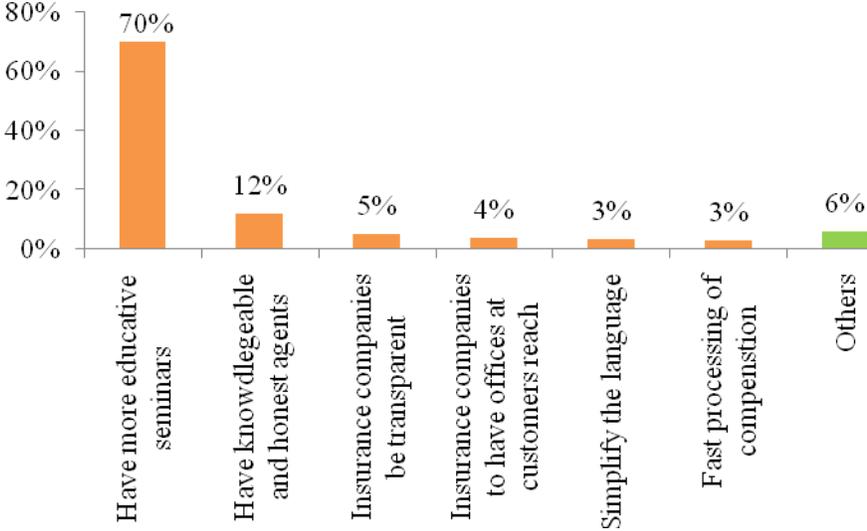
Base, n = 180

5.9 Suggestions to reduce the challenges teachers face

In order to address the challenges the teachers face, it was suggested that IRA should conduct more educative seminars (70%); they also suggested that agents should be knowledgeable and honest (12%). Additionally, it was said that insurance companies should be transparent (5%) and should have offices where they can easily be reached by customers (4%); simplify insurance language (3%); fast processing of compensation (3%). Other suggestions to improvement include: training of more educators (1%); giving customers yearly benefits (1%); follow-up of claims by IRA (1%); provision of information materials (1%).

Figure 12 is a summary of the suggestions to address the challenges teachers face.

Figure 12 : Suggestions to address the challenges teachers face



Source: Survey data

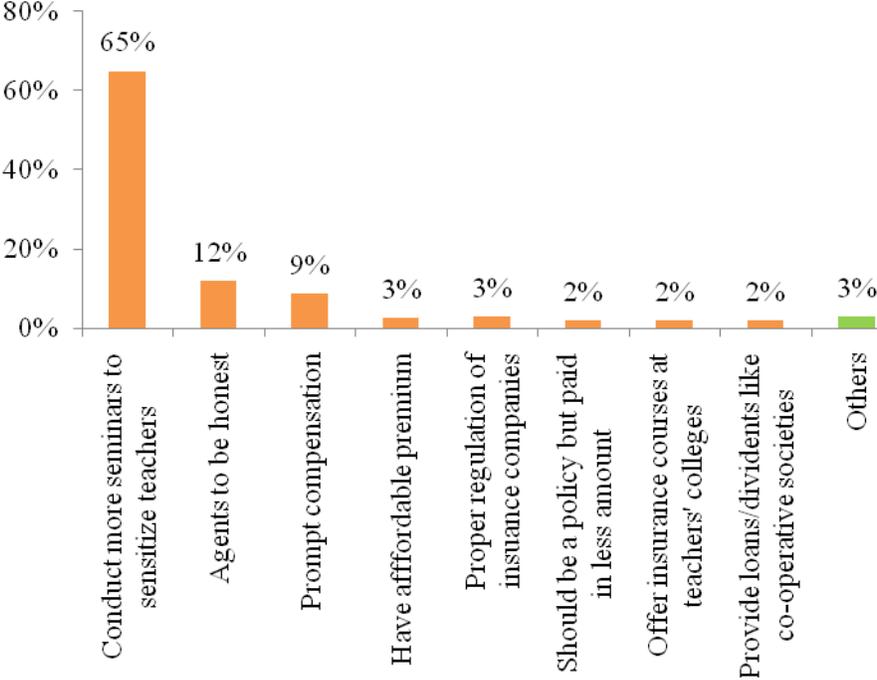
Base, n = 140

5.10 Suggestions to enhance insurance uptake by teachers

The main recommendation given to enhance insurance uptake by teachers is to conduct more seminars to sensitize them (65%). Others recommendations include: promoting honesty among agents (12%); prompt payment of compensation (9%); offer affordable premiums (3%); proper regulation of insurance companies (3%); make insurance uptake a policy for teachers but paid in less amounts (2%); offer insurance courses at teachers’ colleges (2%); provide loans/dividends like co-operatives societies; setting up an insurance company for teachers (1%); having teachers be members of insurance companies (1%); insurance companies to give yearly benefit to teachers (1%); provide more

materials for reading (1%). Figure 13 is summary suggestions to enhance insurance uptake by teachers.

Figure 13 : Suggestions to address the challenges teachers face



Source: Survey data

Base, n = 154

6.0 CONCLUSIONS

Education policy and Life policy are the leading insurance policies in terms of awareness at 33% and 30% respectively; this could also imply that the teachers have a better impression of these policies as they are also the leading in usership among the teachers, at 38% and 29% respectively. The usership of the different insurance policies differs across age and gender. For example, the uptake of Education policy is higher among the teachers aged 41-50 years while Life policy uptake is higher among the teachers aged 31-40 years; the usership of these policies is higher among male teachers at 38% compared to women at 35%. Women have a higher preference for Medical policy (16%) compared to men (10%). The findings also indicate that future usership of insurance policies will have the same pattern as the current one. Teachers in different age groups have different insurance needs; the needs are also different across gender.

It was established that 40% of the teachers are not insured. The main factors contributing to non-purchase of insurance are: negative talk about insurance from other people (35%); lack of good understanding of insurance (24%); perceived complications in compensation (20%). The teachers also face a number of challenges in accessing insurance, the main ones being: dishonesty of insurance agents (83%); delay in compensation and complexity of information of insurance products (63%). It is worth noting that half of the teachers (50%) said insurance is not expensive; therefore, by addressing the issues raised, insurance uptake could be enhanced among teachers. Some of the key suggested ways to address the challenges are: conducting more education seminars (70%), and, empowering the agents with knowledge and promoting honesty (12%).

There is potential for insurance among teachers as majority (87%) said they would purchase insurance in the future, and 92% said they would recommend insurance to colleagues/relatives.

7.0 RECOMMENDATIONS

In order to enhance insurance penetration among teachers, it is recommended that Consumer Education programs be intensified. However, teachers in different age groups have different insurance needs. It could be useful if the Authority could partner with insurance companies to train on the different insurance products available in the market. Effort should also be made to simplify insurance language.

APPENDICES

Appendix 1: Questionnaire

The Insurance Regulatory Authority is carrying out a survey on insurance needs of teachers in Kisii County. You are therefore requested to take a few minutes to fill in this questionnaire. Kindly note that the information you provide will be treated as **confidential** and will not be shared with any other person.

1. Gender: Male1 Female.....2 **(TICK)**
2. Age: 18-30yrs... 31-40yrs... 41-50yrs..... Above 50yrs...
(TICK)

3. Which insurance policies are you aware of?

--

4. Do you have / have you ever had any insurance policy? **TICK AS APPROPRIATE**
Yes.....1
No.....2

IF YES IN Q 4 PROCEED TO Q5 OTHERWISE SKIP TO Q6

5. Which of the following insurance policies do you have/ever had? **TICK AS APPROPRIATE**

	policies aware of
Life insurance	01
Education insurance	02
Motor insurance	03
Fire Insurance	04
Medical Insurance	05
Personal Accident insurance	06
Others (Specify)	

6. If no to question 4, what are the reasons for not having an insurance policy? **TICK AS APPROPRIATE**

Have never heard about insurance	01
Have heard my colleagues/other people talk negatively about insurance	02
There are no insurance policies that meet my needs	03
Insurance is expensive	04
I do not know the insurance products available	05
I do not have a good understanding of insurance	06
Compensation is complicated	07
It is against my beliefs	08
Insurance companies do not give compensation	09
Others (specify)	

7. Do you intend to take an insurance policy in the future? **TICK**

Yes.....1

No.....2

8. Which insurance policies do you intend to have in future? **TICK AS APPROPRIATE**

	policies aware of
Life insurance	01
Education insurance	02
Motor insurance	03
Fire Insurance	04
Medical Insurance	05
Personal Accident insurance	06
Others (Specify)	

9. On a scale of 1 to 5 where 1 represents "would definitely not recommend and 5 represents "definitely recommend," would you recommend your colleagues or relatives or friends to buy insurance **(TICK ONE AND GIVE COMMENT/S)**

1. would definitely not recommended	2. would not recommend	3 .Not sure	4. Would recommend	5. Would definitely recommend
Comment/s				

10. On a scale of 1 to 5 where 1 represents “completely disagree” and 5 represents “completely agree,” to what extent do you agree with the following statements? **TICK AS APPROPRIATE**

	Completely Agree	Agree	Neither Agree nor disagree	Disagree	Completely disagree
Insurance is expensive					
Insurance is difficult to understand					
There are no delays in compensation					
Insurance agents are trustworthy					
Insurance companies' offices are accessible					
There is no office in which insurance complaints can be launched					
The insurance products available do not meet my needs					
Information on insurance policies is simplified for easy understanding					

10. How can the challenges identified above be addressed if teachers have to benefit from insurance? **EXPLAIN FULLY**

12. In your own opinion, what do you think should be done to enable more teachers to take insurance? **EXPLAIN FULLY**

13. Any other comments