

Microinsurance: Training and Change Management

Health microinsurance not only provides a crucial financial safety net for low-income families, especially women, but also can be a profitable value-added offering for institutions who implement it properly.

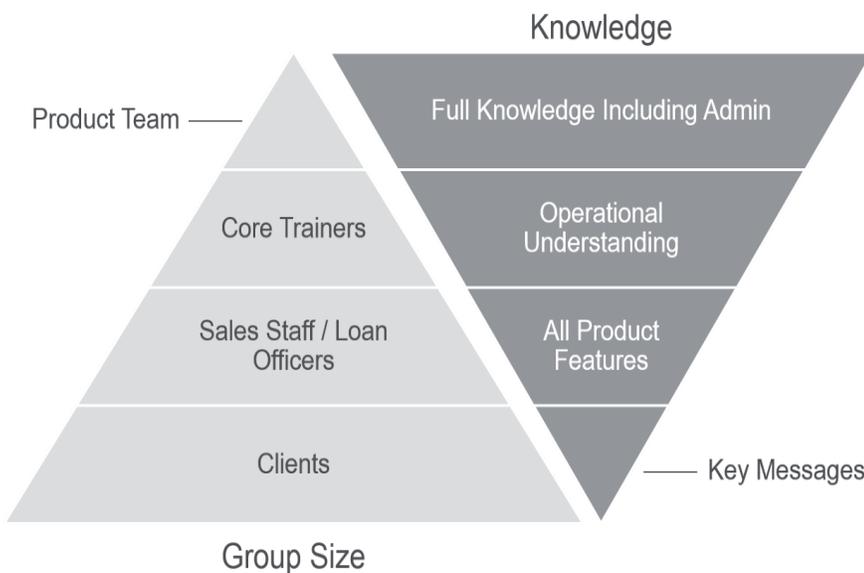
*In 2006, Women's World Banking designed and launched **Caregiver in Jordan**, a health microinsurance product that offers simple, affordable and relevant solutions for low-income clients, especially women. Since then, they have worked with network members in Peru, Egypt, Morocco, and Uganda to create similar health insurance products that respond to the needs of women and institutions. For more information on training and change management or other aspects of building a successful microinsurance product, see [Health Microinsurance: An Inclusive Approach](#).*

Insurance is often an unfamiliar product for both clients and the staff of the financial institution offering the product. For products like *Caregiver*, distributed through financial institutions, Women's World Banking recommends the product be bundled with loans.

Branch staff is usually responsible for client enrollment, selling and servicing all products, including insurance. Branch staff and loan officers are familiar with products like credit, and understand its value proposition and how it works. The same is not true for insurance as clients have to pay upfront for a service and they do not know whether or when they will claim benefits. This is what the branch staff finds most difficult to sell.

Getting the buy in of branch staff is the first step. If they are not convinced about a product, they will not be able to convince their clients to enroll.

Women's World Banking's training evaluations show that branch staff want to understand how to sell an insurance product and handle clients objections adeptly. More importantly, staff want to understand *why* they should sell insurance i.e., what value they are offering to clients. A good onboarding plan educates staff on the value of the new product while providing them with a robust set of tools and tips to help them drive uptake and usage of the product.



Knowledge Management

Levels of understanding of the product correspond to an individual's role in descending order: product leads must have full understanding of the products whereas branch staff must only be aware of the information they need to sell the product, i.e. product features and claims process.

Well-designed insurance training must achieve three objectives:

1. Inform. “What is the product?” Because microinsurance is often a new concept, training should incorporate examples that the branch staff can relate to e.g., their own employer-sponsored schemes, their experience using insurance, what benefits appeal to them, etc. It is also useful to share insights from client research that guided the product design so that staff can understand the context and appreciate the rationale for the product’s design.

2. Empower. “How do I sell it?” Given the product’s unfamiliarity and complexity, staff will experience confusion or even opposition from clients. Training should incorporate interactive sessions (i.e., role-playing) that can help them hone their sales skills and handle client objections with confidence. It is crucial to equip them with sales tools such as a standard script and list of FAQs with comparisons to competing products.

3. Convince. “Why should I sell it?” An organization’s strategic objectives should be linked to the personal goals (and incentives) of the staff. It is important to convey how insurance can help them achieve their own goals. This will create a sense of ownership of the new product and a desire to execute successfully. Women’s World Banking’s research has demonstrated that clients who have benefited from *Caregiver* tend to pay their loan installments on time. This implies that the product provides a business case to the loan officers to manage their portfolio-at-risk (PAR) more effectively. Timely payment of claims also strengthens staff’s relationship with the clients.

Furthermore, introducing a new product always requires a change management approach. It is important to understand that change is emotional for people. To overcome any resistance from staff, it is essential to make them feel included in the product development and rollout process by regularly obtaining their feedback and building ownership throughout the rollout period.

Incentives

While incentives can help build momentum for the product, Women’s World Banking recommends

using them selectively and building adequate measures to control mis-selling. Incentives are useful in situations when the insurance product is voluntary or there is a need to drive a certain kind of behavior in the staff, such as data entry quality. Incentives can be non-monetary as well such as recognizing exceptional client service, or identifying insurance champions. Such incentives are effective when coupled with recognition programs and help in the career growth of the staff.

Monitoring Training Effectiveness

Training is a continuous cycle, which includes the collection of feedback from the trainees, monitoring individual and branch level performance to identify key gaps, refining the program to address those gaps, and providing regular refresher trainings to ensure that staff’s learning gaps are addressed. Effective training results in higher client awareness, better usage of the product as well as higher client satisfaction.

Phone surveys with clients and systematic interviews with branch staff are two very useful and cost-effective tools to measure training effectiveness. The results of these surveys can be further analyzed to identify variances across branches, age groups, gender, literacy levels etc. Ideally, training evaluations are conducted at least once every six months and refresher programs delivered to the staff at regular intervals to identify and address their learning gaps in a timely manner.