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DELIVERING IMPACT INSURANCE: DEVELOPING NEW PROPERTY MICRO-INSURANCE SOLUTIONS

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1. Introduction

1.1. Introduction

This report summarises the project and results from a collaboration between Habitat for Humanity's Terwilliger Center for Innovation in Shelter, the ILO's Impact Insurance Facility, Britam General Insurance Kenya and the Swiss Capacity Building Facility to develop new property insurance solutions for low-income and underserved market segments in Kenya. The report is intended to be a resource document for others in the insurance industry and beyond who plan on developing similar lines of inclusive property insurance, and those who wish to learn from the experience of this project. The audience is therefore broadly insurance providers, insurtechs, distribution partners, banks and other financial institutions, reinsurers, housing finance specialists, donors and academics with an interest in financial inclusion, including inclusive insurance.

Almost a quarter of the world's population lives in substandard shelter, negatively affecting their health and livelihoods and their children's education. Habitat for Humanity's vision is a world where everyone has a decent place to live. Through the Terwilliger Center for Innovation in Shelter, Habitat for Humanity facilitates more efficient and inclusive housing market systems making affordable housing possible for millions more families. The output of this project was to use human-centric product design to develop and launch innovative property insurance solutions and bundled services, to benefit low-income households in Kenya. The key innovation was the digitization of the services and solutions offered; however, it was anticipated that through the landscaping and market research activities planned, other innovative solutions for both the insurance and value-added services would be discovered.

1.2. Problem analysis – most assets, including property, at risk

Protecting one's assets is critical. This is especially true for low-income families and small businesses, who are particularly vulnerable to financial shocks. Being able to build or occupy a decent home and protect it, as well as its contents, is vital to good health, maintaining livelihoods and avoiding poverty.

When it comes to financial protection, insurance is a key tool for building resilience. It is not possible to have meaningful social and economic development without insurance, and yet, the insurance industry in most developing countries is not fulfilling its potential to support economic development.

In terms of protecting assets, there is a lack of supply and general awareness of inclusive property insurance. In many regions, the market for property insurance for low-income segments is relatively nascent, with other types of insurance, such as life and health insurance, being better known and utilised. According to the [2023 Landscape of Microinsurance](#), only 4 per cent of those in the study (who had some form of microinsurance) had protection for property or income risks through a microinsurance product, compared to 52 per cent for life and accident risks and 22 per cent for health risks – these are global statistics. Focusing on just Africa, earlier Landscape Studies show that the percentage covered by property microinsurance is similar to this latest statistic at 4.5 per cent. Despite the current lack in supply and demand, the need for property insurance for underserved market segments is clear, especially given the increased risks to property from climate change. This is the case for renters, property owners and those who build their own homes incrementally over many years. Another underserved and relevant market segment is micro, small and medium enterprises (MSMEs), most of which frequently lack property insurance for both fixed assets (such as land, buildings and equipment) and movable assets (such as stock).

1.3. Insurance in Kenya and the need for inclusive property insurance

While there is still significant room for growth, the Kenyan insurance industry is one of the strongest in the region. Despite insurance penetration in Kenya remaining unchanged in 2021 at 2.3 per cent, the industry reported growth of 18.5 per cent, with Britam Life and ICEA Lion Life leading in the life insurance sector, and UAP and CIC leading in

the general insurance sector. As a benchmark, global insurance penetration in 2021 was 7 per cent, down to 6.8 per cent in 2022. For the Emerging Europe, Middle East and Africa region, as defined in SwissRe's sigma reports, insurance penetration was 1.6 per cent in 2021ⁱ. Kenya therefore compares favourably in the region, with a solid base from which to grow. As with many other countries in Africa, the Kenyan insurance industry is largely driven by conventional insurance business, with fewer inclusive insurance products, and even fewer inclusive property insurance solutions in the market.

Despite the lack of supply, the need for inclusive property insurance in Kenya is clear. According to a FinAccess study, 35% of Kenyans reported having lost homes, businesses or property due to fire, flood, theft or eviction in the last two years, indicating a need that property insurance could fulfilⁱⁱ. However, although Kenyans face significant property risks, they typically underestimate their impact. Most respondents in the study felt that housing asset risks could be mitigated without insurance; instead, they expressed concern about "protecting income-generating assets, such as business premises, inventory or equipment" which may sometimes indirectly relate to housing (rented property or home-based businesses). The study recommended exploring several product and marketing concepts, as well as potential distribution channels.

From the supply side, the main challenges are an unsteady risk appetite from insurers to develop new products and the need to educate aggregators. In interviews conducted during a feasibility study for property microinsurance conducted in Kenya in 2015, there was little awareness or evidence of interest in formal property insurance from several of the formal aggregators outside of the main mortgage providers.

1.4. The collaboration

To address the challenges above, Habitat for Humanity's Terwilliger Center for Innovation in Shelter reached out to the ILO's Impact Insurance Facility to collaborate on a project to support the development of new property insurance solutions for the low-income and underserved market segments, initially in Kenya.

This project was a follow-on to the SCBF-funded Kenya property microinsurance [feasibility study](#) (June 2015) which uncovered ten product concepts worth exploring for product development and upscaling. The goal was to design and scale-up an property risk management solution targeted at the low-income market, initially in Kenya, drawing heavily on the findings from the feasibility study.

To achieve this aim in a market unfamiliar with property insurance, the solutions developed needed to be client centric as well as cost-efficient/viable in the long-term. A key aspect of the project was to identify and establish partnerships with various categories of distribution channels (financial and non-financial) serving the low-income market. The project was also intended to help Britam diversify its distribution channels beyond the traditional partners and consider digital partners, for example mobile network operators, app-based market aggregators in the construction sector, and banks including microfinance institutions.

1.4.1. About Habitat for Humanity International

Driven by the vision that everyone needs a decent place to live, Habitat for Humanity began in 1976 as a grassroots effort and has since grown to become a leading global nonprofit housing organization working in more than 70 countries. Through financial support, volunteering, or adding a voice to support affordable housing, everyone can help families achieve the strength, stability, and self-reliance they need to build better lives.

To learn more, donate, or volunteer, visit www.habitat.org

1.4.2. About Habitat for Humanity's Terwilliger Center for Innovation in Shelter

The Terwilliger Center for Innovation in Shelter, a Habitat for Humanity International unit, works with housing market systems by supporting local firms and expanding innovative and client-responsive services, products and financing so that households can improve their shelter more effectively and efficiently. The ultimate goal of the Terwilliger Center's market systems program is to make housing markets work more effectively for people needing decent, affordable shelter, thereby improving the quality of life for low-income households.

Through the Terwilliger Center for Innovation in Shelter, Habitat for Humanity facilitates more efficient and inclusive housing market systems, making affordable housing possible for millions more families. Habitat's Terwilliger Center consolidates more than a decade of experience in developing market-based solutions for housing, including housing microfinance, the first shelter-focused impact investment fund, accelerators for shelter-focused entrepreneurs, and shelter innovation labs in 5 countries across the globe.

To learn more, visit habitat.org/tcis.

1.4.3. About the ILO's Impact Insurance Facility

Housed in Social Finance Programme of the International Labour Organization, the ILO's Impact Insurance Facility enables the financial services industry, governments, and their partners to realise the potential of insurance for social and economic development. Impact insurance reduces vulnerability, promotes stronger enterprises and facilitates better public policies. The ILO's Impact Insurance Facility has nearly two decades of experience of supporting insurance innovations, connections to an extensive network, a qualified technical team, leadership in customer-centricity, and the largest one-stop shop for inclusive insurance know-how. Since 2008, the Facility has pushed the innovation frontier through grants and technical support for product and process innovations.

The Facility has established itself as a global hub for knowledge and capacity development, extracting lessons from pioneers, facilitating learning, and sharing successes and challenges with all interested stakeholders. In collaboration with local insurance schools, the Facility's capacity building programme trains hundreds of insurance professionals every year. The Facility's knowledge management platform is visited by over 4,000 online users every month with access to over 40 practitioner-oriented papers, tools and training modules, another 40 plus research studies, and 100 plus bite-sized insights on burning issues.

To learn more about the ILO's Impact Insurance Facility, visit <https://www.ilo.org/topics/social-finance/impact-insurance>.

Together with input from Habitat for Humanity, the ILO's Impact Insurance Facility (hereafter, the ILO) put out a call for Kenyan insurers to send their proposals for inclusive property insurance product innovations. The partner selection criteria included:

- Strong execution skills;
- Strategic commitment by senior management and understanding of importance of microinsurance to deliver better business and social outcomes; willingness to invest in developing second-generation of valuable products;
- Experience with delivering simple insurance products to its client base (i.e. consolidated mandatory, partial covers; established partnerships with distributors); and
- A track record of client research, a functional information system and performance reporting.

Britam General Insurance Kenya was selected as the partner and host insurer.

In addition to finding the host partner and setting up the project, the key role of the ILO was to provide project management and technical assistance to Britam through an ILO Fellow, mentored and assisted by the ILO's team. The ILO's involvement was instrumental, with the ILO Fellow being a dedicated resource recruited specifically to help achieve the goals of the project and take on project management responsibilities. The ILO, through the ILO Fellow, was responsible for driving the project forward each step of the way, working closely with the relevant teams at Britam and with input from Habitat.

More about the project can be found in Section 2.

1.4.4. About Britam General Insurance Kenya

Britam Kenya is part of Britam Holdings, a leading diversified financial services group present in seven East African countries. The group's vision and mission are "to be the leading diversified financial services company in our chosen markets across Africa" and to provide customers "with financial security every step of the way". The group focuses



FIGURE 1: BRITAM KENYA’S 30 BRANCHES, SPREAD ACROSS 20 LOCATIONS.

on consumer segments categorized as retail, corporate, partnerships and digital, and emerging consumers. As of 2023, over 2.5 million emerging consumer clients had been covered with products such as health, last expense, digitally embedded and climate insurance.

1.4.5. About the Swiss Capacity Building Facility

Swiss Capacity Building Facility (SCBF) is a public private platform between the Swiss private sector and the Swiss Agency for Development and Cooperation (SDC) to promote financial inclusion in developing and emerging economies. Their main goal is to foster sustainable financial empowerment for low-income populations. To do this, they collaborate with partners from the public and private sector to create and expand responsible financial solutions for underserved communities worldwide.

During the project’s implementation, SCBF joined the collaboration as a co-funder.

2. The project – intervention approach

The mission of the project was to support the development of new property insurance solutions for the low-income and underserved market segments in Kenya. The target was to reach 75,000 new policies across different distribution partners by the end of the project and have 95 per cent of the clients be MSMEs.

2.1. Main activities of the project

To achieve the results, the project included the following set of activities:

- Working with local stakeholders to understand the demand and supply of inclusive property insurance solutions in Kenya, with a focus on understanding barriers;
- Providing technical assistance, supporting partners through the product innovation cycle, building capacity and establishing key partnerships;
- Testing the latest applicable insurtech solutions, among other approaches, for viability as part of the inclusive property insurance solution(s);
- Identifying and establishing suitable partnerships with alternative distribution channels and possibly bundling other risk management solutions;
- Ensuring gender mainstreaming in the project;
- Identifying and implementing changes to business models or organizational structures that may be required to deliver new products; and
- Documenting and sharing lessons learned, using the Facility's knowledge tools, including publications, case briefs, trainings and emerging insights.

2.2. Possible distribution partners

To reach the various target segments identified, the ILO Fellow (on behalf of Britam) explored possible relationships with several different types of distribution partners, including:

- Financial institutions, including (a) banks, primarily for their micro, small and medium-sized enterprise (MSME) loan clients; (b) microfinance institutions (MFIs) for their small business/chatel loan clients; (c) savings and credit cooperatives (SACCOs) for providing cover to their members.
- Industry associations, such as (a) SME Founder's Association – targeting the small and medium-sized enterprise (SME) members; (b) Kenya Property Investors Association – targeting the renters / tenants registered as members or landlords; (c) Kenya National Fisherfolk Association; (d) Kakamega County Farmers Association.
- Digital platforms dealing with informal retailers and property rentals.
- NGOs who lend to small businesses / micro-entrepreneurs.
- Utility providers like gas stove manufacturers, cooking gas providers.
- Telecom providers.

A valuable approach that was applied to product innovation was human-centered design (HCD). [This blog](#) contrasts a standard product development approach to one which is human-centered. A full list of blogs and webinars generated during the project is given at the end of this report.

3. Results

3.1. Client level

Research conducted early in the project revealed that while low-income Kenyans face risks such as fire, flood and theft, which impact their properties, they do not typically consider insurance as the corresponding tool for risk management. To gain traction, Britam's approach was therefore to focus on bundling or embedding property insurance products, initially with credit solutions offered by financial institutions, such as MFIs, for their MSME clients. Two generic property solutions were initially designed:

1. **Loan linked property solution** (mainly for MSME clients with business loans from the financial institutions) – this provides protection against losses caused by fire and other perils (lightning, storm, tempest, flood, bursting or overflowing of water tanks and apparatus or pipes), burglary, business interruption caused by fire and other perils, and hospitalization with an optional feature for personal accident cover.
2. **Standalone property solution** (targeted for general customers of MFIs especially who may or may not have any loans and would like to protect either their homes or businesses) – perils covered are the same as mentioned for the loan linked property solution, but this solution provides more flexibility in terms of choosing four cover options and other optional features. The options allow for customization and catering to a range of budgets.

Property microinsurance innovations: To make property insurance more accessible, Britam also explored new embedded and climate insurance products, including:

- **Fire cash insurance:** This is an additional benefit of a simple fire cover (as opposed to a comprehensive property product), making it affordable when bundled with other more familiar insured benefits. Based on future experience, the product may be further enhanced with additional more comprehensive property related benefits. This has been the most successful innovation under the project with highest uptake among target clients.
- **Contents insurance:** Household or property contents are often the most valuable property owned by low-income customers. This product covers devices, such as mobile phones, electronic appliances, laptops and/or other items depending on the distribution partner.
- **Flood insurance:** Together with additional funding from Financial Sector Deepening, Africa (FSDA), a feasibility study for a parametric insurance product was conducted. The proposed product covers households against the damages caused by flooding and was piloted in 2023.

Once the product concepts mentioned above had been designed, the next challenge was to establish working relationships with distribution partners and further refine the products to suit the needs of their end clients. To date, Britam has achieved the following outreach:

TABLE 1: RESULTS FROM BRITAM

| Outreach and other statistics | As of 31st December 2024 |
|--|--|
| Total number of new active insured clients (policyholders) | 109,800 |
| Number of new active insured women clients (policyholders) | 52,704 |
| Number of new active insured clients in rural areas (policyholders) | 24,156 |
| Number of new active insured clients below the age of 35 (policyholders) | 57,096 |
| Total number of lives covered (includes dependents) | 152,312 |
| Total gross premium (earned) | USD 70,519 |
| Total sum insured | USD 6,072,191 |

| | |
|-----------------------------|--------------|
| Growth ratio ⁱⁱⁱ | 680 per cent |
|-----------------------------|--------------|

The number of policies sold by the end of December 2024 was 109,800, exceeding the target of 75,000. The original intention was to cater mainly to MSMEs – currently 84 per cent of clients are MSMEs.

TABLE 2: NUMBER OF POLICYHOLDERS ONBOARDED SINCE JANUARY 2023 FOR SELECTED PRODUCTS THAT HAVE NEW PROPERTY COVERS

| Product | Number of policyholders onboarded – January 2023 to December 2024 |
|--|---|
| Afya Tele+BYM (with Fire insurance) | 81,335 |
| Group Last Expense (with Fire insurance) | 26,395 |
| KYOSK & AKKO – Standalone property product | 640 |
| Safaricom Travel with Device insurance | 1,130 |
| Flood insurance | 300 |
| Total | 109,800 |

As can be seen from Table 2, the greatest success has been with bundled and embedded products, however the standalone Kyosk & AKKO and Safaricom products have only recently been launched and so require more time to reach scale. The KYOSK & AKKO product reached 640 customers by the end of 2024. It is anticipated that they will reach 1,305 by the end of 2025 and 1,958 by the end of 2026. Part of the plan was also to introduce a digital claims solution. This is being achieved with Safaricom, which has a WhatsApp-based claims journey. The flood insurance product, which provides cover to residents of Tana River County, has already paid out KSh 50,000 per households to the 300 households insured.

3.2. Financial sector partners level

The following seven partners have benefitted from an engagement with Britam:

1. Caritas: An MFI active in Kenya
2. 353 MSME and Corporate groups (Group health and group last expense)
3. Safaricom: Kenya’s largest telecom provider
4. KYOSK: A fintech company focused on aggregating informal micro-enterprises
5. MTEK-AKKO - Go Gadget: A digital mobile phone provider
6. MTEK-Buy Simu Pay Later: A digital mobile phone provider
7. SMEP: A microfinance institution active in Kenya

In addition, FSDA can also be considered a financial sector partner, having mutually benefited from the feasibility study. Details of the activities with the seven distribution partners are given in the Table 3 below.

TABLE 3: PRODUCT DETAILS BY CATEGORY AND DISTRIBUTION PARTNER

| Priority | Product Category | Main Activities/Description | Name of Distribution Partner | Status |
|----------|------------------|-----------------------------|------------------------------|---|
| 1 | Micro property | | Caritas | Partner has embedded the property cover in its loans. |
| | | | KYOSK | The partnership has allowed for the distribution |

| | | | | |
|---|--|--|------------------------|---|
| | | | | of the standalone property cover to its retailers. |
| 2 | Bundled cover (with fire insurance) | Combining fire cash cover with other existing products for an easy entry and providing the fire cover as a bonus feature. Currently a combination solution of personal accident, last expenses and fire cash cover has been created; other solutions could be created based on requirements. | Fortune SACCO | Most of the outreach achieved is with this product approach. There is continuous marketing of the free fire cash product both during and after member education and onboarding. |
| | | | Group Health Insurance | |
| | | | Group last expense | |
| 3 | Contents insurance | This product covers devices, such as mobile phones, electronic appliances, laptops or any other item to be considered depending on the partners engaged. | Safaricom | The partner embedded a device insurance cover to its data plus bundle coverage. |
| | | | AKKO | Product went to market in mid-September 2023. |
| 4 | Flood insurance | This product is a parametric insurance cover utilizing satellite rainfall indices and river water gauge level | Oxfam | The pilot has been completed and 300 households have benefited from claim payouts |

The retention ratio to date for the overall property insurance portfolio is 95 per cent. It needs to be kept in mind, however, that some of the covers are embedded, while others are still relatively new.

3.3. Institutional impact

This project has directly contributed towards the growth of Britam's microinsurance portfolio and positive changes within the organisation. Britam's journey with microinsurance began in 2007 when Britam partnered with Kenya Tea Development Agency (KTDA), a national cooperative association supporting over 600,000 small-scale tea farmers. Britam started by offering a funeral insurance product to cover the tea farmers and their spouses. Over the years, Britam has gone through various transformations, the latest being the launch of a new microinsurance subsidiary (Britam Connect) in March 2025, specifically set up to serve low-income and underserved populations. With an expanded microinsurance team, Britam is now a key player in driving financial inclusion and resilience across Kenya, paying out over USD 70 million in claims and providing coverage to more than 4 million lives. Britam's strong commitment to inclusivity has led to a coverage of women at 45% of those covered, reflecting its dedication to bridging the gender protection gap.

The collaboration between Britam, Habitat for Humanity, the ILO and SCBF is one of the key drivers paving the way towards the launch of the subsidiary through expanding the range of insurance solutions i.e., through the development of a property microinsurance product covering risks such as fire and flood risks. This project has helped shape the approach to resilience through insurance, demonstrating the viability of risk transfer mechanisms in protecting households and small businesses.

Beyond this project, and regulations that support the same, other initiatives that have driven these institutional changes include a partnership with FSD Kenya to pilot an advanced Value-Based Care (VBC) approach for maternal

and neonatal health, supporting over 1,300 pregnant moms in less than 6 months. In 2023 and with inputs from this project, Britam also partnered with OXFAM and ALDEF to provide index-based flood insurance to 300 households in Tana River County through the support of the County Government of Tana River. In 2024, Britam and Sprout, with financial support from USAID, were able to protect an additional 1,000 coffee farmers against flood risks and offer an early warning system to the farmers as a proactive approach in tackling climate disasters.

From our project, Britam is using more digital technology in insurance distribution, namely through partnerships with telcos in Kenya (Safaricom, Airtel and Telkom). These partnerships have made it easier to purchase insurance and therefore have increased the accessibility of insurance. Britam has been able to position itself as a market leader through these strategic partnerships coupled with the broader institutional shift to promote coverage for low-income and underserved populations.

4. Learnings

4.1. Key learnings

At the project's outset and led by the ILO's Impact Insurance Fellow, discussions were held with potential distribution partners to gain a better understanding of property risks, particularly as they relate to their clients. Further research was conducted with various client segments, including small businesses and low-income clients. This was done directly and through Britam's existing and prospective distribution partners, to assess their understanding of the solution, identify the risks they face, their priorities and existing coping mechanisms. This research was used to develop the proposed insurance solutions.

Key points raised during this **market research**, which may be relevant to others developing inclusive property insurance solutions, include:

- Maintaining good health is the primary concern for the target segments, followed by family deaths and accidents.
- Risk events such as theft and business loss are more frequent, especially for small business owners; however, in terms of severity of the impact, those interviewed estimate it to be much lower than other risks such as sickness or death.
- Risks associated to fire or flooding, while potentially severe, have low observed incidence rates.
- Micro-entrepreneurs and small business owners currently prefer to take preventive measures such as employing security guards, putting grilles on their shops and using CCTV; however, this could also be because they are not aware of property insurance, find it too complex to understand or have never considered using it.
- Most people (around 78 per cent in Nairobi alone) do not own houses and are on rental agreements, hence conventional property insurance is not a priority for them – inclusive property insurance needs to be adapted to their context. These clients would prefer to insure their personal property, such as home or business contents.
- Loan clients are currently unsure about taking out additional voluntary insurance covers with their loans because they already have mandatory credit life cover. Any extra insurance should demonstrate clear client value without being prohibitively expensive.
- Consumer education was mostly led by intermediaries, with agents educating customers on product features. Marketing material was distributed both physically and digitally. Britam tried various low-touch high-tech marketing campaigns but concluded that the most effective way of reaching customers is through a combination of both high-touch (in person) and high-tech (digital) contact – known at Britam as the “phygital” approach.

4.2. Key challenges

Some of the challenges faced during the implementation of the project, which are also learnings, are listed:

- Lack of awareness, understanding and affordability have deterred the target segment. Consumer education on property insurance is needed.
- During the project, the COVID-19 pandemic created a challenging economic situation in which end clients were more focussed on prioritizing and meeting their basic needs. At the same time, potential financial sector distribution partners wanted to focus on their core products and were less willing to embed additional property insurance covers with their credit products – they worried this would make them too expensive. They were also experiencing a reduced demand for their loan products as well as an increase in defaults, which further dampened their appetite for embedding additional products. This

indicates that timing is important: taking advantage of economic growth periods could conversely help to establish partnerships and move forward.

- As mentioned, most of the target segment stay in rented accommodation and are on the move, so do not see value in property insurance for buildings they do not own. Other related challenges:
 - Tenants and private landlords are dispersed and are not part of any organized groups. They are therefore difficult to reach in large numbers, which is necessary for insurance.
 - For those who do own, they usually build their houses incrementally and pay for construction work in cash from short term earnings. These transactions do not typically pass through financial institutions. This means it is likewise difficult to reach these potential clients in an aggregated way (such as via an MFI) to offer insurance solutions.
 - In some cases, the county or national governments own property for rent to low-income families and MSMEs. More research needs to be done on how to engage with public-sector owners, but early indications are that this could take a long time.
- For the targeted segment, key property risks, such as eviction and destruction or theft of their assets, are not usually covered under conventional property products. New inclusive property insurance solutions are needed.
- Low claims ratios for fire only risks have been observed – embedded solutions require substantial customer education and awareness campaigns.
- Reinsurance exclusions for open air market risks, which historically have had high claims ratios, means that it is harder for insurers to take on the risk (most retailers have their businesses operating in open air markets).

4.3. Published blogs

- The importance of property insurance for MSMEs (23 June 2021: <https://medium.com/impact-insurance/the-importance-of-property-insurance-for-msmes-3e5ce06f966e>)
- Risk and mitigation strategies for SMEs in Kenya: insights from a webinar (26 October 2021: <https://medium.com/impact-insurance/risk-and-mitigation-strategies-for-smes-in-kenya-insights-from-a-recent-webinar-c9d5c5e7753b>)
- Property risks faced by emerging consumers in Kenya and their current coping strategies (31 May 2022: <https://medium.com/impact-insurance/property-risks-faced-by-emerging-consumers-in-kenya-and-their-current-coping-strategies-e20fe7f7b0c0>)
- Distribution strategy for inclusive property insurance (20 December 2022: <https://medium.com/impact-insurance/distribution-strategy-for-inclusive-property-insurance-d3929b61c00d>)
- Product design approaches for inclusive property insurance (23 March 2023): <https://medium.com/impact-insurance/product-design-approaches-for-inclusive-property-insurance-d490ddc4e907>

4.4. Webinars

- Scaling inclusive property insurance: findings from market research in Kenya (14 December 2022): https://www.ilo.org/global/topics/employment-promotion/social-finance/impact-insurance/WCMS_864040/lang-en/index.htm
- Inclusive property insurance - bridging the gap to financial security (6 December 2023): <https://www.ilo.org/meetings-and-events/webinar-inclusive-property-insurance-bridging-gap-financial-security>

5. New pathways for property insurance

5.1. Solutions and recommendations from the project

- The industry needs to work together to **raise awareness and educate consumers about property insurance**.
- Inclusive property insurance solutions need to be developed with the end client in mind. The use of **design thinking methodology** is highly recommended so that the unique property related risks faced by different target segments are considered. Solutions such as contents insurance should be further developed.
- Adopting a **customized approach to design specific products for sub-segments** within the overall target segment is essential. For instance, it is recommended that subcategories of MSMEs based on their specific business type should be independently considered.
- Given the complexity of comprehensive property insurance, it is recommended that inclusive insurers **start with simpler products**. Offering simple products, such as a fire cash cover, is a better approach to building awareness and acceptance of inclusive property insurance.
- Standalone property insurance solutions are not currently prioritized by the target segments, and so **bundling simple property related covers with other in-demand products** may help with socialising property insurance.
- Developing inclusive property insurance solutions that include **preventative value-added services** could be attractive to prospective clients and should be further explored (for example combining security measures or smoke detectors with insurance solutions – beneficial to all).

5.2. Phase 2: the way forward

The above project can be considered as Phase 1 of a broader intervention to address the low market penetration of property insurance in Kenya. Phase 1 is a result of three years of innovative work and collaboration between Britam, ILO and Habitat for Humanity - Terwilliger Centre for Innovation in Shelter (TCIS). The impact is already being felt through the 109,800 low-income households who are already covered. With increased risks due to climate change, we need to find more innovative solutions to safeguard households against the climate risks and go beyond the innovative inclusive property insurance designed to date.

Due to the success of Phase 1 and the lessons learned, Habitat for Humanity's Terwilliger Center for Innovation in Shelter, and Britam General Insurance Kenya have embarked upon Phase 2 of the project. A new two-year project aims to safeguard vulnerable communities against the property risks associated with floods, by scaling index-based flood insurance products coupled with a mobile based early warning system.

In 2023 Britam, in partnership with Oxfam in Kenya and global reinsurer Swiss Re, launched an index-based flood insurance solution in Kenya to protect small-scale farmers living along the banks of Tana River in the Tana River County from the adverse effects of catastrophic floods. The solution was developed using data modelling and satellite imagery to predetermine flood thresholds and provide coverage at an affordable cost. Phase 2 of this project will be focused on expanding the scope of flood insurance by scaling the product to safeguard vulnerable communities against the property risks associated with floods.

Phase 2 will include identifying high-risk areas, developing affordable and accessible flood insurance to protect households and businesses in flood-prone areas, collaborating with local communities to scale the tailored flood insurance product as well as developing processes to enable linkage between early warning systems and claims processing. This partnership will further help to unlock affordable insurance for low- to middle-income households.

5.2.1. Outputs and Outcomes expected

Phase 2 of the project aims to achieve the following;

- Impact (Insurance outreach):
 - Scaling of the embedded inclusive property insurance to reach 300,000 policies at the end of 2025 and reaching 500,000 by the end of 2026.
 - Climate risk: Refining the flood and climate insurance product with the focus being on the Lake Victoria region while reaching 20,000 policies by end of 2026.
- Potentially, securing partnership(s) with financial institutions to create a housing microfinance product that is embedded with insurance with the option of scaling it beyond Kenya.
- An impact evaluation report documenting lessons that can be shared with the market on how best to design, scale and create sustainable partnerships to provide embedded insurance products solutions (microinsurance/microfinance products) for low-income households

ⁱ Swiss Re Institute (2024). Sigma world insurance reports No 4/2022 and No 3/2023. <https://www.swissre.com/dam/jcr:4500fe30-7d7b-4bc7-b217-085d7d87a35b/swiss-re-institute-sigma-4-2022.pdf> and <https://www.swissre.com/dam/jcr:3fd9db6e-f497-43b3-9e69-2ba89e7a2c31/2023-09-zrh-23-13658-p1-sigma-3-wis-2023.pdf>. Accessed (06.06.2024)

ⁱⁱ FinAccess (2013). "National Survey." Research undertaken by the Kenya Financial Sector Deepening

ⁱⁱⁱ Growth ratio = (number of insured n – number of insured n-1) / number of insured n-1