



Learning About Insurance

Andrew Hobbs

Enabling Technology Adoption
Through Learning

November 7, 2024

Understanding Financial Technology

- Financial tools can be difficult to understand, and index-based insurance is especially confusing.
- Index-based insurance uses a regional *index* of drought (or other hazard) conditions to determine payouts for all policyholders within a given region.
- How to teach people with a limited understanding of technology about index insurance?
- Does changing the way the benefits of insurance are framed affect uptake?

Two studies on learning about insurance

- Both in Samburu County, Kenya.
- Population of nomadic pastoralists. Drought is the most important risk facing their livestock, and thus their families.
- **Study 1: Learning-by-simulated-doing with SimPastoralist**
 - A lab-in-the-field tablet-based game that allows users to experience index insurance.
 - Results showed that framing insurance around benefits for family increased uptake among women.
- **Study 2: Real-world follow-up**
 - Again, focusing benefits on family increased uptake.



Learning by simulated 'doing'



The screenshot shows a simulation interface for a goat farming game. The background is a savanna landscape with a large acacia tree and a herd of goats. The interface includes a top-left window with a close button (X) and a portrait of a man. The top-right window displays the player's name 'Nkytumpe' and their current status: 'Wallet: 3250', 'Goats: 10', 'Insurance 10', and 'Round: 2'. Below this status is a graduation cap icon and a row of ten red heart icons. The bottom of the screen features a control panel with six buttons: 'Buy Goat', 'Sell Goat', 'Insurance (+)', 'Insurance (-)', 'School', and 'No School'.

X

Nkytumpe

Wallet: 3250
Goats: 10
Insurance 10
Round: 2

Buy Goat

Sell Goat

Insurance (+)

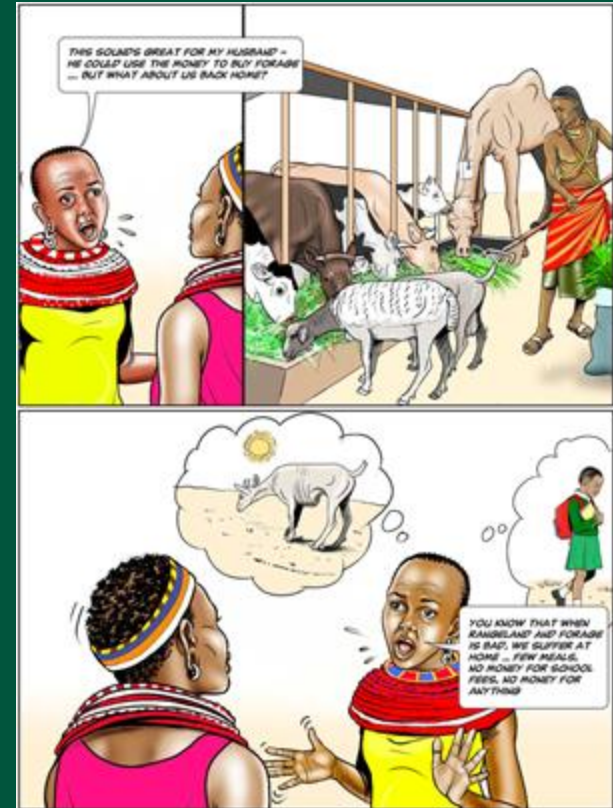
Insurance (-)

School

No School

Women and men may face different risks

- Goal: explain insurance in a way that makes its benefits salient to both women and men
- Gender roles can mean drought risks affect women and men differently. In this context, livestock are a 'men's' asset.
- Women responsible for household expenditures, so their assets are often the first to be liquidated during a drought.

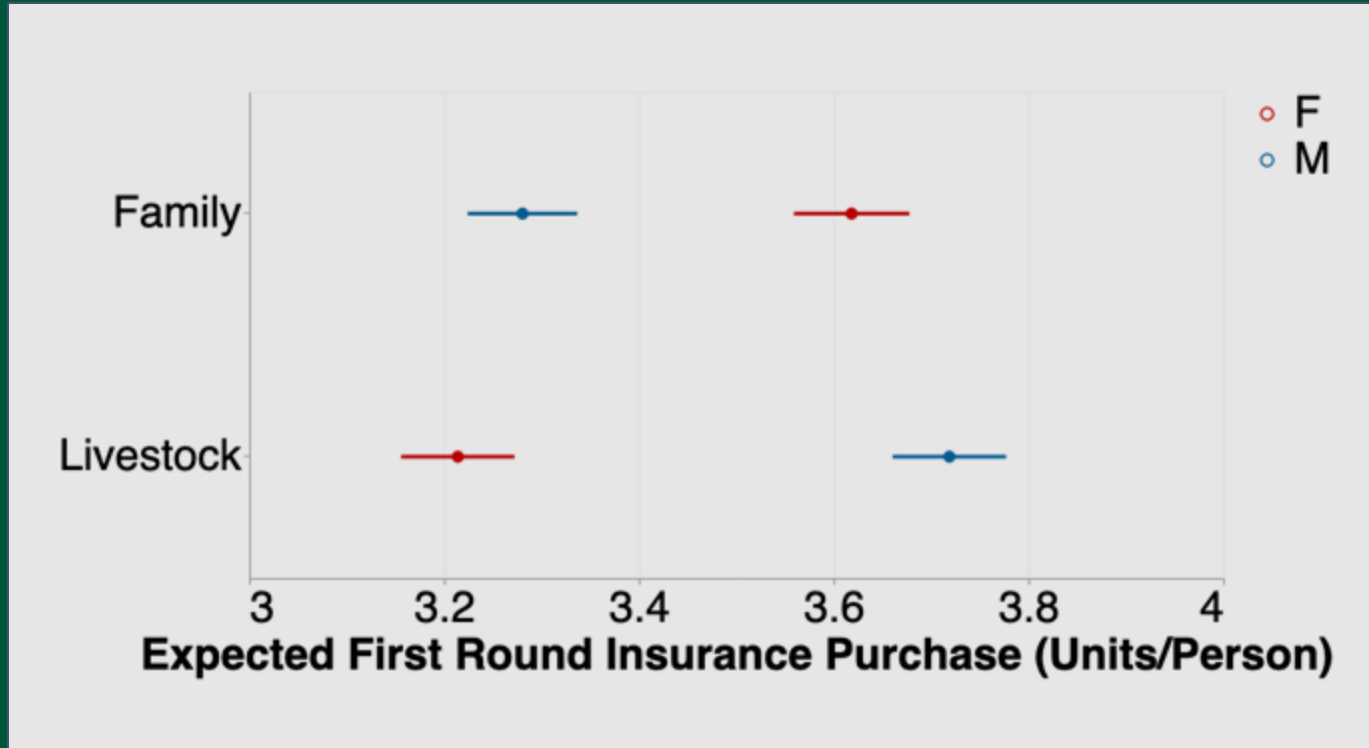


Family Insurance

- Based on the same satellite measures (index) as index-based livestock insurance.
- Replace 'livestock units' with 'family units' designed to cover the consumption of one household member in the event of a drought.
- New marketing materials emphasize risks faced by women and families and explain the new units.



Family framing increases in-game uptake among women



Family Framing Increases Real-world Uptake

