

Dazzling debut for our first insurance product

The Education Protection Policy (EPP) was launched in Uganda recently. Judging by our customers' response, it's the right product at the right time.



Our aim was to write 11 policies in the first month,” says Tom Hannington Ouma, Managing Director of Bayport Uganda. “Instead, we exceeded all expectations by writing 43. That is 391% better than the product’s business case.”

The Education Protection Policy is insurance cover that helps customers protect their children’s or other dependents’ education by covering school fees for up to three years in the event of the policyholder’s death. EPP is Bayport’s first standalone insurance product and was piloted in three branches, namely Lira, Jinja and Bushenyi. It was introduced to prospective buyers on 19 August 2013. On 28 August the wait for the first sale came to an end. Since then the initial trickle of transactions has steadily grown in volume. Ongoing marketing activities, such as customer days at the three pilot branches and weekly bulk SMS blasts, are helping to spread the word.

“Considering that most of our customers spend the bulk of their income on tuition fees for family members, EPP is the right product for our market,” says Tom. “This is insurance cover that adds value to our customers by giving them peace of mind as far as their dependents’ futures are concerned.”

EPP will also be good for business, adds Tom. “A product that distinguishes Bayport from the competition is crucial in Uganda. Competition here is cutthroat. EPP is an excellent product that will bring customers to our doors.”

The numbers already support Tom’s statement. In addition to surpassing the target for number of policies, the first month also exceeded the premium income forecast by more than 240%. Ted Kristensson, the Group Executive responsible for the insurance portfolio, says that the business case contained extremely tough targets. “Everyone involved should feel proud of what they have achieved to date. What Bayport Uganda has accomplished so far has exceeded my expectations by a significant margin.”

Based on the market’s response to the Education Protection Policy, Bayport Uganda has decided to speed up the roll out to the rest of its 30 branches. After the national roll-out has been completed

the next phase will be to offer the product to all civil servants. Bayport is also preparing to run a pilot project in Tanzania.

EPP fast facts

- The policy covers dependents' education fees for three years in the event of the policyholder's death.
- Depending on the cover option chosen, the monthly premium can cost the same as 1kg of sugar.
- The policy covers all forms of education, from nursery school to university, including short courses.
- Policyholders receive a 20% cash-back bonus at the end of every year, provided the premiums are paid in full.
- The educational institution receives an upfront payment at the start of every term. There is no lump sum payment.

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