Using comics to improve financial behaviour

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Overview

Introduction Problem **Project Scope** Objectives Methodology **Results & Analysis** Conclusion

- What is financial literacy?
- The importance of financial literacy
- Improving financial literacy

Introduction



Suppose you have some money. Is it safer to put your money into one business or investment, or to put your money into multiple businesses or investments?



Suppose over the next 10 years the prices of the things you buy double. If your income also doubles, will you be able to buy less than you can buy today, the same as you can buy today, or more than you can buy today?

Suppose you need to borrow 100 US dollars. Which is the lower amount to pay back: 105 US dollars or 100 US dollars plus three percent?

Suppose you put money in the bank for two years and the bank agrees to add 15 percent per year to your account. Will the bank add more money to your account the second year than it did the first year, or will it add the same amount of money both years?



people are financially literate

Problem



How do visualisations lead to improved financial behaviour?

- market
- Target market: low LSM

• Highly competitive funeral insurance

 Low levels of financial literacy Poor trust in financial institutions



Introducing your Funeral Plan Insurance Policy Policyholder: Mr Shoyisa

Policy Number 14376013

14 March 2018

Thank you for choosing Hollard to insure what is important to you. The Funeral Plan Insurance policy aims to offer exceptional cover and customer service. With this letter, you will find three important documents:

- Exceptional cover and customer service. Wint in a recert, you will must the important obcuments:

 Your Policy Schedule: The information that we regarded as material when we assessed the risk under the policy are details that you provided when we sold this policy you and are reflected on the Policy Schedule. Because the policy schedule is part of your contract with holiard, it is very important that it is complete and correct. If it is not, your claims might be affected. Your must text show right away if you need to change any details on the schedule. The premiums payable by you and the policy benefits that will be provided to you under your policy are reflected on your Policy are reflected on your Policy Schedule.
 Benefit Schedule: Please make sure that you read the Benefit Schedule carefully as it provides you with detailed information about the benefits that will be provided in terms of the policy. The Benefit schedule also provides you with information about when benefits will be provided to you and when we will not pay benefits to you.

Your Additional information page: This document sets out all the information you need to contact us, how to
make a claim and how to complain.

Please read your documents carefully and keep them in a safe place so that you and your family knows where to find them in case they have to claim on your behalf.

How to contact us:

If for any reason you are not completely satisfied with this policy, please don't hesitate to contact us on 0860 333 118.

Please contact us immediately if you want to change your policy in any way. You can find the contact details in the Additional information document of this pack.

We wish you and your family a happy future and trust that we will meet your needs. Kind Regards

CUSTOMER SERVICES MANAGEMENT TEAM

HOLLARD LIFE ASSURANCE COMPANY LIMITED, Reg. No. 1993/2014/30/00 Nolland Lise Automated Financial Services Provider Fax: 01:1351 Fax: 01:1351 Fax: 01:1351 Fax: 01:1351 Fax: 01:1351

Introducing your policy

Welcome to Hollard

Welcome to Hollard. Hollard is committed to providing world class service. Our aim is to ensure that all our communication with you is honest and easy to understand. We wrote this policy in plain English. We will pay a valid claim for the benefits set out in this policy on condition that:

- you pay the total premium set out in this policy; you give us all the information we ask for that materially affects our risk; and you and all the *insured persons* keep to the terms and conditions of this policy.

The parties to this policy

The policy is a legal contract between you and Hollard. Only you have rights under this policy.

- 'We', 'us' and 'our' refer to Hollard Life Assurance Company Limited (Hollard), registration number 1993/001405/06. Hollard is a registered insurance company (Long-term insurance Act 1998) and an authorised Financial Services Provider (Financial Advisory and Intermediary Services Act 2002).
- 'You' and 'your' refer to the policyholder named in the policy schedule who is the owner of this policy.

Key definitions used in this policy

We have given as specific meaning to certain words. These words appear in *italics*. The glossary at the end of this document gives the definitions that have the same meaning anywhere in this policy. Certain definitions only apply to a specific benefit schedule and will appear at the end of each benefit schedule. The most common definitions model with end with any balance and will appear at the end of each benefit schedule. The most common definitions used in this policy are below.

- 'Policyholder' refers to you, the owner of the policy.
- 'Insured person' refers to a person that meets the conditions for eligibility and who is listed on the policy schedule. Each benefit schedule tells you which insured person is eligible for the specific benefit. 'Main insured' refers to the person named in the policy schedule who we accepted as the main insured. The policyholder and the main insured must be the same person.

How to read this policy

- The plural of these words is used where appropriate.
- The headings in the policy are for reference only and will not affect the meaning of the terms and conditions to which they relate.
- When we refer to a specific section of this policy, the reference will include the name of the heading. For example, certain benefits might have additional events when cover ends as set out in When cover for an insured person ends under the benefit schedule.
- Days refer to ordinary calendar days, including weekends and public holidays.
- Month means a calendar month excluding the first day, including the last day and including weekends and public holidays.
- Words which refer to natural persons will also refer to legal persons.
- 'He', 'him' and 'his' refers to a male or female

Additional information document

The Additional information document is a separate document that contains contact details, disclosures and other important information to ensure you always have all the information you need. This document does not form part of your policy.

It is important to keep the Additional information document with your policy documents and policy schedule.

You can contact us on the contact details set out in the Additional information document.

Your policy This policy is a legal contract between you and us and includes your application, the policy documents and the policy schedule.

Version 1.0: Life Cover Product Series V5.2 A September 2018

Page 2 of 12



Objectives



Gather data on usability and perception of comics for financial services

Analyse this data to provide evidence of a successful proof of concept

Project Scope

Commercial proof of concept

Address insurer's top 10 pain points in their funeral policy document

- Main insured / premium payer
- Relationships & extended family
- Benefit start date
- Waiting periods
- Collections
- Lapse & non-payment

experiment

Randomised control trial

- Commerce and Humanities students
- Pre-test demographic survey
- Risk-preference elicitation game
- Post-experimental usability questionnaire



Academic controlled laboratory

Contents

1. Policyholder and Insured Persons	3
2. Benefit Start Date	6
3. Payments	7
4. Waiting Periods	8
5. Lapse and Non-Payment	9
6. Restart	10
7. Premium Holiday Benefit	12
8. Premium Waiver Benefit	13
9. Paid-Up At 65 Benefit	14

1. Policyholder and Insured Persons





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Methodology



Quantitative Method

- Controlled laboratory experiment with risk elicitation game
- Probit model to reveal how the
- probability of buying the product varies
- with demographics and risk preference

Qualitative Method

Qualitative post-experimental survey to test usability and perception

Implementation

Option A	Option B
\$40.00 if the die is 1	\$77.00 if the die is 1
\$32.00 if the die is 2 - 10	\$20.00 if the die is 2-10

Phase 1

- Recruitment, sampling & randomisation
- Pre-intervention demographic survey

Phase 2

- Controlled laboratory experiment (virtual)
- Lotteries risk ellicitation game



Results









Results



Conclusion

- Quantitative results showed that comics lead to an improved uptake in the insurance product
- Women are more risk averse than men
- Comics are better perceived than text
- Comics improve behaviour, understanding and enjoyment in the sales process



Comics in application



Employment contracts



Informed consents



Medical adherence



Grant agreements



School contracts



South Africa, Cote d'Ivoire, Brazil, United Kingdom, Thailand, Tunisia, Australia etc





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