

2022-02 | Remittance-linked inclusive insurance for France-Senegal corridor

Partner Financial Institution:	AXA Senegal	SCBF Contribution:	CHF 140'010 (62%)
Grantee:	Democrance	Matching Contribution:	CHF 39'000 (17%) – Democrance CHF 48'000 (21%) AXA
Country:	Senegal	Theme:	Financial resilience
Duration:	May 2022 – November 2023	Product:	Remittance-linked insurance
Potential Outreach:	4,000	Target Group:	Low-income clients
Thereof Women:	40%		

CONTEXT

The regulatory environment in Senegal is generally supportive of the development of digital financial services, according to the [International Finance Corporation \(IFC\) and MasterCard report](#) looking into digital access and the future of financial inclusion in Africa. In 2018, the Government of Senegal launched a payment digitisation agenda to promote financial and social inclusion through technology. Working with the United Nations in Senegal, the government joined the Better Than Cash Alliance (a partnership between governments, companies and international organisations to boost growth through digital payments), with the support of Mobile Money for the Poor, a programme of the UN Capital Development Fund, to achieve its goals.

In addition to the 2025 Digital Strategy, the Ministry of Digital Economy and Telecommunications was launched to enable the country to adapt to global changes and promote job and wealth creation. Senegal demonstrated a potential to be the financial inclusion leader in the region, and remittances are an important financial tool to help families manage financial shocks. However, insurance penetration remains relatively low at 1.35%, as reported by the Insurance Regulator. AXA Senegal and Democrance will test new distribution channels through remittances focusing on the France-Senegal remittance corridor, attaching a cost-effective risk tool (insurance), and scaling the programme to ensure sustainability beyond the project tenure. The favourable environments in France and Senegal provide key factors for making this project a success, as well as addressing key innovations in support of the country's financial inclusion agenda.

CURRENT STATUS OF AXA SENEGAL

AXA Senegal's vision is to protect its customers and enable them to conduct business with confidence. Convinced that customers deserve and expect the best quality of service, AXA Senegal employees and its distribution network continually make efforts to ensure that their commitments are met over the long-term. AXA, thus, provides appropriate responses to its clients' social protection needs and covers all risks related to health and physical well-being. AXA's insurance solutions also cover damage to clients' property as well as damage caused to others as a result of their liability. Auto, fire and construction risks are also a part of this, as are the very specialised lines of transport, aviation and credit insurance. Furthermore, everyone knows that the entry of digital and digitisation into the insurance business will radically transform the relationship between policyholders and insurers. AXA's goal is to make the most of this revolution while protecting customers as much as possible. The support from SCBF will enable AXA to accelerate innovative digital insurance solutions for its customers.

OBJECTIVES AND MAIN ACTIVITIES

AXA Senegal is developing the inclusive insurance business, however, lack of a dedicated IT system to support high volume low ticket business hinders this ambition. The support from SCBF will enable implementation of a digital system to increase financial inclusion. This will be accomplished by leveraging customer-centric product development, adopting innovative technology and cost effective processes, and increasing customer reach.

Upon project completion, the financial institution should be in a position to enable 4,000 low-income consumers to access insurance protection as a formal risk coping mechanism and strengthen access to financial inclusion solutions in Senegal.

Partnering with:

