

2023-14 | Savings-Linked Life and Health Insurance for Savings Groups, Rwanda

Financial sector partner (FSP)	VisionFund Rwanda	SCBF contribution	CHF 110,700 (76%)
Grantee/TA provider	VisionFund International	Matching contribution	CHF 28,240 (19%) - FSP CHF 7,260 (5%) - Grantee
Country	Rwanda	Theme	Financial Resilience
Duration	Jun 2023 – May 2025	Product	Life and Health Insurance
Potential outreach	Life Insurance – 28,300 Health Insurance – 6,000 (covering 30,000 lives) Financial education – 18,000	Target group	Low-income clients
Thereof women	65%		

CONTEXT

Rwanda as a country considers financial inclusion as an integral enabler for achieving its development and poverty reduction objectives. Rwanda targets achieving 100 percent formal financial inclusion by 2024 (Rwanda National Bank). Rwanda has experienced significant economic growth averaging 6.9% from 2011 to 2015 and has seen improvement in financial inclusion as well. Secondary data from the Rwanda FinScope survey 2008, 2012, 2016 and 2020 shows that there is an improvement in financial inclusion in Rwanda as the number of financially excluded dropped from 52% in 2008 to 7% in 2020 and about 77% of Rwandans have access to and use formal financial products (provided by banks, non-banking FIs, insurance firms, MNOs, MFIs, SACCOS etc.). Mobile payments have improved tremendously, and this should be strengthened and more regulated as it serves many Rwandans.

This project seeks to extend access to insurance to the last mile and thereby reach out to a target group that is financially excluded. The main distribution channel will be World Vision Savings Group members and their families. It is expected that positive claim experiences will motivate the target group to also participate in other insurance programs and this will enhance levels of financial inclusion. The provision of the insurance product will protect clients against unforeseen shocks and help build their resilience and financial wellbeing.

CURRENT STATUS OF THE FSP

VisionFund Rwanda (VFR) is one of the largest deposit-taking Microfinance Institutions (MFIs) in Rwanda with a mission to provide financial and non-financial services to under-served rural communities. VFR is a subsidiary of VisionFund International, a global network of micro-finance institutions. VFR began operations in 1997 as a World Vision microfinance programme, and became a Central Bank regulated MFI in 2004. VFR provides micro-loans, micro-deposits and micro-insurance products to vulnerable people, especially in the rural areas. VFR operated 8 branches throughout the country and had 28,646 clients as at 31 March 2023.

Through two pilots supported by [SCBF in Ghana and Malawi](#), VisionFund has successfully developed a “Savings linked” insurance model focusing on the provision of death, accident, sickness and health coverage for members of World Vision Savings Groups. The major innovations that have made this possible include the distribution of the product to pre-existing groups that have also been exposed to some financial literacy training as well as the digitisation of the enrolment and claims processes and mobile money payment systems. All these innovations culminate in the reduction of client acquisition costs, product administration cost as well as efficient and faster processes in enrolment and claims processing. SCBF support will kick start the process in Rwanda and help in building the capacity of the operations team to implement the program.

OBJECTIVES AND MAIN ACTIVITIES

Developing and selling insurance products on a voluntary basis is a new way of doing business for VFR and hence the SCBF intervention will help build the capacity of VFR in terms of product development, ability and internal capacity to sell voluntary insurance products. Upon completion, VFR staff will have the capacity to develop and sell voluntary insurance products and the project would have sold 6,000 voluntary health insurance policies covering 30,000 people.

Partnering with:

