



International
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CASE BRIEF: **CIF VIE**

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Description: CIF Vie is an insurance company in Burkina Faso, founded in 2015

Products offered: Credit life insurance, stand-alone life and permanent disability insurance, pensions, education and unemployment insurance

Distribution partners: FCPB, the microfinance bank which is part of the same group company

Policies issued: 98,000 as of October 2018

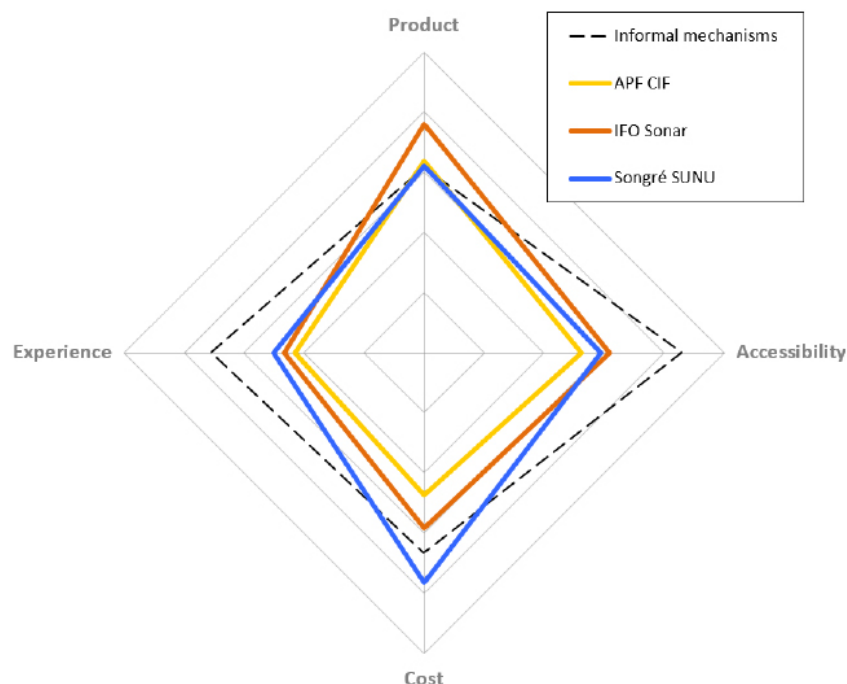
The West African Confederation of Financial Institutions (CIF – Confédération des Institutions Financières Afrique de l'Ouest) is a regional grouping of financial cooperatives and microfinance institutions. The confederation created the insurance company CIF Vie to provide life insurance products for its member institutions. In Burkina Faso, the company offers insurance with the microfinance bank and CIF member, FCPB.

CIF Vie had significant success in providing credit-linked insurance through this partnership but struggled to achieve scale for its two voluntary products. These were a stand-alone life insurance product, *Assistance Protection Famille* (APF), and a pension product, *Plan Epargne Retraite* (PER). The stand-alone life insurance product had particularly low take-up, and in 2017 the ILO's Impact Insurance Facility and AFD partnered with CIF Vie to assess how to improve sales.

First, the team carried out a PACE analysis to understand the strengths and weaknesses of the product from the clients' perspective. The Facility's [PACE tool](#) helps insurance providers analyze and improve value across four dimensions: product, access, cost, and experience. The tool compares a product to other similar formal and informal products in the market to help providers understand how they compare to their competition. In this case, CIF Vie's life insurance product was compared to two other formal life insurance products (Sonar's IFO product and SUNU's Songré product) as well as informal options.

The PACE methodology rates products according to 16 sub-dimensions on a scale of 0 to 5, with 5 being the best score. Each sub-dimension falls under one of the four main dimensions and contributes to the overall score for that dimension (also on a scale of 0 to 5, with 5 being the best score and the outer line on the diamond below). Not all of the 16 sub-dimensions carry the same level of importance and they are weighted accordingly.

PACE analysis of CIF Vie's life insurance product



The analysis revealed that CIF Vie's life insurance product provided less value to its clients compared to other available products in all four dimensions. Despite being the most expensive product, others offered better value-added services and stronger funeral support. In addition, clients did not identify with the communication materials and felt that the large number of options offered for the product was confusing. In addition, the claims management process was weak and unsatisfactory for clients.

However, CIF Vie did possess various advantages that gave it the potential to improve its offering. In particular, it benefited from its partnership with FCPB, the biggest MFI in Burkina Faso. To understand how it could work with the channel to better serve its clients, CIF Vie carried out market research with the Impact Insurance Facility team. This research highlighted the potential of the distribution partnership. FCPB had 500,000 active clients who benefited from a broad portfolio of products and the biggest branch network in the country. In addition, it benefited from a good reputation and high trust with its client base.



This research allowed CIF Vie to better understand how the FCPB branch system and agent activities work, and how they could be leveraged to better sell its products. It identified a lack of incentives for agents to sell insurance products given other priorities and a lack of a sense of group identity that recognized CIF Vie as part of the same group as FCPB.

In addition, the research provided insight into the MFI's client segments, their contact points with FCPB, their relationships with the MFI, and their needs, motivations and aspirations.

Through the research, CIF Vie identified three principal client segments:

1. More than half of the clients are **small business owners**. They work largely in the informal sector and look for services that are easily reachable and that they have confidence in. This group was identified as a high potential group for all CIF Vie's products.
2. Around a third of the MFI's clients are **salaried workers**. They tend to use formal financial services, including those of banks and MFIs. They want technological solutions and transparency. They already have a greater knowledge of the financial products FCPB offers.
3. A smaller section of FCPB's clients are **farmers**. They infrequently come into contact with the MFI or other formal financial services, since those services are less accessible for this client segment. Their activities and incomes are highly seasonal.

Using its in-depth analysis of these client segments and of the MFI, CIF Vie adapted its messages so that clients could identify with them and adapted its products and processes to better integrate with the strategy and day-to-day operations of FCPB. It implemented five concrete changes:

1. Improved the training of FCPB agents based on its segmentation. CIF Vie taught the staff to use stronger communication techniques and to use different messages to talk about the product with each segment.
2. Introduced a new incentive scheme based on premiums collected to encourage the MFI staff to sell the voluntary insurance products.
3. Adapted the product design, simplifying the options for the basic product, and introducing instead an additional life insurance plus product. The complex pricing was simplified and the product was offered with just four pricing models.
4. Facilitated premium collection linked to savings accounts by improving the capabilities of its IT system.
5. Introduced a new communications strategy with simpler, clearer and more appropriate messages and imagery.

As a result of these changes, sales of the product increased dramatically. Within less than a year, premiums collected had increased by 150 per cent.



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The ILO's Social Finance Programme works with the financial sector to enable it to contribute to the ILO's Decent Work Agenda. In this context, we engage with banks, microfinance institutions, credit unions, insurers, investors and others to test new financial products, approaches and processes. The Impact Insurance Facility contributes to the Social Finance agenda by collaborating with the insurance industry, governments and partners to realize the potential of insurance for social and economic development.



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