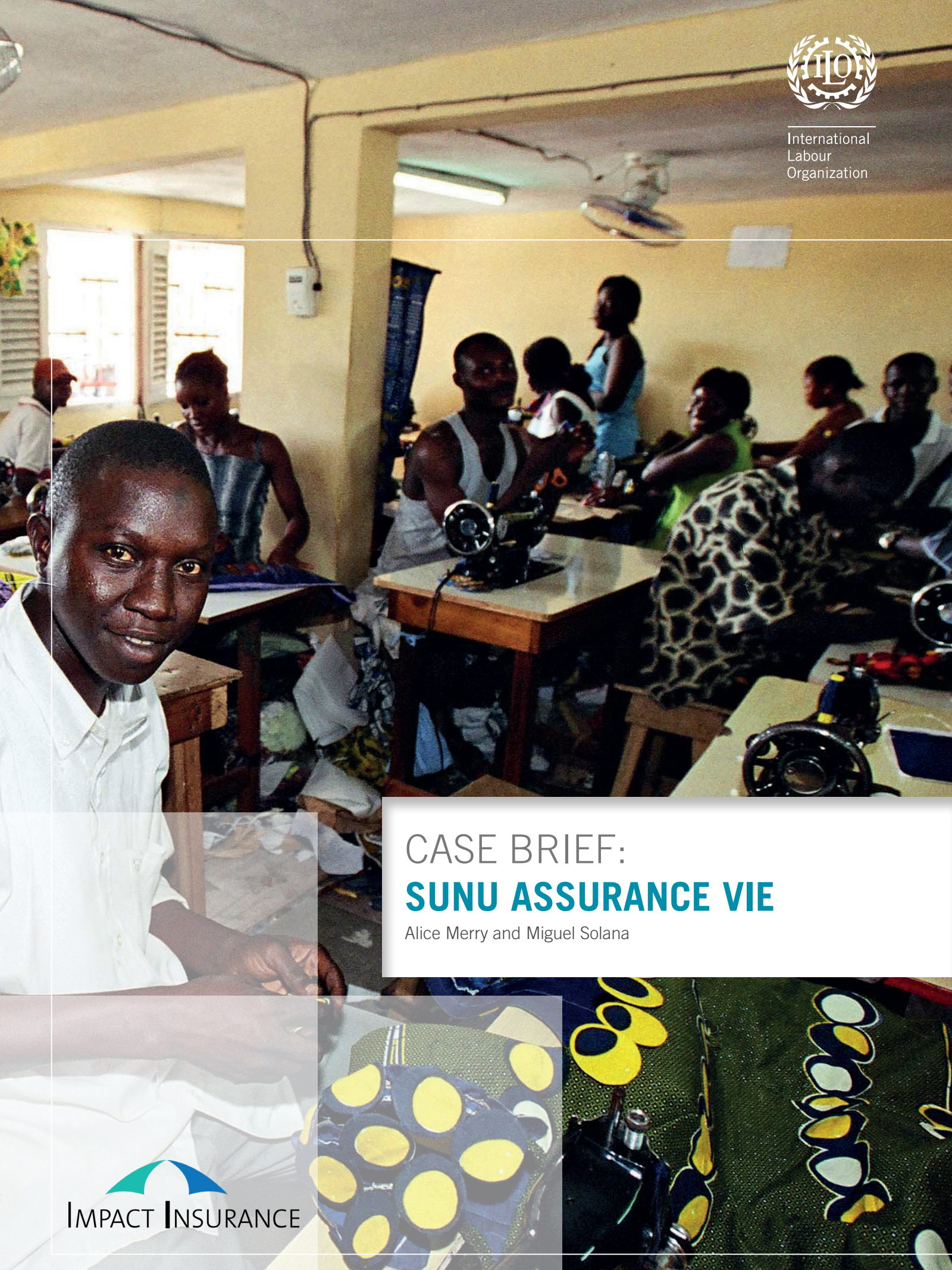




International
Labour
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CASE BRIEF: **SUNU ASSURANCE VIE**

Alice Merry and Miguel Solana

CASE BRIEF:

SUNU ASSURANCE VIE

Description: SUNU Assurances Vie is a leading life insurance company in Côte d'Ivoire and across West Africa. The company has offered microinsurance since 2013.

Products offered: Life, disability and hospital cash insurance

Distribution partners: Social organizations, solar panels distributors, financial institutions, value chain players, agent networks and mobile network operators

Customers reached: 150,000 as of September 2019

Insurance distribution has proved particularly challenging in Côte d'Ivoire, a country in which there are few of the mass market channels used to distribute microinsurance in other countries, such as large retail chains.

Furthermore, SUNU Assurance Vie (SUNU), which has been providing microinsurance in Côte d'Ivoire since 2013, has seen first-hand the risks of depending upon one or two large distribution channels that do exist.



For SUNU, high dependence on such a partner has previously meant that business strategy and implementation has depended entirely on the partner's timelines and commitment. Furthermore, changes in the partner's strategy can put the whole insurance company at risk.

In 2018, as part of its project with the ILO's Impact Insurance Facility, SUNU therefore decided to redesign its distribution strategy, based on partnering with a diverse range of medium-sized organizations.

SUNU mapped possible distribution partners in the country, including associations, agent networks, value chain players and service providers, and began to work to bring many of them on board as distribution partners. An important aspect of the mapping was producing a realistic analysis of the possible client base connected to each channel. This allowed SUNU to be strategic in the investment it made into securing each partnership.

SUNU was successful in forming partnerships with a diverse range of organizations in Côte d'Ivoire. These included associations of market women and small-scale farmers, and agent networks providing banking, bill payment and mobile services. The key to success in building strong collaborations with these channels was to co-create products with the partner to suit the needs of both the channel and its clients. In the majority of cases, the products are voluntary, although bundled products have been established with two channels.



One particularly successful partnership has been with PEG, a company that provides financing for solar products to low-income households on a 12-month rent-to-own plan. SUNU designed an insurance product to address a key problem faced by the distribution channel: health emergencies among its clients. Such emergencies are one of the most common reasons that PEG's customers struggle to keep up with the repayments on their solar loan. SUNU launched a hospital cash and family life insurance product which is provided free to PEG clients who pay their instalments on time. The partnership has so far signed up 3,700 clients during its first year.



During its first six months of operation, very few claims were reported despite the size of the initiative. As a loyalty programme, it was important for SUNU to demonstrate to PEG the value of the insurance product for its clients. Therefore, low claims were a red flag for SUNU that it was determined to address. Poor awareness of the scheme was likely one factor behind low claims, but SUNU also suspected that the product needed to be better adapted to PEG's client base.

The hospital cash product pays out for each night that a client spends in hospital for up to 20 nights in hospital a year. The vast majority of PEG's customers live in rural areas and earn US\$ 5 to US\$ 10 per day. In rural areas of Côte d'Ivoire there is little culture of spending nights in hospital, even for conditions that would normally be expected to result in a hospital stay. There is therefore a need to adapt the health coverage to better reflect the health behaviours of its customers. One possibility being considered by SUNU is to instead offer set pay-outs for a range of disease types.

SUNU has also carried out similar in-depth analysis of the customer experience for its other products and channels. Across its products, the company has observed a need for increased marketing and visibility so that clients better understand and more often claim on their products. It has therefore developed new highly visual communications materials that convey messages using the language and priorities of its clients.



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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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