

# ICII: Remittance-linked insurance products

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# What are remittance-linked insurance products?

Remittance-linked insurance products is insurance facilitated by remittance-service providers (RSPs).





# Examples of remittance-linked insurance products

## Learn About Our Mukuru Funeral Cover

Planning your funeral might be the last thing on your mind, but don't let your loved ones carry the burden.

## AXA PARTNERS WITH MERCHANTRADE TO OFFER PROTECTION SOLUTIONS FOR MIGRANT WORKERS

- AXA Affin General Insurance Berhad partners with Merchantrade to launch Merchantrade Insure, a simple and affordable protection solution for migrant workers.
- Merchantrade Insure is the 1<sup>st</sup> insurance protection in Malaysia that provides Claims Payout directly to the beneficiaries through remittances.

## DIASPORA INSURANCE

Home / Diaspora Insurance

Destiny Finance Ltd T/A Diaspora Insurance is a global consultancy firm headquartered in Birmingham, UK and Sandton, RSA. We specialise in the designing, marketing and distribution of insurance products and risk management solutions targeted at Expatriates and Diasporans living and working in developed markets like UK, Australia, EU, North America & Canada. Our global risk management solutions enables the Diasporans not only to cover themselves but also their families in their countries of origin. In most cases we holistically transfer risk from developing countries to global financial markets.

## AXA, Democrance and Hello Paisa Launch "Hello Protect" to Offer Inclusive Insurance Cover for UAE Residents from Middle East, Africa, and Asia

*New product provides complimentary personal accident insurance with each remittance via Hello Paisa*

# helloprotect



TRANSFER MONEY  
via **hellopaisa**  
Step 1

## AXA & Western Union Partnership: Affordable Insurance through Money Transfers



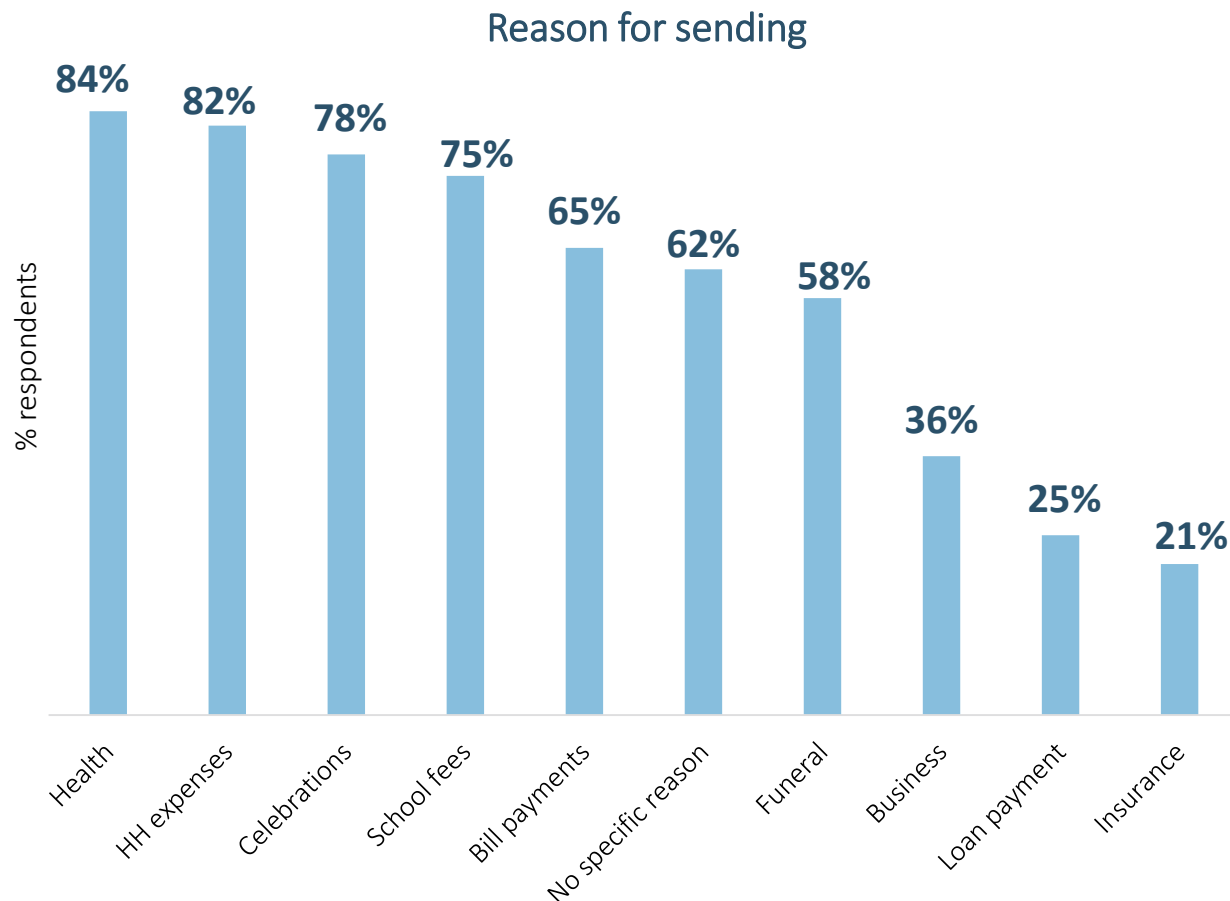
# Why remittance-linked insurance products?

- Large number of migrants already sending remittances
- Builds resilience (e.g. increase insurance uptake)
- Ensures sustained flow of remittances
- Existing demand for these products
- Clear incentives for insurers and RSPs



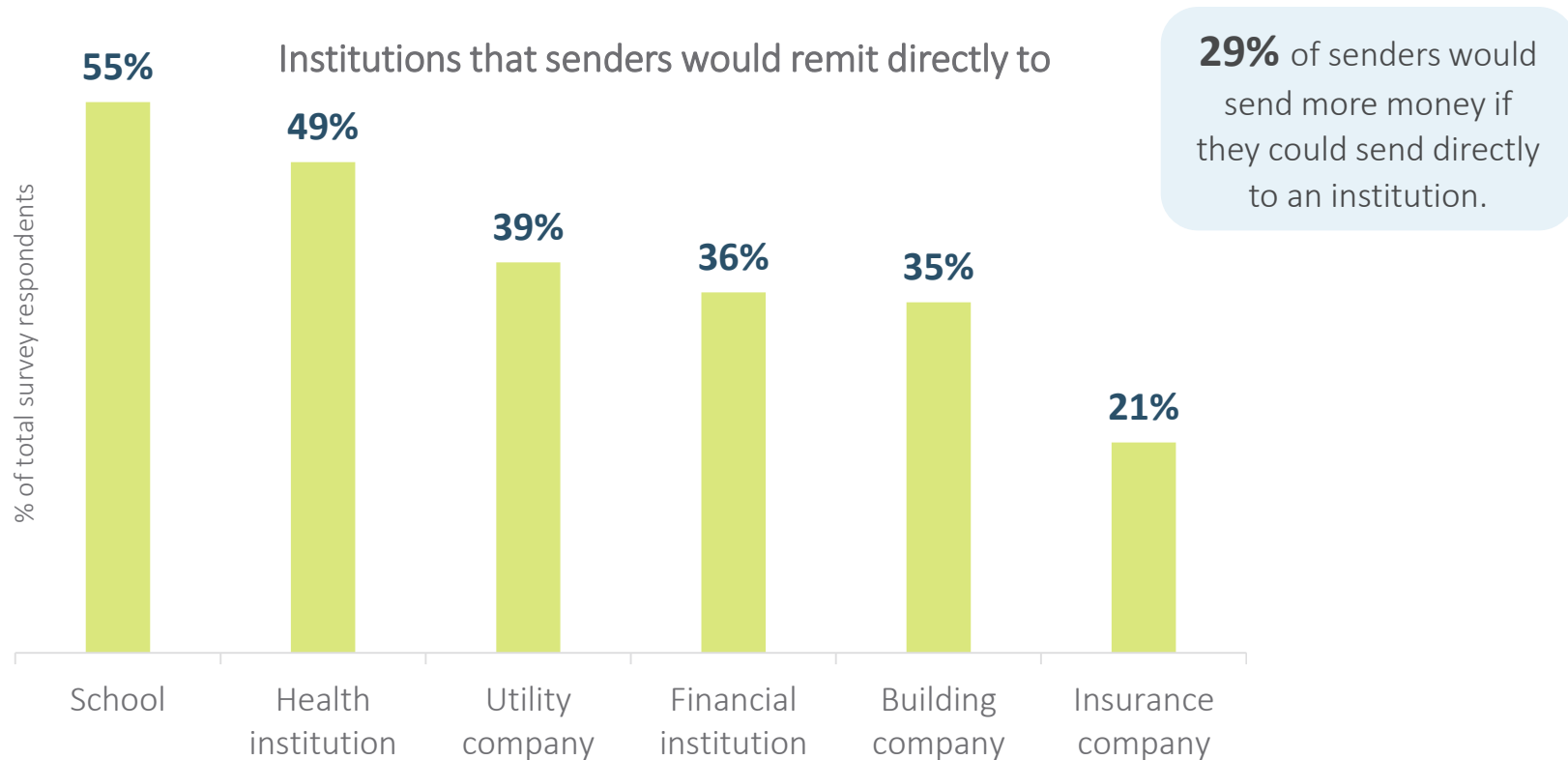
# Existing demand among senders for such products

Quantitative survey results of 1,146 digital RSP senders sending from the UK to Cameroon, Kenya, Nigeria & Uganda

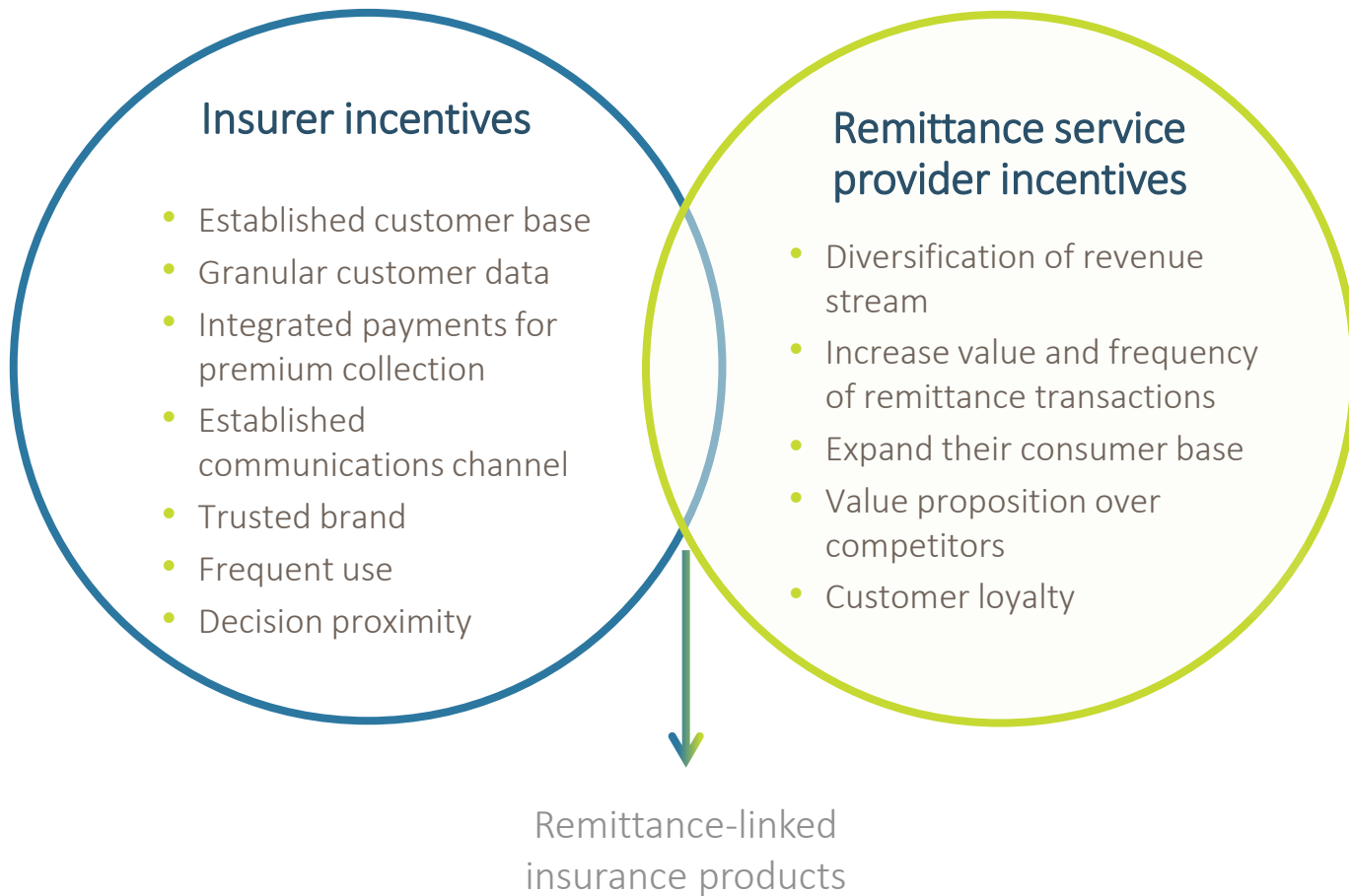


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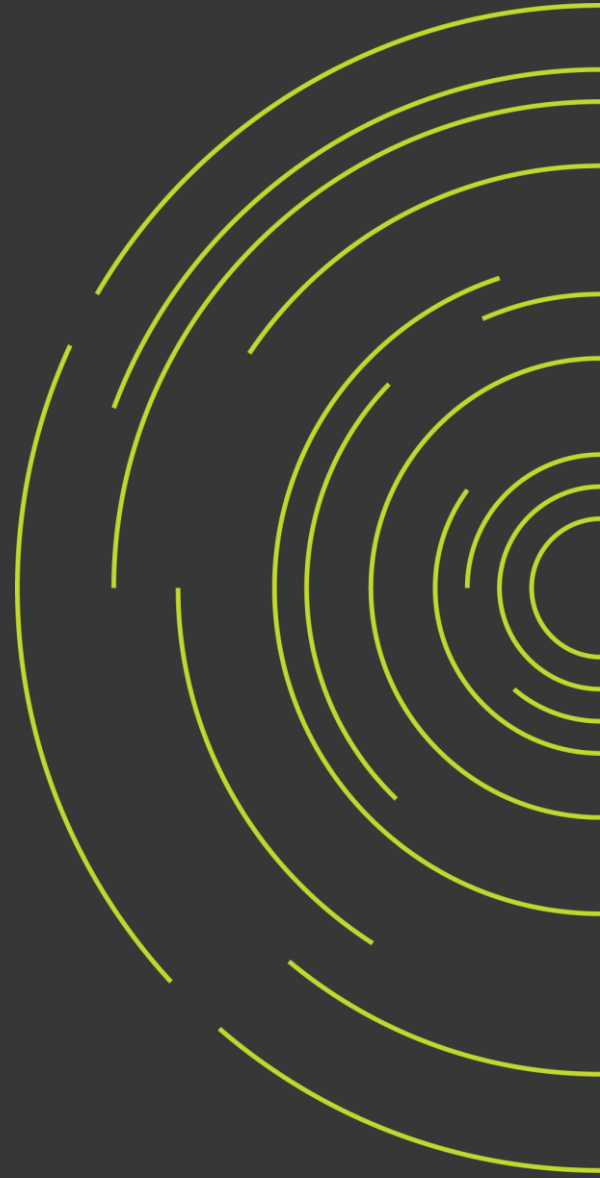
Quantitative survey results of 1,146 digital RSP senders sending from the UK to Cameroon, Kenya, Nigeria & Uganda



# There is a business case for remittance-linked insurance products



How would these products  
work practically and why are  
they not yet more prevalent?





# Models of remittance-linked insurance products

## Key questions to consider:

- Whose risks are covered?
- In which jurisdiction is the underwriter based?

**Model 1**      Covering senders' risks with an underwriter in the sending country

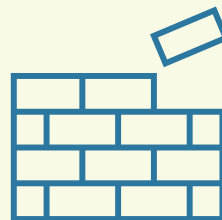
**Model 2**      Covering senders' duty of support risk with an underwriter in the sending country

**Model 3**      Covering receivers' risks with an underwriter in the receiving country

**Model 4**      Covering household unit risks with a single underwriter in either the sending or receiving country

# Barriers to remittance-linked insurance products

- Partnership complexity
- Regulatory uncertainty
- Regulatory grey areas
- Regulatory barriers



## Regulatory themes to consider

### Jurisdictional:

Underwriting, marketing, communicating and intermediation across borders

### Digitisation:

E-signatures and data protection and sharing

### Cross border payments:

Person-to-business (P2B), Business-to-person (B2P)

### Insurable risk:

Duty of support

### Intermediation:

Selling and collecting premiums

Group policy holding

Customer due diligence (CDD)

Bundling

# Contact us

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## About Cenfri

Cenfri is a global think-tank and non-profit enterprise that bridges the gap between insights and impact in the financial sector. Cenfri's people are driven by a vision of a world where all people live their financial lives optimally to enhance welfare and grow the economy. Its core focus is on generating insights that can inform policymakers, market players and donors who seek to unlock development outcomes through inclusive financial services and the financial sector more broadly.

## About FSD Africa

FSD Africa is a non-profit company that aims to increase prosperity, create jobs and reduce poverty by bringing about a transformation in financial markets in sub-Saharan Africa (SSA) and in the economies they serve. It provides know-how and capital to champions of change whose ideas, influence and actions will make finance more useful to African businesses and households. It is funded by the UK aid from the UK Government. FSD Africa also provides technical and operational support to a family of 10 financial market development agencies or "FSDs" across SSA called the FSD Network.

