

Savings-Linked Life and Health Insurance for World Vision Beneficiaries, Rwanda

SCBF PUW 2023 – 14

Report Date: May - 2025

Project Summary

Instrument type	Technical assistance grant	Project duration	Jun 2023 – May 2025
Co-funding partner(s)	n/a	Project theme	Financial Resilience
Country of implementation	Rwanda	Product / Solution	Life & Health Insurance
Financial sector partner(s)	VisionFund Rwanda	Grantee / TA provider	VisionFund International
Targeted segment(s)	Low-income clients	Targeted outreach	Life Insurance – 28'300; Health Insurance – 6'000 (covering 30,000 lives); Financial education – 18'000

• Executive Summary

The project aimed to protect vulnerable individuals, especially World Vision Rwanda (WVR) savings group members borrowing from VisionFund Rwanda (VFR), against financial shocks from illness and death. Initially, VFR offered term life insurance in 2022 but found hospitalization costs heavily burdened families. Despite 98% having national health insurance, 93% faced financial losses due to lost income, transport, and uncovered medication costs. Savings groups often had to divert funds meant for education and business to cover emergencies, risking financial stability. In response, VFR partnered with Sanlam Allianz to create a "hospicash" product covering hospitalization expenses. In 2024, term life and hospicash merged into the Humura ("peace of mind") product, mandatory for larger loans and voluntary for smaller ones, distributed through savings groups. Capacity building included training 12 supervisors and 87 officers to boost sales. By May 2025, over 30,700 policies covered 120,780 clients, mainly women and children, with nearly 1,000 claims paid. Three experts managed implementation, with some unused days due to delays in recruitment.

• Context

Rwanda has made remarkable strides in financial inclusion, with access rising from just 11% in 2016 to an impressive 96% by 2024, yet health shocks plunge rural families into debt. Field studies show that even under the flagship Mutuelle de Santé scheme, women giving birth by caesarean borrowed or sold assets to pay for health costs in 48% of cases and 23% experienced catastrophic health expenditure after adding transport and lost wages. These gaps disproportionately affect the 71% of Rwandans who live in rural areas and rely on small-scale farming. The transformation in financial inclusion was largely driven by deliberate efforts from the Central Bank, which created a robust legal and regulatory framework that encouraged the development of innovative financial products and distribution models. Improved internet connectivity and the upgrade of the Rwanda Integrated Payments Processing System (RIPPS) further accelerated the growth of mobile banking and digital financial services. The 2018 Regulation governing the Organization of Micro Insurance Business allows low-ticket, mobile-distributed covers and in 2022 the National Bank has encouraged the design of innovative products.

However, insurance penetration remains critically low, at only 2.1% well below the global average of 7% with rural communities and women especially underserved. Drawing inspiration from successful SCBF supported health insurance pilots in Ghana and Malawi, VisionFund identified an opportunity to expand insurance access in Rwanda, particularly to rural populations, while improving access to health services.

Despite Rwanda's comprehensive National Health Insurance Scheme, VisionFund (VF) and VisionFund Rwanda (VFR) conducted a needs assessment survey among target beneficiaries and below are some of the high level finding that informed the project goal and project design:

- 47% of the respondents earn less than CHF41 (\$50) per month giving rise to a need to design a low-cost insurance product

- out-of-pocket expenses still account for up to 40% of illness-related costs, creating a barrier to healthcare access
- despite being insured under the National Health Insurance plan, 60% of the respondents indicated illness as the most impacting risk citing out of pocket expenses and loss of income as major concerns. This informed the design of the hospicash product.
- 83% of the respondents indicated that they are willing to enrol and pay for a health insurance product to complement the national scheme.



Training on field with WVR savings groups members actively participating

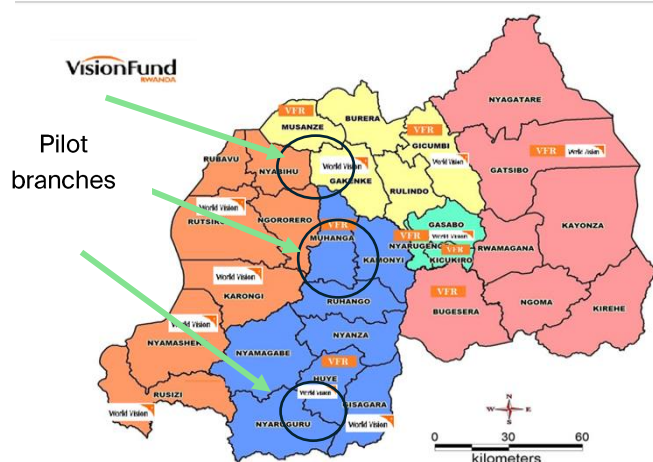
In response, VisionFund partnered with Sanlam Allianz and World Vision Rwanda (WVR) to deliver insurance services tailored to rural savings groups. As a trusted NGO with a strong national presence, WVR has supported the establishment of numerous savings groups and was pivotal in building community trust and outreach. The insurance product was bundled with VisionFund Rwanda's loans distributed to World Vision Rwanda Savings Groups, allowing for a more integrated and accessible offering.

Support from the Swiss Capacity Building Facility (SCBF) was instrumental in this process—enabling product development to tailor benefits to women-led savings groups, capacity building for 72 VFR and WVR Field officers, plus senior-level orientation on insurance operations.

Together, these efforts mark a significant step toward inclusive insurance in Rwanda, reinforcing financial resilience and healthcare access for underserved populations.

- Partnership model

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 and vulnerable rural communities.



VFR is a subsidiary of the microfinance network VisionFund International and began in 1997 as a World Vision microfinance program, and in 2004 became a microfinance institution regulated by the Central Bank in Rwanda. VFR provides microfinance products to empower its clients, primarily vulnerable women with children in rural areas. VFR serves 36,804 clients with loans, savings, and insurance products.

The current outstanding portfolio is US\$ 6,000,000. 64% of borrowers are female in 2024 and more than 150,000 children are impacted. The average individual loan size is

\$235. VFR is positioned to provide financial services to development partners in Rwanda.

VisionFund Rwanda (VFR) primarily serves rural and vulnerable communities, with a large focus (84%) on clients who are part of Village Savings and Loans Associations (VSLAs) from World Vision as well as Care International. 75% of Savings Groups are smallholder farmers, 14% are small entrepreneurs. 79% are women, 97% have at least one child in the household, with an average of 4.3 children. In 2024, 30,867 savings group members benefitted from VFR group loans. These communities face numerous risks that impact their daily lives, economic stability, and future opportunities.

In this program, VFR acts as the distribution partner and community mobiliser, leveraging its extensive footprint and relationship with rural Savings Groups. It also manages client education, product enrolment and digital



Humura launch attended by Central bank, NGOs and key Government Ministries

payment systems. VFR partnered with [SanlamAllianz](#) – a strategic partnership between two leading financial services groups, offering both Life and General Insurance products and solutions in Rwanda. It is responsible for underwriting, claims management and ensuring regulatory compliance. It works closely with VFR to adapt products based on field feedback and evolving client needs. VFR supports community entry, women-centric financial literacy delivery and education tailored for

Savings Groups, while VisionFund International provides technical assistance.

Each partner is incentivised by aligned social and commercial outcomes: VFR benefits from increased client retention and portfolio protection while advancing its mission to improve financial inclusion. SanlamAllianz gains access to high-volume, low-cost clients in previously untapped markets, with reduced distribution costs due to VFR's community presence. VFR furthers its development goals, especially in women's economic empowerment, health and financial inclusion.

In October 2024, VFR, VF and Sanlam officially launched the Humura product, signifying the start of the scale up and replication phase.

• Intervention approach

VFR focused on creating simple, affordable, and impactful insurance products tailored to client needs. While individual borrowers had enhanced Credit Life insurance, 84% of VFR's clients—Savings Group members—had no coverage. Recognizing their unique challenges, VFR partnered with SanlamAllianz Rwanda to launch a basic life insurance product specifically for these members, priced under US\$ 0.25 per month.

This product was:

- Easy to understand, distribute and afford
- VFR's first insurance experience with this client segment
- A learning opportunity for both VFR and the clients
- A chance to build trust with the insurer by meeting client volume commitments.

Following the launch, a survey revealed that although 98% of clients had national health insurance, 97% still faced financial losses during hospitalization (e.g., income loss, transport, medication costs). 81% expressed interest in a supplemental product under RWF 330/month (~US\$ 0.25), and about 70% wanted coverage for their children as well. VFR designed a new insurance product with SanlamAllianz Rwanda, adding a hospicash benefit for the whole family for US\$ 2.8 per family per year covering US\$7 per day of hospitalization and US\$ 106 in case of death.



The uniqueness of the initiative is in its capacity to reach high volume of vulnerable and rural populations with innovative and easy processes product. In few months, VFR multiplied by seven times the number of people covered in its portfolio. To make the product viable despite the low premium, VFR aimed to reach a high volume of clients. By leveraging its existing network of Savings Groups, VFR efficiently implemented the insurance product while ensuring widespread adoption. Additionally, to facilitate premium payment VFR has implemented flexible payment solutions, including integrating premium payments into group savings structures: through group savings, or group loan. This reduces the burden of lump-sum

payments and ensures continuous coverage. As regulation already required to have the pictures of ID of members for the group loan, VFR didn't add any new process step supporting the sustainability of the product. All members and their family are covered with only that basic information collected. VFR Field Officers also assist clients in claims processing.

Education and awareness are crucial components of the initiative and to ensure clients understand the insurance offering, VFR conducts targeted training sessions using simple language and group learning formats provided by its female community field officers. These sessions explain the benefits, terms, and claims process and are reinforced with digital tools and WhatsApp-based communication. At the end of each session, group members are required to fill a test and reach 80% of right answers otherwise repeat the training. Marketing efforts are designed to meet real needs and financial behaviours of VFR clients.

To avoid mis-selling, VFR maintains continuous training for field officers, conducts post-distribution monitoring of product and impact, tracks uptake patterns and user rate. This approach ensures informed consent, builds trust and supports long-term adoption of insurance as a safety net for the underserved, helping VFR continuously improve its program.

SCBF intervention supported TA for the project initiation, facilitation of partnerships with World Vision and the insurer, product development and staff recruitment and training. SCBF also supported a local consultant who supported and managed field operations.

• Results, outcomes and impact

Key KPIs	Achieved results (by end of the project – 31 st May 2025)
Total number of New group members / policyholders)	30,707
Total number of New lives covered (including family members)	120,780 (51% female) ¹
- Number of women	26,779 or 87% (policyholders)
- Number of people from rural area	120,780 or 100 %
- Number of people under the age of 35 years	72,269 or 60 %
Total number of people trained in financial literacy	35,154
Number of women trained in financial literacy	23,311

The program issued 30,707 insurance policies—87% held by women—covering 120,780 people, including 72,260 children, all from rural areas in three regions (Huye, Muhanga, Musanze). A total of 35,154 people received insurance training. The pilot involving three branches has since expanded nationally. Impact has been tracked through KPIs, with an upcoming comprehensive client impact assessment by 60 Decibels scheduled for July 2025 to evaluate satisfaction, financial wellbeing, insurance knowledge, and value for money which will allow us to replicate this good and successful model elsewhere in the VFI network.

Twelve Field Office Supervisors participated in a sales training and coaching program that changed their initial concerns about insurance raising client costs and hurting loan sales. After training, they found selling insurance alongside loans easier, which significantly increased sales and strengthened VFR's sales capacity and staff motivation.

Although product finalization was delayed from October to December 2023 due to close collaboration with the insurer to align on client needs and pricing, the January 2024 launch was successful. The product quickly gained traction, enabling the project to surpass its May 2025 targets, with sales training and coaching playing a key role in exceeding overall goals. So far, the project has not secured investment or funding for partners, but World Vision Rwanda (WVR) has used its results to seek donor support for premium subsidies for vulnerable families and is awaiting responses. Sanlam Allianz reports that the VFR insurance product accounts for 20% of their partner-distributed products and has driven a 25% market growth in that segment. The project's most significant impact in Rwanda has been the shift in staff mindset and capacity building—initial resistance gave way to recognizing insurance as a key marketing advantage for VisionFund Rwanda. The product effectively meets critical client needs, and the insurer now views it as a promising and sustainable product for wider markets.

¹ This percentage is an estimate based on demographics breakdown for Rwanda as we do not capture gender details of beneficiaries at the enrolment phase.



Nishimwe Sifa:
 “I am happy to receive a payout of RWF30,000 (CHF18) after 3 nights in hospital to deliver my baby”



Providence Uwizeyimana:
 “I used my payout of RWF130,000 (CHF75) to repay my loan to the group and pay people who worked in my fields while I was in hospital for 13 days”

• Way ahead: Future scaling and sustainability plans

VisionFund is committed to expanding its micro-health insurance offerings by applying lessons learned from this program. The health insurance initiative for savings groups is currently being replicated in other countries like Kenya, Ghana, Malawi, Uganda and Tanzania. In Rwanda, the product has been scaled up and is now available across all branches, with adaptations made for distribution to individual VFR borrowers as well. This experience also informed the design of a health insurance program for World Vision Registered Children, launched in Bangladesh in December 2024 and Zambia in April 2025. The goal is to introduce the program for Registered Children in Rwanda once funding is secured to cover premiums.

The insurance product in Rwanda is already generating enough income to cover distribution expenses and the salary of an insurance officer managing the program. Additional revenue is anticipated from other NGOs interested in insuring their groups through VisionFund Rwanda.

• Lessons learnt and recommendations

The implementation of the savings-linked life and health insurance project in Rwanda yielded valuable insights that will guide future scale-up efforts and replication in other regions. One of the key successes was the focus on understanding customer needs and their context before and during product development. This approach ensured the insurance product was simple, affordable, and aligned with the income flows of the target groups, making it accessible and relevant. Partnering with an insurer committed to long-term market development rather than short-term profits also proved critical. Leveraging existing NGO structures helped reduce distribution costs, and tailored training programs for both staff and clients designed to be brief, simple, and interactive to enhance capacity and understanding. However, some challenges emerged, particularly delays caused by the late recruitment of a qualified local consultant, a role difficult to fill within budget constraints and resulting in a small underspend on the SCBF grant funds. The team overcame this by selecting a motivated candidate with relevant experience and a strong willingness to learn, who ultimately exceeded expectations. Initial staff

resistance due to concerns about increased costs for clients also required attention and was addressed through effective training.

Key assumptions confirmed through the project included the importance of continuous product review based on client and staff feedback, the competitive advantage of including family members (especially children), and the necessity of capacity building for staff unfamiliar with insurance sales. For future initiatives, the top recommendations are to start with comprehensive customer needs assessments, maintain ongoing product adjustments, prioritize inclusive product design, invest in staff training, and tailor client education to low-literacy audiences using interactive methods.

Overall, these lessons highlight the importance of a thoughtful, customer-focused approach and capacity building to successfully introduce and scale micro-insurance products in vulnerable communities.