



International
Labour
Office

CASE BRIEF:
**UNION DES ASSURANCES
DU BURKINA VIE (UAB VIE)**

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Product name: Cauri d'or

Location: Burkina Faso

Description: Savings product with life and disability insurance cover, catering to market vendors throughout Ouagadougou. Savings contributions are collected daily from clients and every month a small premium is deducted to cover life and disability insurance. Clients generally use their savings to take advantage of business opportunities.

Premium: CFA 200 (approximately US\$ 0.40) per month for a benefit of CFA 200,000 (approximately US\$ 400) in case of death or total permanent disability

Number of clients: Approximately 12,000

Cauri d'or is a life and personal accident insurance product combined with a savings product. Each day a member of UAB Vie's sales staff visits each client at their market stall to collect their premium for that day. Clients can contribute as little as 150 West African francs (CFA) (approximately US\$ 0.35) a day, depending on how much they would like to save.

This daily contact between sales staff and clients is very convenient for clients and builds a high level of trust. Even though the product is slightly more expensive than traditional informal savings, clients say they prefer *Cauri d'or* because they have greater trust in the scheme. However, the daily manual transactions were inefficient and were prone to error and fraud. UAB Vie believed that the accuracy and efficiency of the transactions could be improved through technology.

UAB Vie therefore equipped each member of its sales staff with a mobile phone. They use the mobile phones to record the details of each payment from clients. This information is transferred directly from the mobile phone to UAB Vie's database. Alongside this new technology, UAB Vie also introduced a new management information system.

From the beginning the mobile phones were plagued by poor connections in the area. UAB

Vie therefore developed an improved solution, which allowed staff to store same data on the mobile phones and transfer it to the central database once a connection was found or when the sales staff reported to the main office. However, the offline system had to be strengthened further and UAB Vie was forced to suspend the product for 10 days while it corrected discrepancies in the system. It was at this point that it realized the value of continuing the old system as a backup. The old paper receipts proved vital to correct its records.

The new technology was promoted alongside changes to the product over a period of three months. In each market, the sales director, representatives of the market federation, and two humourists, who were well-known to clients, informed clients about the new product features and technology. One of their messages was that, "telephones will make your money more secure." A campaign was also broadcast on local radio.

The new method of recording payments has allowed UAB Vie greater control, making fraud more difficult. It has also allowed UAB Vie to simplify its procedures and better manage its portfolio. Previously four external workers and a quarter of an IT professional's time were needed to enter the data into the system, and data would not be entered until 2 months after the payment had been collected. Now data is



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largely updated in real time. In addition, the new system revealed errors in the database that had previously gone unnoticed. This allowed UAB Vie to clean its database. As a result it now has a more accurate and up-to-date understanding of its clients, as well as improved accounting.

The four external workers were no longer needed to enter the data, although an auditor was employed to validate that the premiums recorded in the system and those brought in by sales staff at the end of the day match. The cost of this auditor and of the new technology balanced out the savings made, and therefore the new technology has not yet allowed UAB Vie to reduce costs. However, as other processes continue to be automated, savings should become clearer.

Although staff generally appreciated being given a mobile phone and supported the modernisation of the programme, the new technology has resulted in some inconveniences for them. Their working day has become more rigid, since every member of staff must come to the office at the same time to deposit their funds and update all transactions before the mobile phones are locked at the end of the day. Connection problems also continue to be an issue, and the memory of the phone is not sufficient for extensive offline working. These problems even stop sales staff working on

some days. This is a problem for the product's reputation, since daily visits are a vital part of the trust built with clients.

Overall, although the technology has brought certain advantages for UAB Vie, more must be done to achieve the efficiencies that it hoped for. One important improvement planned is to equip all sales staff with hand-held printers, to allow them to issue automated receipts in place of the current hand-written receipts. UAB Vie is in the process of further strengthening its offline processes to make it possible to use these printers. Automatic receipts would reduce the amount of time taken to check the receipts each day and completely remove the need to process all the hand-written receipts at the end of each month. UAB Vie is also strengthening its management information system, in order to automate benefit calculations. In this way it will be able to eliminate another time-consuming manual process.

UAB Vie has experienced the advantages of technology, but it has also seen that individual technology innovations can only achieve so much when the core systems are not reliable enough to support them. It is now focusing on improving its management information and offline systems in order to realise the potential efficiency gains of the new technology, and to have a solid foundation for future innovation.

"Today insurance is as close to me as family. I have seen the importance of savings thanks to UAB."

A client of UAB Vie

A woman with dark hair, seen in profile, is looking down at a display of mobile phones. The phones are arranged in rows on shelves, with some in their original packaging. The woman is wearing a patterned shirt. The background is slightly blurred, showing more of the shop environment.

Housed at the International Labour Organization's Social Finance Programme, the **Microinsurance Innovation Facility** seeks to increase the availability of quality insurance for the developing world's low income families to help them guard against risk and overcome poverty. The Facility was launched in 2008 with generous support from the **Bill & Melinda Gates Foundation** to learn and promote how to extend better insurance to the working poor. Additional funding has gratefully been received from several donors, including the **Z Zurich Foundation** and **AusAID**.

See more at
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