

PRESS RELEASE

LE REASSUREUR AFRICAIN, a magazine devoted to the leader in African reinsurers, AFRICA Ré, is publishing a FINACTU contribution on "Technology and insurance: promoting flexible agriculture in Africa".

Casablanca, July 7, 2017

FINACTU is proud to share its African expertise in agricultural insurance in an article published in the AFRICA Ré magazine about "Technology and insurance: promoting flexible agriculture in Africa" in collaboration with experts from AXA, African Risk Capacity and the World Bank.

While African agriculture is suffering the consequences of climate change more than other continents, insurance and reinsurance of our continent's agricultural world become a priority.

FINACTU shows in this contribution, based on its field experience in several countries on the continent that the time has come to move from theory to practice. Until now, agricultural insurance projects have remained both rare in number and very limited, covering only a handful of farmers in the framework of "pilot projects". This relative failure has two origins: the first is related to the complexity inherent in insurance and its technical requirements; the second is that the promoters of these projects have so far designed their products with a B2C ("*business to consumer*") logic.

FINACTU's experience shows that these two obstacles can easily be circumvented:

- parametric or indexed insurance, by drastically reducing the requirement for statistics, makes it possible to design products that are simple to understand and therefore easy to sell, set up and manage;
- Moving from a B2C to B2B logic, that is, by marketing agricultural insurance not directly to farmers, but through existing processes (purchase of inputs, obtaining credit, etc.), it is possible to remove most obstacles.

Thanks to its successful experiences, notably in Morocco (creation of a multi-risk climate insurance policy providing coverage for more than one million hectares) and in Senegal (creation of a national cotton insurance scheme), FINACTU confirms that

the market is ripe for switching from experimental pilots in microfinance to large-scale projects at the national level.

In the same issue, **Tanguy TOUFFUT**, head of parametric insurance for the **AXA Group**, recalls the tremendous progress made in the processing of satellite data for parametric insurance in Africa. Finally, **Assia SIDIBE**, Development Specialist for **African Risk Capacity**, recalls that its institution, after only a few years of existence, has already achieved impressive results (purchase of US \$100 million reinsurance coverage, assistance to nearly 2 million Africans) and has important ambitions: reaching US \$1.5 billion coverage and ensuring 150 million Africans.

For more information, feel free to:

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