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## Luxembourg's insurance industry looks at how it can support the world's poor



As experts from around the globe meet this week in Luxembourg to discuss how inclusive insurance can reduce vulnerability of the poor, the local insurance industry players, gathered to find out more about microinsurance and the role that Luxembourg's insurance industry can play in supporting global development.

The Grand Duchy of Luxembourg, which is already known as a world leader in digital financial services and as a financial technology hub, is increasingly establishing itself as a centre of excellence for the promotion of financial inclusion within the international development sphere. Within this context the Microinsurance Network, a non-profit based in Luxembourg dedicated to the development and delivery of effective insurance services for underserved people, partnered with [ACA](#), the Association of Insurance and Reinsurance Companies of Luxembourg, and [SOGE LIFE](#), a life-insurance company based in Luxembourg, to hold an after-work seminar on microinsurance. The event — “[Lessons learnt in microinsurance from South to North](#)” — introduced local industry players and some financial and development actors to microinsurance and its significance within the broader development agenda, with the aim to start a dialogue on how local companies can get involved in and contribute to inclusive insurance.

“We are excited to be holding an event that is the first of its kind in Luxembourg, bringing together the local insurance industry around the topic of inclusive insurance. We hope that for some industry players this will be the beginning of a journey to get more involved in this dynamic and rapidly growing sector”, highlighted **Katharine Pulvermacher, Executive Director** of the **Microinsurance Network**.

“We are delighted to see so many of our members attending this innovative event”, stated **Marc Hengen, Managing Director** at **ACA**. “Many insurers are today rethinking their business models and there are some interesting lessons coming from the microinsurance sector”, he added. Event participants included representatives from LaLux, Groupe Foyer, AXA Group Luxembourg, SELECTRA Management Company – Farad Group, Addactis - Risk and Insurance Solutions, Association pour le Droit à l'Initiative Economique (Adie), KBC Group Re, BlueOrchard, FWU Life Insurance Luxembourg SA, Colonnade Insurance S.A., Calie Europe, as well as from the Ministry of Foreign and European Affairs, who are the main funder of the MicroInsurance Network.

“Microinsurance is an exceptional example of a **double value proposition** for businesses as it is a product that is both responsible and profitable. It also fits into the Corporate Social Responsibility objectives for insurers and other businesses and has an important role to play in achieving the Sustainable Development Goals adopted by the UN for 2030”, highlighted **Jenny Glaesener-Nasr, Senior Development Coordinator** at the **Microinsurance Network**. The emerging market opportunities for microinsurance are great with some 3 billion low-income people yet to be covered, potentially reaching a total of USD 40 billion in Gross Written Premiums. Microinsurance has an important role to play in **poverty reduction**. It offers low-income households economic development and a viable tool to manage their risks. Moreover, microinsurance initiatives support **financial inclusion**, and have an important role to play in climate change adaptation strategies, especially through index-based agricultural insurance and disaster insurance.

"With insurance we can protect people from falling back into poverty, and this will sustain the economic growth overall", explained **Nadia Boughaba, Senior Project Manager at AXA's Emerging Customer Team** in France. "Our target customers will form the middle class of tomorrow. We need to serve them today so they can be our customers tomorrow", she added during her presentation, outlining AXA's partnership with MicroEnsure in India, by which AXA has been able to reach 6 million clients in only 5 months through a Freemium model.

"Vulnerable micro-entrepreneurs are not bad risks, provided simple and comprehensive products are designed to properly meet their needs", underscored **Bruno Gautier, Microinsurance Director at Adie**, an organisation that provides support to small entrepreneurs in France through micro-loans and microinsurance, issuing over 10,000 contracts so far.

"The poor need a chance to restart and rebuild", explained **Lorenzo Chan, President and CEO of Pioneer** and member of the Board of the Microinsurance Network, who presented at the event. "The thing about microinsurance, is that we are free to alter the rules but we must never violate the principles", he added. The Pioneer Group is a traditional insurance company in the Philippines which has ventured into microinsurance and today, through its innovative partnership model, has been able to reach 20 million enrolments, covering approximately 10 million lives.

"We are glad to have been able to host this event, providing industry players such as ourselves with insights on how the insurance industry can contribute to building resilience and poverty alleviation for low income people, both in developing countries and closer to home", highlighted **Jean Elia, CEO of SOGELIFE**, Luxembourg.

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#### **About the Microinsurance Network**

The Microinsurance Network is the international multi-stakeholder platform for microinsurance experts to work together and focus on key areas for development in the sector. Its mission is to promote the development and delivery of effective insurance services for unserved people by encouraging shared learning and facilitating knowledge generation and dissemination.

[www.microinsurancenet.org](http://www.microinsurancenet.org)   

#### **About ACA (Association des Compagnies d'Assurances et de Réassurances)**

Founded in 1956, the Association of Insurance and Reinsurance Companies of Luxembourg (Association des Compagnies d'Assurances et de Réassurances) has for mission the protection and development of its members' professional interests, the analysis of problems affecting their businesses and the improvement of services offered to the public. ACA seeks to establish a permanent contact between the insurance companies and aims to study legislative, contentious, administrative, technical, commercial, financial, social and fiscal issues of interest to the profession.

[www.aca.lu](http://www.aca.lu)

#### **About SOGELIFE**

SOGELIFE is the life insurance company of the Société Générale Group in Luxembourg. A subsidiary of Sogécap and Société Générale Bank & Trust, SOGELIFE offers life insurance solutions for an international clientele of private banks in various countries in Europe: Luxembourg, France, Belgium, Switzerland, Italy, United Kingdom, Monaco, Spain, and Czech Republic. SOGELIFE operates through an open architecture with private banks, custodian banks, asset managers and a diversified distribution network.

[www.sogelife.com](http://www.sogelife.com)