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> Will Urban Migrants Formally Insure their Rural Relatives? Family Networks and Rainfall Index Insurance in Burkina Faso^{*}

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Abstract

We present findings from a pilot study exploring whether and low existing the between whom migrants and recall tensors may be used by provide the latter improved access to formal increases. Urban subgravits in Osugadougon (Me capital of Barkina Fassi) originating from nearly village were offered, at the prevailing matrixit prior, a radialit facts increases product that on potterial 22% doing the two-over shade-prior in window. Uptake noise were likely as a straight of the two-over shade-prior in window. Uptake noise were higher by 17-22 ppta among urban signation who were randomly offered an increase policy that would raise pap-out-directly to the internal branchicity rather than the underthild branchicity rather distriburated and supervised and a sprenetry and all constrol insue.

Keywordt: Microinsurance markets, Indexed insurance, Rainfall, Migration, Informal insurance morks. JEL Codes: O15, O16, G21

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Will Urban Migrants Formally Insure their Rural Relatives? Family Networks and Rainfall Index Insurance in Burkina Faso

We present findings from a pilot study exploring whether and how existing ties between urban migrants and rural farmers may be used to provide the latter improved access to formal insurance. Urban migrants in Ouagadougou (the capital of Burkina Faso) originating from nearby villages were offered, at the prevailing market price, a rainfall index insurance product that can potentially protect their rural relatives from adverse weather shocks. The



product had an uptake of 22% during the two-week subscription window. Uptake rates were higher by 17-22 ppts among urban migrants who were randomly offered an insurance policy that would make pay-outs directly to the intended beneficiary rather than the subscriber. We argue that rainfall index insurance can complement informal risk-sharing networks by mitigating problems of informational asymmetry and self-control issues.

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