



# African Insurance Organisation

**Annual Report 2024**

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African Insurance Organisation Annual Report June 2023 to June 2024

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# Foreword



It gives me great pleasure to present the latest annual report of the African Insurance Organisation (AIO), highlighting the organisation's remarkable achievements from June 2023 to June 2024.

Over the past year, the AIO has made significant strides, demonstrating resilience, innovation and leadership in Africa's evolving insurance landscape. A pivotal milestone was the introduction of the new 2024–2028 strategic plan, which builds upon the success of the previous five-year framework. The plan, endorsed by the Executive Committee in 2024, is a testament to the AIO's commitment to guiding Africa's insurance sector toward greater sustainability, growth and inclusivity. It outlines bold new objectives, including the transformation of challenges such as technological disruption and regional competition into opportunities for growth. Crucially, the plan underscores the importance of advocacy, professional development and the integration of advanced data management as the cornerstones of a more resilient and innovative insurance ecosystem across the continent.

One of the year's most significant accomplishments was the AIO's strengthening of partnerships, particularly with key institutions such as the African Development Bank (AfDB), the United Nations Development Programme (UNDP) and the African Continental Free Trade Area (AfCFTA). These collaborations, showcased at the 50<sup>th</sup> AIO Conference in Windhoek, Namibia – my home country and the land of the brave – have solidified the AIO's role as a key player in promoting regional cooperation and driving industry-wide solutions.

As we look ahead, the AIO remains unwavering in its mission to shape a thriving and inclusive insurance sector, bolstered by strategic foresight, collaboration and innovation. These achievements between June 2023 and June 2024 exemplify the AIO's vital role in fostering a secure and prosperous future for Africa's insurance industry.

Yours,

**Patty Karuaihe-Martin**  
President of the African Insurance Organisation (2024–2025)

# At a glance

## ECONOMIC AND INSURANCE MARKET TRENDS

Global economic trends and drivers impact Africa's growth and its insurance sector. The section of this report titled «Africa's insurance sector in figures» takes us through high-level global economic trends and drivers, looks into growth by African region and country, and then presents a detailed breakdown of Africa's insurance sector and trends.



Economic shocks associated with the pandemic, war in Ukraine and the Middle East conflict have taken their toll on Africa's growth, as have domestic factors such as political instability and China's economic slowdown. But Africa is resilient – it remains the world's second-fastest growing region, has a projected real GDP growth of 3.8% for 2024 and an improving growth outlook.



Africa's life insurance premium volume was stable in 2023 after adjusting for inflation, lagging growth in emerging markets (7.8%, inflation-adjusted). On a positive note, Africa's 2023 penetration rate (2.4%) exceeded that of emerging markets (1.7%) and the market growth outlook is positive as Africa's economic situation continues to improve.



Africa's non-life insurance sector saw a 3.2% inflation-adjusted decline in premium volume in 2023, but the outlook is also one of improvement in line with Africa's positive economic outlook. Although the 2023 penetration rate (1.1%) remains low, most of Africa's top nine economies by premium volume experienced slight improvements or stable penetration rates in 2023 compared to 2022.

For a full breakdown of global and African economic and insurance market trends, please see pages 30–48.

## HIGHLIGHTING THE SOCIO-ECONOMIC IMPORTANCE OF THE INSURANCE SECTOR

This year's highlight topic brings our attention to how insurance protection weaves through the fabric of society, creating strength and stability, and enabling growth in the communities and economies that it serves.



Insurance mitigates risk, and by doing this it enables businesses to thrive, promotes investment and sustainability, creates jobs, protects the health and livelihoods of individuals, plays a key role in enabling infrastructure development and supports disaster recovery.



Insurance companies are also important institutional investors and responsible asset managers, focused on secure, long-term, sustainable investments, including in resilient infrastructure, bringing capital and stability to the economies and financial markets in which they operate.



In addition to the jobs created indirectly through its support of farmers and businesses, a flourishing insurance sector provides thousands of skilled, varied and secure jobs within and associated with the sector itself, adding to economic growth and stability, and further reducing social welfare burdens.

For the full highlight topic insights, including clear explanations, data and examples from across Africa, please see pages 49–59.

# Achievements of the African Insurance Organisation: June 2023 to June 2024

## THE EXECUTIVE COMMITTEE OF THE AIO HAS APPROVED THE 2024–2028 STRATEGIC PLAN

Since its establishment in 1972, the African Insurance Organisation (AIO) has been a steadfast advocate for growth and collaboration within Africa’s insurance sector.

In response to an evolving landscape, the AIO conducted a comprehensive study in 2018, which led to the development of its first five-year strategic plan, spanning from 2019 to 2023. This plan, anchored in six key strategic pillars — advocacy, capacity building, events, reputation enhancement, research and training — reaffirmed the AIO’s position as the leading voice of Africa’s insurance sector.

Despite challenges such as the Covid-19 pandemic and limited resources, the AIO has made significant progress over the past five years, forging crucial partnerships and implementing transformative strategies across the continent.

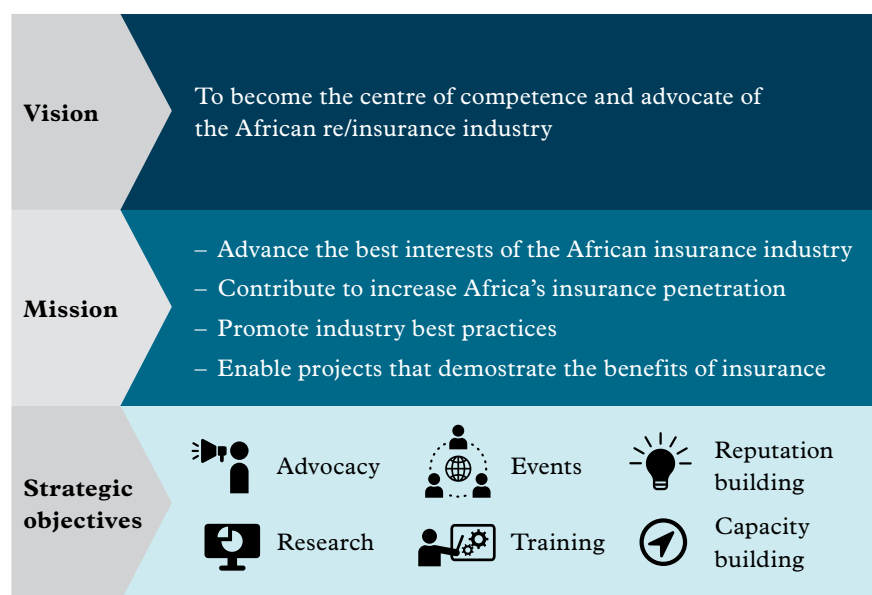
The new strategic plan 2024-2028 — presented by the Secretary General and endorsed by the Executive Committee in 2024 — serves as a roadmap that not only builds on past successes, but also paves the way for a more resilient, innovative and impactful future for both the organisation and broader African insurance sector.

This new plan focuses on transforming challenges, such as regional competition and technological disruption, into opportunities for growth. It highlights the crucial roles of advocacy, professional development and advanced data management as key drivers of future success, with a strategic set of projects designed to make a significant impact.

The success of this plan depends on the continued and generous financial support of the AIO’s members and other partners. These resources are essential not only for the implementation of various projects, but also for sustaining the ongoing and efficient operations of the organisation. Ultimately, the AIO remains dedicated to guiding Africa’s insurance sector with a strategic vision that not only meets present needs, but also anticipates future challenges.

# Achievements of the African Insurance Organisation: June 2023 to June 2024

## AIO strategic plan 2024–28



#### LONG-TERM STRATEGIC OBJECTIVES – ADVOCACY



The AIO promotes the policy interests of the African insurance sector. Key objectives are:

- To be the first point of contact for governments and other stakeholders to learn about the benefits of insurance in Africa.
- Provide a roadmap to promote the positions of its members.
- Advocate for the common position of its members.

#### THE AIO EXPANDS GLOBAL PARTNERSHIPS AND AMPLIFIES MARKET OUTREACH

In 2023 and 2024, the AIO continued to strengthen its collaborations with key international organisations, solidifying relationships with the:

1. African Continental Free Trade Area (AfCFTA)
2. African Development Bank (AfDB)
3. International Labour Organisation (ILO)
4. Microinsurance Network (MiN)
5. Nairobi Declaration on Sustainable Insurance (NDSI)
6. United Nations Development Program (UNDP)

These partnerships were prominently showcased during the 49<sup>th</sup> and 50<sup>th</sup> AIO Conferences. The 50<sup>th</sup> AIO Conference, in particular, featured a UNDP panel with active involvement from the AfCFTA. Both institutions also took part in a roundtable discussion alongside the AIO Executive Committee and regulators in Windhoek, Namibia, in 2024.

Another highlight of the 50<sup>th</sup> AIO Conference was the special session hosted by the Africa Climate Risk Insurance Facility for Adaptation (ACRIFA) under the AfDB. This session, which provided an in-depth overview of the ACRIFA model and framework, brought together the AIO Executive Committee, regulators and leading industry CEOs.

The NDSI also made a significant impact by organising a panel discussion focused on the implementation of ESG practices to strengthen resilience against climate-related natural disasters.

Another key partner, the MiN, conducted a workshop under the auspices of the ILO at the latest conference in Namibia. This workshop, titled «The Landscape of Microinsurance 2022: Key Findings», tackled the challenges posed by the increasing frequency of natural catastrophes in Africa.

Additionally, the AIO expanded its global reach with the Secretary General's participation in the General Arab Insurance Federation (GAIF) Conference, where the two organisations formalised their collaboration through the signing of a Memorandum of Understanding.

In his ongoing efforts to enhance market outreach, the Secretary General of the AIO made strategic visits to Tunisia, Namibia, Morocco and Egypt during 2024. These visits reflect the AIO's commitment to deepening ties and expanding its influence across the African continent.



*Achievements of the African Insurance Organisation:  
June 2023 to June 2024*



#### **LONG-TERM STRATEGIC OBJECTIVES – CAPACITY BUILDING**



The AIO facilitates solutions that meet the needs of the underinsured and uninsured segments of society, thereby promoting greater insurance penetration. Key objectives are:

- Evaluate existing risk pools and discuss the need for new solutions with its members.
- Test the viability of new insurance solutions through lighthouse projects.
- Harmonisation of insurance education and best practice.

#### **KEY ACHIEVEMENTS AND NEW INITIATIVES IN CAPACITY BUILDING**

Since its establishment in 1972, the AIO has created various risk pools and bodies to help members enhance their ability to effectively manage risks.

##### **African Aviation and Oil & Energy Pools**

###### **African Aviation Pool – Turnaround success in 2023**

In 2023, the African Aviation Pool achieved a significant turnaround, with profit rising to USD 863,911, up from USD 576,574 in 2022, despite a 43% reduction in premium income to USD 730,515 due to stricter risk selection. This impressive result was accomplished while maintaining a stable gross underwriting capacity of USD 17.5 million. The pool is currently supported by 52 members, who collectively subscribe to a capacity of USD 8.11 million.

These results highlight the effectiveness of the pool managers' turnaround efforts. However, to achieve sustained profitable growth, it is crucial that members increase their support, as the current turnover remains modest.

###### **African Oil & Energy Pool – Improved financial performance in 2023**

In 2023, the African Oil & Energy Pool saw a 6.5% reduction in premium income, decreasing to USD 27.13 million from USD 29.03 million in 2022, due to stricter risk selection. Despite this decline, the pool achieved a significant improvement in its operating result, which increased to USD 10.22 million from USD 3.78 million in the previous year. Membership remained stable at 51, with a subscribed capacity of USD 8.86 million, and the gross underwriting capacity was maintained at USD 90 million. As of 31<sup>st</sup> December 2023, the members' account stood at USD 38.92 million, marking a substantial 35.6% increase from USD 28.70 million in 2022.

Looking ahead, the pool managers are eager to secure additional support from members to ensure sustained profitable growth.

### **African Association of Young Insurance Professionals (YIPs Africa)**

In 2023 and 2024, YIPs Africa successfully expanded its presence across the continent by launching new chapters in Algeria, Ghana, Mauritius and Gambia. The Algeria Chapter was introduced on 31<sup>st</sup> May 2023 during the 49<sup>th</sup> AIO Conference, highlighting «Parametric Insurance as a Tool for Supporting Food Security in Africa.» The Ghana Chapter followed on 26<sup>th</sup> August 2023, coinciding with the CIIG Insurance Excellence Awards. Mauritius joined on 28<sup>th</sup> August 2023, during the OESAI 50<sup>th</sup> Anniversary, with a focus on «Fostering Financial Inclusion through Innovation and Technology». Finally, on 23<sup>rd</sup> April 2024, the Gambia Chapter was launched at the WAICA annual conference, emphasising «The Role of Insurance Professionals in Building a Common Insurance Market for West Africa». These launches have significantly extended YIPs Africa's reach and influence across the region.

In 2023 and 2024, YIPs Africa undertook further initiatives to advance its mission. During Africa Climate Week on 7<sup>th</sup> September 2023, YIPs Africa hosted a globally attended event focusing on the role of insurance in integrating nature-based solutions for disaster risk reduction. On 26<sup>th</sup> October 2023, YIPs Africa, in collaboration with the African College of Insurance & Social Protection (ACISP) and the International Labour Organisation (ILO), launched Africa's first Bilingual Course on Inclusive Insurance, marking a significant step forward in professional development. The organisation further strengthened its influence by becoming a supporting institution of the United Nations Environment Programme Finance Initiative (UNEP FI) on 2nd January 2024, aligning with global efforts in sustainable finance. Additionally, YIPs Africa hosted a well-attended webinar on 30<sup>th</sup> April 2024, in celebration of International Labour Day, focusing on the role of young insurance professionals in promoting inclusive insurance across Africa. Lastly, YIPs Africa fostered community engagement through the Nigeria Inter-Surance Games on 14<sup>th</sup> September 2023, bringing together industry professionals for a day of sports and camaraderie.

### **Association of African Insurance Educators and Trainers (AAIET)**

During the 50<sup>th</sup> AIO Conference, the Association of African Insurance Educators and Trainers (AAIET) highlighted several key achievements and outlined new projects. The association successfully trained 300 members from 20 countries, saw a 30 % increase in membership and adopted its constitution. Efforts to harmonise the insurance curriculum across Africa are ongoing, with a roadmap to be submitted by September 2024. To enhance training capacity, a «Train of Trainers» programme is being developed to support the design and delivery of actuarial science programmes. Additionally, the AAIET has proposed a reduction in AIO conference fees to encourage greater participation from educators and trainers. The association also plans to conduct research on topical issues across the continent and organise at least two webinars per year for continuous member training. Finally, recognising the need for greater efficiency, the AAIET resolved to engage the AIO for support in establishing a dedicated secretariat.

### **Pan African Insurance Agents' Association (PAIAA)**

The Pan African Insurance Agents' Association (PAIAA) has made significant strides in fostering collaborations and partnerships, particularly transforming competitors into partners through annual conferences. They have also achieved notable progress in cross-border trading and commission sharing in the East African insurance market, with plans to extend this success to other regions. Active participation in industry initiatives and strong engagement with industry leaders have further propelled their efforts. Looking ahead, the PAIAA is focused on enhancing support and capacity building through virtual and physical meetings, with their first in-person conference scheduled for November 2024 in Nairobi, Kenya, aimed at furthering collaborations and development across the continent.

## *Achievements of the African Insurance Organisation: June 2023 to June 2024*

### **African Network of Insurers Association (ANIA)**

The African Network of Insurers Associations (ANIA) has achieved significant milestones, including doubling its membership to 16 national associations across Africa. This growth was complemented by a successful annual retreat and AGM in Zambia, where strategic resolutions were made to collaborate with the AIO and regulators on developing regulatory frameworks, ensuring financial sustainability and strengthening the ANIA's capacity to represent its members effectively. To drive these initiatives forward, three specialised committees were established. Looking ahead, the ANIA is focused on expanding its reach into Francophone Africa and finalising a Memorandum of Understanding with PTA Re, which will provide crucial ongoing support and streamline sponsorships, ensuring the network's continued growth and long-term sustainability.

### **AIO Life Committee**

The AIO Life Committee has been actively engaged through regular virtual meetings and a physical meeting at the 50<sup>th</sup> AIO Conference in Windhoek. Key discussions focused on the need for increased promotion of the Life Seminar to various industry stakeholders and the development of mortality life tables, a project poised to significantly enhance life insurance rating across Africa – a critical advancement given that few African countries currently have their own mortality tables. The committee also successfully organised the 2023 Life Seminar in Algeria and the 2024 Seminar in Namibia, both held alongside the 49<sup>th</sup> and 50<sup>th</sup> AIO Conferences.

### **Africa Insurance Women Association (AIWA)**

Since its inauguration in May 2023, the African Insurance Women Association (AIWA) has significantly expanded its leadership and membership, growing from 13 to 25 countries and establishing 11 female insurance associations. The AIWA has formed key partnerships, hosted educational webinars on critical industry topics and launched a strong digital presence. Looking ahead, the AIWA plans to address gender parity in the insurance sector through strategic partnerships and a dedicated committee. The administration has prioritised reducing the gender parity gap in Africa's insurance sector, where a 2023 webinar revealed an

80:20 male-to-female ratio at C-suite and board levels. This prompted the formation of a Gender Parity Committee to develop country-specific strategies and recommendations, with the support of industry stakeholders, to accelerate progress and bridge the gap over time. Additionally, the association will continue its International Exchange Program, with an upcoming conference in Nigeria in November 2024, and will introduce an AIWA Calendar to coordinate events, promote member welfare and foster inter-Africa competition among women in insurance.

#### LONG-TERM STRATEGIC OBJECTIVES – EVENTS



The AIO provides its members with valuable networking platforms, such as the Annual Conference and General Assembly and the Reinsurance Forum. Key objectives are:

- Provide high quality pan-African events by regularly raising the bar.
- Enhance the relevance of these events by incorporating insightful information on key market trends and risk developments across Africa.
- Use key events to regularly communicate progress on key AIO objectives and value to members through reports, presentations and other communications.

#### **THE 50<sup>TH</sup> AFRICAN INSURANCE ORGANISATION (AIO) CONFERENCE AND ANNUAL GENERAL ASSEMBLY, WINDHOEK, NAMIBIA, 1<sup>ST</sup> TO 5<sup>TH</sup> JUNE 2024**

The 50<sup>th</sup> African Insurance Organisation (AIO) Conference and Annual General Assembly took place from 1<sup>st</sup> to 5<sup>th</sup> June 2024, at the Mercure Hotel in Windhoek, Namibia, under the theme «Coping with Rising Natural Catastrophes Across Africa». The event was inaugurated by the Prime Minister of Namibia, Dr. Saara Kuugongelwa-Amadhila, with remarks from Mr. Tertius Stears, Chairman of the Local Organising Committee, Mr. Kenneth Matomola, Commissioner of Insurance, Namibia, and AIO President, Mr. Benhabiles Cherif. The conference provided a comprehensive platform for addressing the challenges posed by rising natural catastrophes and offered valuable insights into building resilience within Africa's insurance sector. Over three days, 31 speakers delivered presentations and participated in discussions across eight sessions:

1. Session – Keynote presentation by Antoine Bavandi, Global Head of Public Sector, Parametric & Climate Resilience Solutions, Gallagher Re, on «Insurance and Natural Catastrophes Across Africa: Building Resilience for Uninsured Populations.»
2. Session – «Rethinking Catastrophe Modelling and the Insurance Protection Gap» by Walter Voigts von Foster, Head of Non-Life Reinsurance, Munich Re Africa

3. Session – UNDP

Linet Odera, Head of the UNDP's Insurance and Risk Finance Facility, introduced the session.

Beatrice Chaytor, Head of Division, Trade in Services, AfCFTA, presented «Common Financial Services Regulatory Framework Affecting the Insurance Industry».

A roundtable on «Impact Management Practices in the African Re/insurance Industry» featured Alka Bhatia, Resident Representative, UNDP Namibia; Irish Goroh, Program Specialist, UNDP Namibia; Ruan Bestbier, Group Head: Sustainability, Capricorn Group; and Tawuya Nhongo, Asset Management Business Partner, Old Mutual Limited.

4. Session – Life Seminar

Roelof Coertze, Head of Enterprise Risk Management, Prudential Africa, presented on «Life Insurance in the Face of Climate Change: Adapting to Increasing Natural Catastrophes in Africa.»

Lebohang Lebeta, Client Manager, Swiss Re Africa L&H, and Benjamin Semugga, Senior Marketing Actuary, Swiss Re's Life and Health Division, discussed innovative approaches to integrating climate risks in life insurance.

5. Session – Regulation Panel Discussion

Erich Gariseb, General Manager, NAMFISA, Namibia; Salaheddine AJI, General Manager, Moroccan Insurance Federation; and Dr. Grace Muradzikwa, Commissioner of Insurance, Zimbabwe, discussed future regulatory trends. Moderated by Dr. Yeside Oyetayo, Managing Principal Partner, SOEYA Consults.

6. Session – AfDB

Patty Karuaihe-Martin, Managing Director, Namib Re; Kelvin Massingham, Director of Risk and Resilience, FSD Africa; Philip Lopokoiyit, CEO, ICEA Lion; Dr. Andrew Mude, Lead, Agri-SME Innovative Financing and Development Program; and Roelof Coertze, ERM and Climate Change Actuary, Prudential, explored «Using ESG Practices in Building Resilience to Climate-Related Natural Catastrophes».

7. Session – Insurance Penetration Dilemma

A panel including Sory Diomande, CEO, Santam Re; Brian McGregor, Director of Underwriting, Africa Specialty Risks; Samuel Matsekete, Group CEO, Old Mutual Zimbabwe; and Tertius Stears, Group CEO, Sanlam Namibia Holdings, discussed how natural catastrophes impact insurance penetration in Africa. Moderated by Grace Mohamed, Executive Head, Corporate Affairs, Hollard Namibia.

8. Session – AIO EXCOM and Supervisory Authority Round Table

Dr. Hassan Bashir, Senior Consultant, ACRIFA, and Dr. Andrew Mude, Lead, Agri-SME Innovative Financing and Development Program, led a discussion on the «Africa Climate Risk Insurance Facility for Adaptation».

Linet Odera and Beatrice Chaytor returned for a session on «Common Financial Services Regulatory Framework in Africa – Insurance Sub-Sector Roundtable».

**THE 27<sup>TH</sup> AFRICAN REINSURANCE FORUM IN TUNIS, TUNISIA FROM 30<sup>TH</sup> SEPTEMBER TO 4<sup>TH</sup> OCTOBER 2023**

The 27<sup>th</sup> African Reinsurance Forum, initially scheduled to take place in Libreville, Gabon, was relocated to Tunis, Tunisia, due to political challenges. Held from 30<sup>th</sup> September to 4<sup>th</sup> October 2023, at the LAICO Hotel and hosted by the Fédération Tunisienne des Sociétés d'Assurances (FTUSA) and Tunis Re, the forum brought together industry leaders to discuss the theme «Paradigm shift: Can Africa's re/insurance industry support a self-funded Africa?» The event was well-attended, with 480 delegates participating, including key figures such as Tunisia's Finance Minister's Director of Cabinet, AIO President Mr. Benhabiles Cherif, AIO Secretary General Mr. Jean Baptiste Ntukamazina, and FTUSA President Mr. Hassène Feki.

The forum provided a platform for in-depth discussions on the future of Africa's reinsurance industry, highlighting the challenges and opportunities in creating a self-funded Africa through robust reinsurance strategies, and featured a series of insightful sessions led by 14 distinguished speakers and moderators:

## *Achievements of the African Insurance Organisation: June 2023 to June 2024*

1. Session – Panel: Overview of Global Reinsurance Trends
  - Laurent Montador, Deputy CEO, CCR Re
  - Hasib Ilyes, Head of Reinsurance & CEO Saham Re, Sanlam|Allianz
  - Paul Griessel, Chief Executive Officer, AON Re, South Africa
  - Moderator: Mme Lamia Ben Mahmoud, Managing Director, Tunis Re
2. Session – «Macro-Economic Environment Deterioration & Reinsurance Industry – Dissecting the Impact of Currency Depreciation & Inflation on the Performance of African Reinsurers» by Dr. Corneille Karekezi, Group Managing Director/CEO, Africa Re
3. Session – «Can Insurance Investment Bridge the Infrastructure Funding Gap?» By Skander Naija, General Manager, AMI Assurances, Tunisia
4. Session – «Be Part of the Conversation: How to Successfully Access Funding by Norman James, International Business Development Director», Sedgwick International
5. Session – Panel: «Towards Economic Independence: Developing a Blueprint for African Reinsurers to Fund Development Projects»
  - Steve Oluoch (Virtual), Chief Executive Officer, MNK Re, Kenya
  - Fola Daniel, Managing Director/CEO, FBS, Nigeria
  - Lety Endeley, Central Director, Non-Life for International Markets in English-speaking Africa, Asia, and Latin America, CICA RE, Togo
  - Habib Karaouli, Chairman & CEO, CAP BANK
  - Moderator: Jean Alain Francis, Chief Executive Officer, Ellgeo Re, Mauritius
6. Session – «Capacitating Reinsurers to Fund Development Across Africa: Challenges and Opportunities» by Dr. Crepin Gwodog, Managing Director, SCG RE
7. Session – «AM Best’s Perspectives on the State of the Global Reinsurance Industry», by Dan Hofmeister (Virtual), Senior Financial Analyst, AM Best

#### **LONG-TERM STRATEGIC OBJECTIVES – REPUTATION BUILDING**



The AIO reinforces the positive perception of the insurance sector as a facilitator of economic and social progress. Key objectives are:

- The AIO believes that raising awareness of the benefits of the insurance sector is best served by national institutions; however, it will support this effort by fostering several initiatives to positively develop the reputation of the insurance sector.

As part of its strategic pillar on reputation building, the AIO implemented the revised Headquarters Agreement with Cameroon and honoured industry leaders at the 50<sup>th</sup> AIO Conference, awarding Mr. Junior John Ngulube for his exceptional contributions and Mr. Elijah Owusu Agyeman for his scholarly work on inclusive insurance.

#### **INTER-MINISTERIAL MEETING ON AIO'S HEADQUARTERS AGREEMENT**

Following the revised Headquarters Agreement signed with the Government of Cameroon on June 10, 2022, an inter-Ministerial Committee was established to oversee its implementation. This committee, comprising officials from Cameroon's Ministries of External Relations and Finance, convened at the AIO Secretariat from 29<sup>th</sup> to 30<sup>th</sup> May 2024. The two-day meeting was dedicated to discussing and resolving challenges related to the agreement's benefits.



#### **AIO AWARDS**



**Winner of the 2024 AIO Recognition Award:  
Junior John Ngulube**

At the 50<sup>th</sup> AIO Conference, Mr. Junior John Ngulube was honoured with the AIO Recognition Award for his exceptional contributions to the African insurance sector.

His impactful career includes leading the historic USD 1.1 billion acquisition of Moroccan firm SAHAM Finances and serving on key regional and international insurance committees, such as the Organisation of Eastern and Southern Africa Insurers and the AIO.

Mr. Ngulube's extensive experience spans roles with Munich Re, Sanlam Emerging Markets and other major organisations, demonstrating his profound influence on the sector. He is celebrated for his leadership, innovative approaches and efforts to enhance insurance markets across Africa and beyond.



**Winner of the 2024 AIO Book Award:  
Elijah Owusu Agyeman**

The AIO sponsored its annual book award to promote scholarly research in the African insurance sector, with a jury of experts evaluating the submissions.

Mr. Elijah Owusu Agyeman won the award for his book, «Promoting Inclusive Insurance in a Constrained Economic Environment», and received a USD 5,000 cash prize.

Mr. Agyeman, with 15 years of experience in Ghana's insurance sector, serves as Head of Financial Institutions at KEK Insurance Brokers Limited. His extensive qualifications include memberships in various insurance and risk management organisations, highlighting his commitment to advancing insurance education and awareness.

## LONG-TERM STRATEGIC OBJECTIVES – RESEARCH



The AIO contributes to decision making and industry recognition by providing thought leadership and market insight. Key objectives are:

- To provide and develop a data collection (or data repository) on African insurance markets.
- To analyse the data, identify trends and translate these into key themes and thought leadership contributions.
- To use the identified themes and thought leadership to set the advocacy agenda.

Since 2016, the AIO Secretariat has been dedicated to advancing research in partnership with Faber Consulting. We have produced a series of impactful publications that provide valuable insights to the African insurance sector, and we prominently share these findings at our major events, fostering meaningful discussions and dialogue.

These publications reflect our commitment to addressing key challenges in Africa's insurance sector and providing valuable insights for future development.



### Enhancing disaster resilience

At the 50<sup>th</sup> AIO Conference in Namibia, we released the latest «Africa Insurance Pulse» edition, which focused on «Disaster Resilience». Africa, with its high vulnerability to natural and man-made disasters, faces significant challenges in disaster risk management due to inadequate funding and limited risk data. This report underscores the importance of robust, integrated risk management and highlights how insurance sector innovations, such as technology-driven distribution models and regulatory support, are crucial for improving resilience. The publication offers actionable insights for policymakers, regulators and industry practitioners to strengthen disaster risk management strategies across the continent.



### Navigating inflation's impact

In September, at the 27<sup>th</sup> African Reinsurance Forum in Tunis, we presented our third annual report, prepared by Faber Consulting. This comprehensive document provides a snapshot of the AIO's achievements and initiatives from June 2022 to June 2023, while also offering guidance on Africa's evolving insurance landscape. The report centers on inflation and its implications for insurance markets, including insights into how inflation affects industry dynamics and provides strategies for adapting to economic change.

#### LONG-TERM STRATEGIC OBJECTIVES – TRAINING AND EDUCATION



The AIO sets standards and highlights best practice by providing insurance knowledge. Key objectives are:

- To analyse and define the training needs of its members.
- Select providers and courses that meet the training needs of the African insurance sector.
- Not only set standards, but also develop new training courses for its members.

#### ADVANCING INSURANCE KNOWLEDGE: AIO'S RECENT WEBINAR HIGHLIGHTS

The AIO Secretariat has been actively facilitating important discussions in the insurance sector through a series of well-attended webinars, each drawing around 300 participants on average. These webinars reflect our ongoing effort to enhance knowledge and skills within the insurance sector.

1. **Climate change and insurance:** In December 2023, we partnered with the African Insurance Women Association (AIWA) for a webinar titled «Climate change: insurance as a viable solution». This session explored how insurance can help to address climate-related challenges.
2. **Developing global insurance professionals:** In January 2024, we assisted the Association of African Insurance Educators and Trainers with a webinar on «Nurturing a Global Insurance Professional». The focus was on equipping professionals with the skills needed for international success.
3. **Financial inclusion and insurance:** In May 2024, the AIO and AIWA hosted a webinar discussing «Financial Inclusion Policies: Trends, Opportunities and Challenges for Insurance Penetration». This event examined how financial inclusion policies affect insurance accessibility and growth.

#### OUTLOOK ON AIO CERTIFICATION PROGRAMMES

We are poised to launch the Leadership in Insurance Certification, developed with the College of Insurance Nairobi. The e-learning platform is ready and the training manuals for all levels have been completed and validated. The program will be officially launched in Cairo, Egypt, at the 28th African Reinsurance Forum.

The Agriculture Insurance Certification is in its initial phase, with a draft concept note prepared. We are actively engaging with the World Bank Group (WBG) for potential collaboration, leveraging their existing curriculums and materials. Our next steps include finalising our partnership with the WBG to advance this promising initiative.

# Interview with Jean Baptiste Ntukamazina, Secretary General of the African Insurance Organisation

**The AIO has recently adopted a new strategic plan. Could you share the primary objectives of this plan?**

In response to the sector's shifting landscape, the African Insurance Organisation (AIO) undertook an extensive study in 2018, which laid the groundwork for its 2019–2023 strategic plan. Centred around six key pillars – advocacy, capacity building, events, reputation, research, and training – this plan established the AIO as a hub of excellence. Despite the unprecedented challenges posed by COVID-19, the AIO achieved notable progress. Building on this momentum, the AIO has recently unveiled its 2024–2028 strategic plan, which addresses emerging issues such as regional competition, regulatory shifts, economic instability, and technological disruption, ensuring continued robust support for its diverse membership across Africa.

**Could you provide an overview of the key projects outlined in AIO's 5-year strategic plan and explain how they benefit AIO members?**

The AIO's five-year strategic plan sets forth a range of initiatives designed to bolster and advance the African insurance sector. Among these is the Leadership in Insurance and Finance programme, which seeks to elevate leadership skills across the industry. Another key initiative is the introduction of the African Insurance Data Repository (AIDR), providing members with access to invaluable market data from over 30 African nations. The AIO's certification programmes, covering essential topics such as microinsurance, agricultural insurance, insurance regulation & supervision, and Insurtech & innovation, offer crucial avenues for professional development. Additionally, the AIO Mortality Table project is dedicated to producing more precise mortality data to enhance actuarial assessments throughout Africa's insurance markets.

**Lack of insurance data is a key issue in Africa. Could you elaborate on the goals and expected outcomes of the new data repository?**

The African Insurance Data Repository (AIDR) is a cornerstone of the AIO's latest five-year strategic plan. This repository will provide our members with critical data to assess market potential, attract investment, and boost insurance penetration, addressing the long-standing need for a unified public database in the African insurance sector. The demand for such data extends beyond insurance, offering significant value to development organisations and policymakers. By integrating insurance data with mac-

roeconomic insights from institutions like the IMF, the AIDR will enable comprehensive analysis through various metrics and ratios, drawing on contributions from over 30 African insurance regulators.

**The AIO is renowned for its networking events. What are the major themes and expected outcomes from the upcoming events in Egypt and Ethiopia?**

In Egypt, we will host the 28<sup>th</sup> Reinsurance Forum from 12–15 October 2024, centred around the theme «Harmonisation: Uniting the African re/insurance markets for a sustainable future.» This forum will delve into how regulators across the continent are advancing harmonisation efforts, particularly in light of the African Continental Free Trade Agreement (AfCFTA), and the implications this will have for insurers throughout Africa.

Meanwhile, the 51<sup>st</sup> AIO Conference, set to take place in Ethiopia, will address Africa's debt crisis, exploring how domestic resources, such as insurance and pension funds, can be harnessed to lessen dependence on external borrowing. We expect these events to foster collaboration and yield actionable strategies that will drive the sector forward.

**The socio-economic importance of insurance is the focus of the latest AIO publication. Why is this a critical issue for Africa?**

Insurance serves as a stabiliser in any economy, protecting lives, communities, properties, and businesses while contributing to economic growth across Africa through premiums. However, the macroeconomic environment in many African countries has deteriorated, largely due to debt and debt servicing challenges, with Ghana being a prominent example. A well-developed insurance sector is vital for both economic development and stability, offering long-term investments that not only drive growth but also strengthen risk-taking capacities. Today, insurance is a key enabler of both economic growth and intra-African trade, playing an increasingly important role in the continent's development.

**Africa faces significant challenges with high debt and limited fiscal capacity. How can the re/insurance sector contribute?**

At its 27<sup>th</sup> Reinsurance Forum in Tunis, the AIO led an essential discussion under the theme «Paradigm shift: Can Africa's re/insurance industry support a self-funded

Africa?» As the continent grapples with a rapidly widening infrastructure gap, this challenge is proving a significant obstacle to its development. Despite the pressing need, insurance is often only considered once project agreements are already in place. The AIO is adopting a proactive stance by encouraging more African re/insurers to invest directly in large-scale infrastructure projects. By tackling existing barriers, the AIO aims to position insurance as a central pillar in Africa's infrastructure development strategy. With vast infrastructure requirements, the insurance sector holds the potential to stabilise economies, reduce dependency on additional debt, and pave the way for sustainable growth.

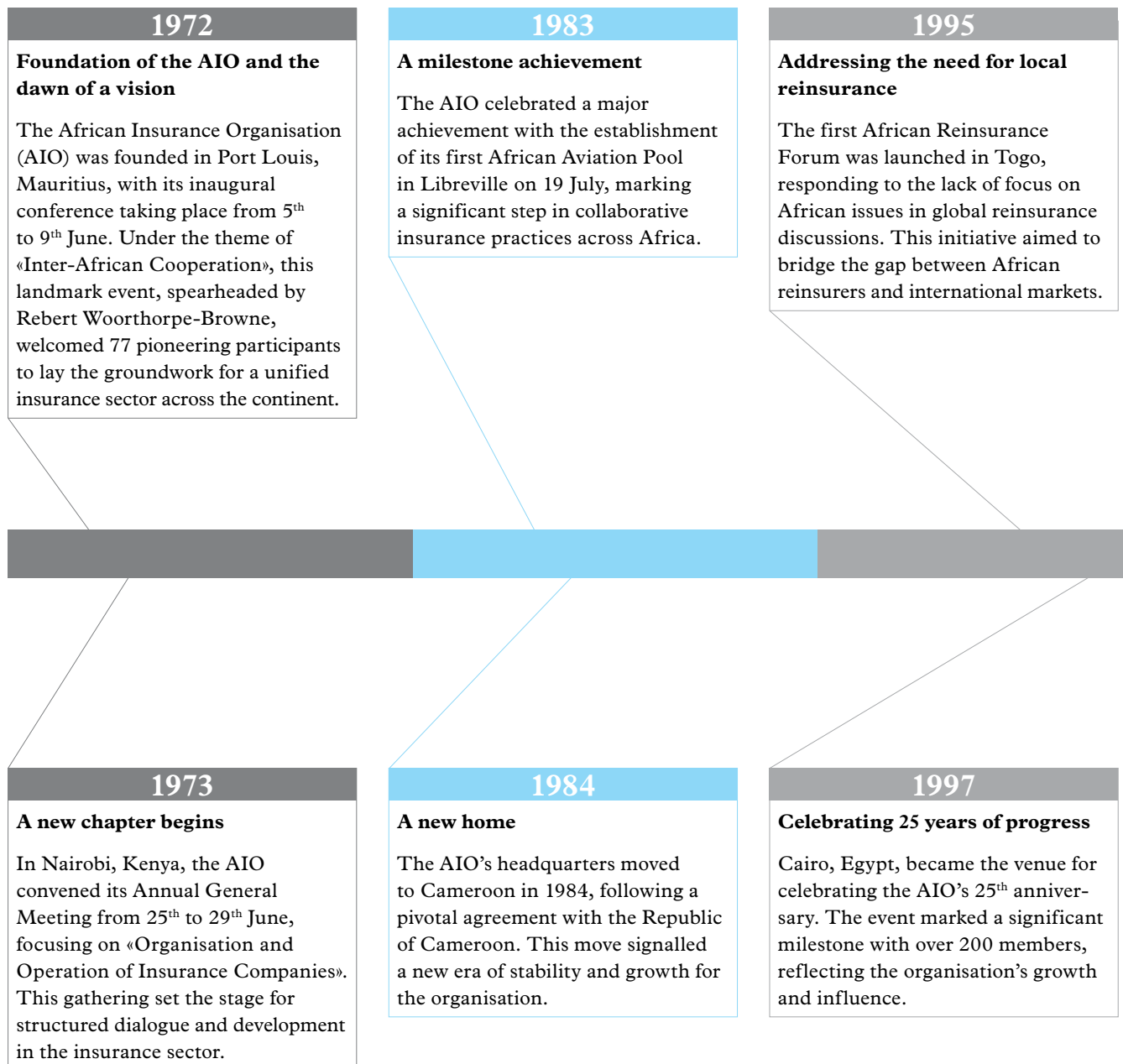
**What are your expectations for the future of the African insurance industry?**

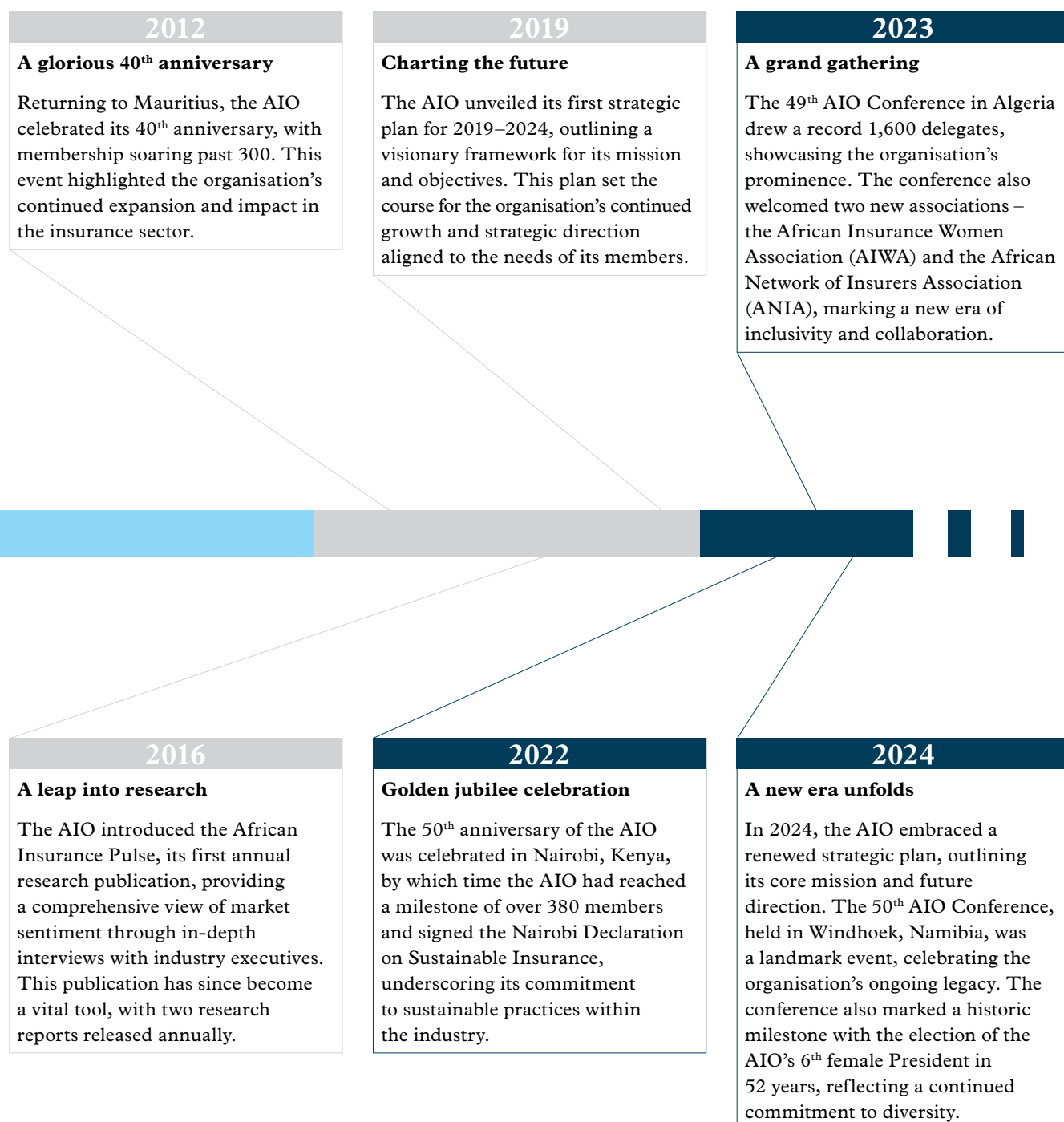
The future of Africa's insurance sector is bright. Our strategic plan is designed to enable the sector to navigate both the challenges and opportunities that lie ahead. With a focus on capacity building, cultivating partnerships, and promoting innovation, I am confident that the African insurance industry has the potential to emerge as a key driver of socio-economic growth and development across the continent.



# A journey through time – milestones of the African Insurance Organisation

Through these milestones, the AIO has continually evolved, reflecting the dynamic growth and enduring spirit of the African insurance sector.

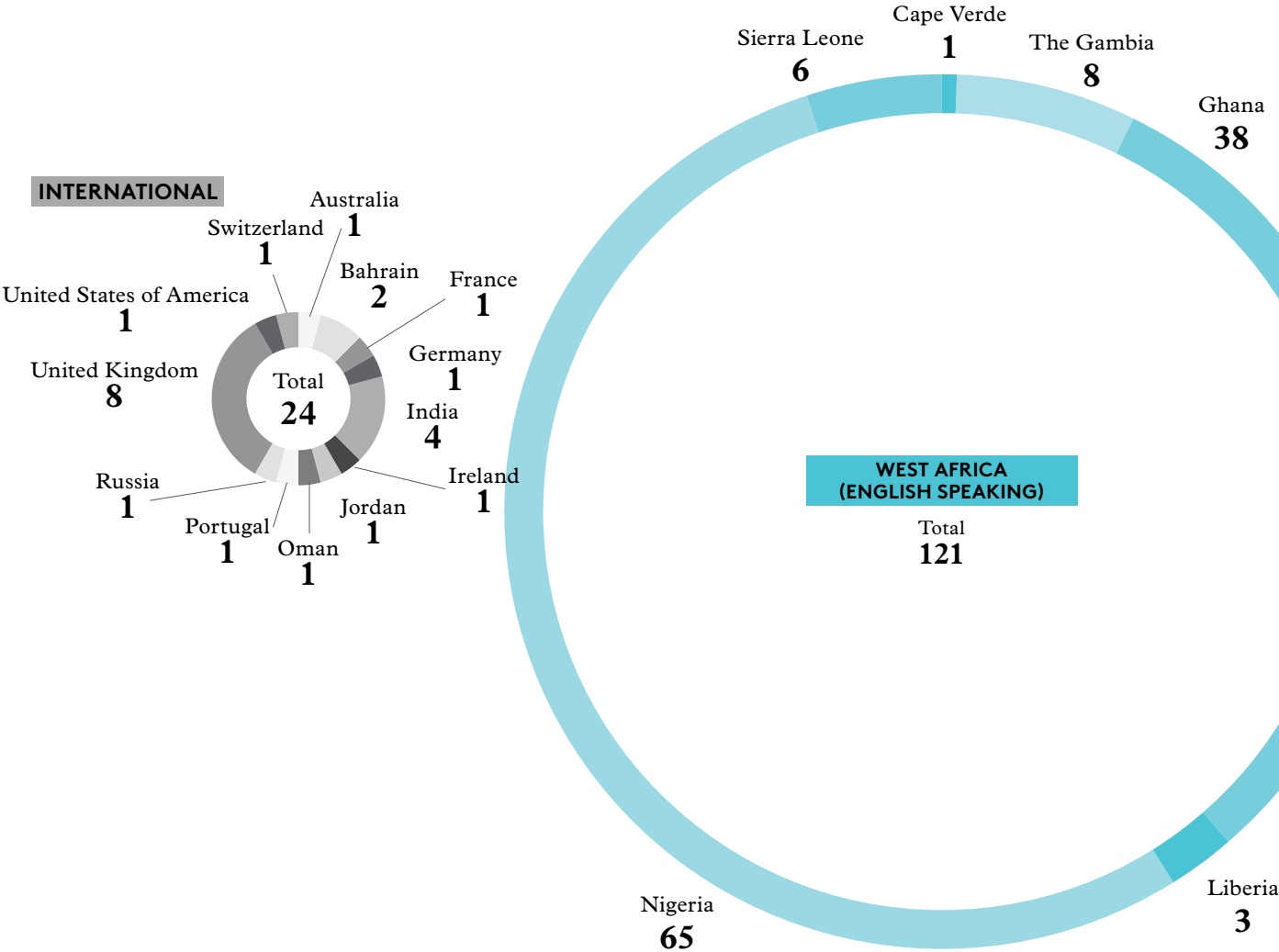
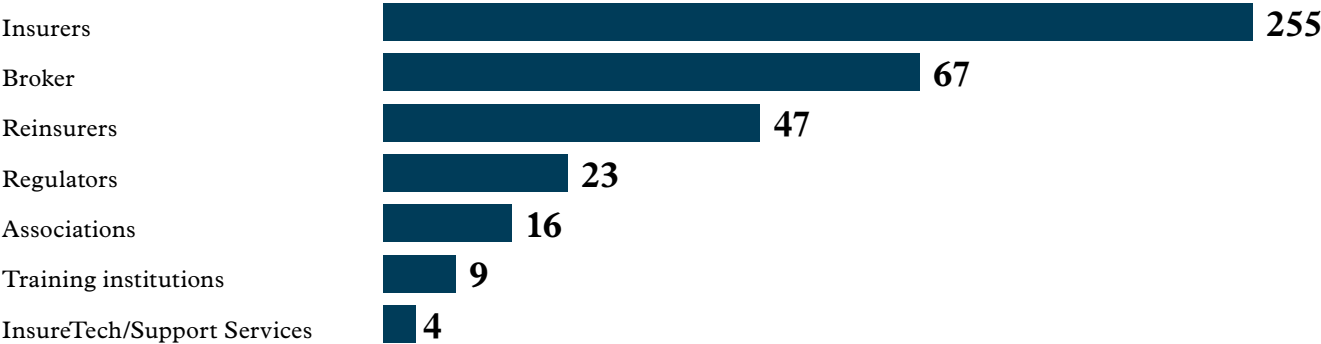




# African Insurance Organisation members – an overview

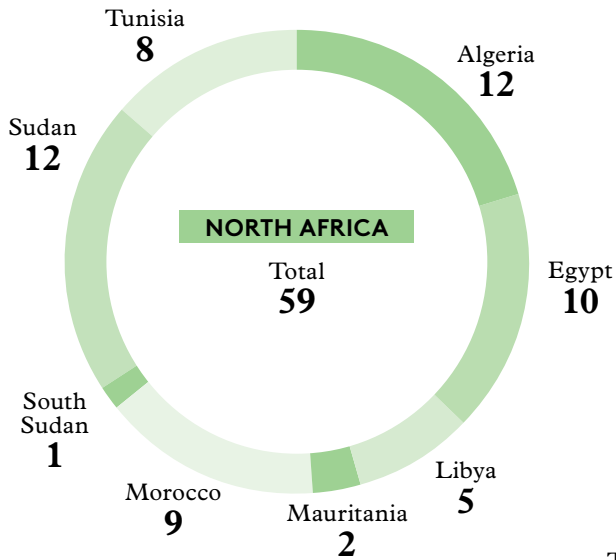
As of June 2024, the AIO stands as a leading African institution, proudly uniting 421 corporate and institutional members from 47 African nations and 13 countries beyond the continent.

### AIO’s membership structure by type

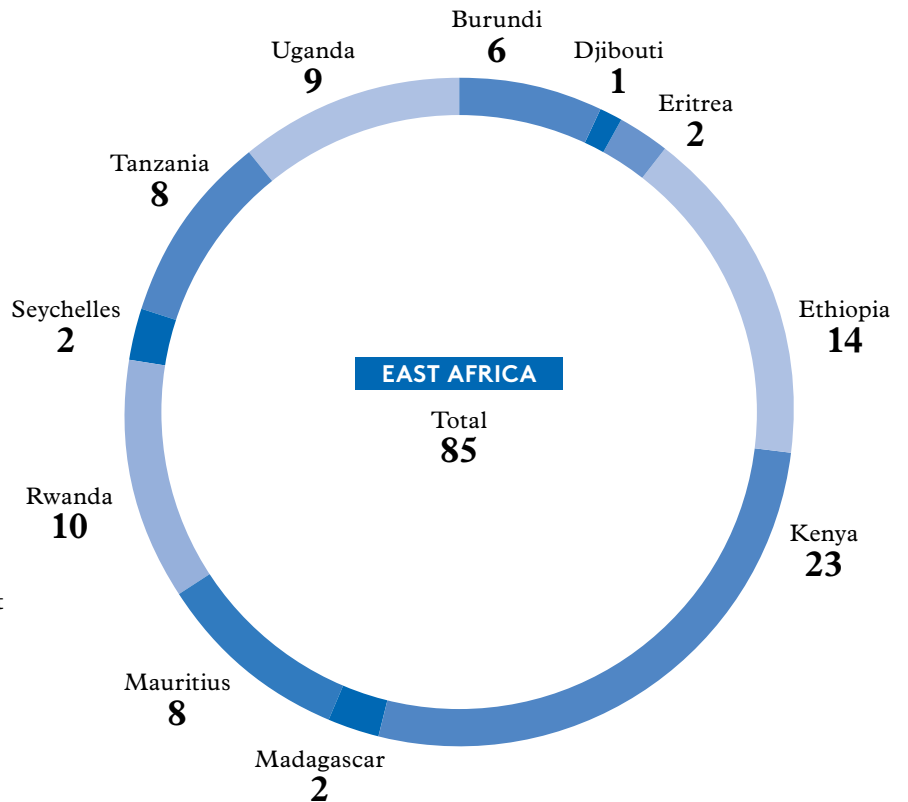
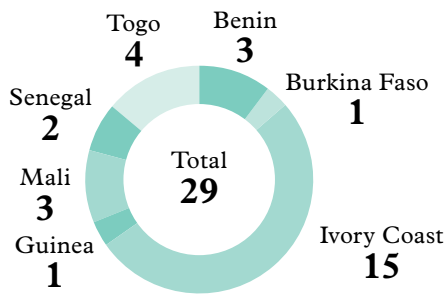




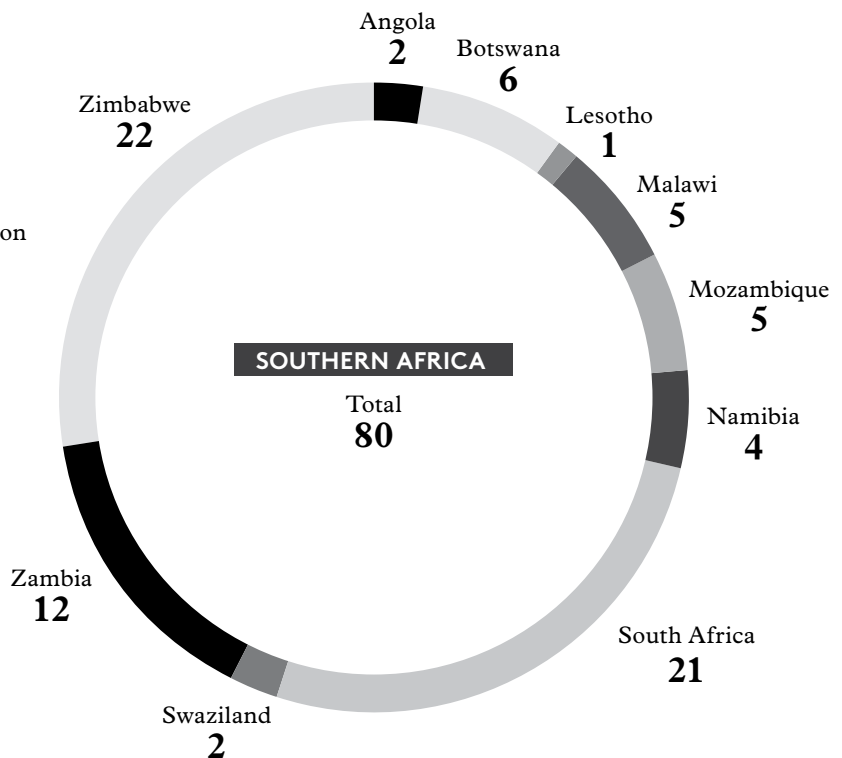
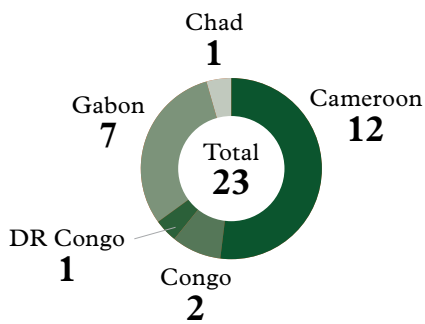
African Insurance Organisation members – an overview



**WEST AFRICA (FRENCH SPEAKING)**



**CENTRAL AFRICA**



# Management & Executive Committee of the African Insurance Organisation

## AIO MANAGEMENT



**Jean Baptiste Ntukamazina**  
Secretary General



**Tala Ndze**  
Technical Manager, Head of  
Operations



**Moki Charles Linonge**  
Head of Communication and  
General Affairs



**Marie-Florence Ndok**  
Administrative Assistant



**Nathalie Kamga**  
Finance and Accounting Officer



**Lisette Din**  
Events, Membership and  
Procurement Officer



**Madeleine Edimo**  
Assistant Accounting Officer

AIO EXECUTIVE COMMITTEE FROM JUNE 2023 TO JUNE 2024



**Patty Karuaihe-Martin**  
Current President  
Managing Director, Namibia  
National Reinsurance Corporation  
Ltd.  
Namibia



**Yared Mola**  
Vice president, from June 2024  
Chief Executive Officer, Nyala  
Insurance, Ethiopia  
Ethiopia



**Benhabiles Chérif**  
Immediate Past President  
Managing Director, Caisse  
Nationale de Mutualité Agricole  
Algeria



**Dr. Corneille Karekezi**  
Member  
Group Managing Director  
and CEO, African Reinsurance  
Corporation Group  
Africa Re



**Dr. Ben Kajwang**  
Member  
CEO and Director of the College of  
Insurance Nairobi  
Kenya



**Georges Léopold Kagou**  
Member  
Managing Director, Société  
Africaine d'Assurances et de  
Réassurances, SAAR  
Cameroon



**Alhaj Kaddunabbi Ibrahim  
Lubega**  
Member  
CEO, Insurance Regulatory  
Authority, IRA  
Uganda



**Bachir Baddou**  
Member  
CEO, Compagnie d'Assurance  
Transport  
Morocco

AIO EXECUTIVE COMMITTEE FROM JUNE 2023 TO JUNE 2024



**El Haji A.W. Seybatou**

Member  
Chairman and CEO, AVENI-RE  
Ivory Coast



**Lamia Ben Mahmoud**

Member  
CEO, Tunis Re  
Tunisia



**Omar Gouda**

Member  
Managing Director, Misr  
Insurance Company  
Egypt



**Thusang Mahlangu**

Member  
CEO, Allianz Global Corporate &  
Specialty South Africa  
South Africa



**David Nyabadza**

Member  
CEO, Nicoz Diamond  
Insurance Ltd.  
Zimbabwe



**Eddie Efekoha**

Member  
Managing Director and CEO,  
Consolidated Hallmark  
Insurance Plc.  
Nigeria



**Pa Alieuh Sillah**

Member  
Commissioner of Insurance,  
Central Bank of the Gambia  
The Gambia



**Peter Maina**

Member  
CEO, East Africa Reinsurance  
Company Limited  
Kenya



**Raymond H. S. Macauley**

Member

Managing Director, Aureole  
Insurance Company

Sierra Leone



**Boubacar Bah**

Member

General Inspector, Central Bank  
of Guinea

Republic of Guinea



**Abdallah Benseidi**

Member

Chief Executive Officer, Compagnie  
Centrale de Réassurance – CCR

Algeria



**Seth Aklasi**

Member

Chief Executive Officer, Donewell  
Insurance Company Ltd.

Ghana

# Africa's insurance sector in figures

## ECONOMIC OVERVIEW

### Global and domestic challenges hinder Africa's economic recovery

According to the African Development Bank (AfDB),<sup>1</sup> Africa's economic growth recovery has slowed in the face of increasing global uncertainty.

Since 2020, a series of shocks have significantly impacted the continent's growth, leading to long-term consequences. These challenges are largely due to geo-economic fragmentation, which began with the global response to the Covid-19 pandemic, was worsened by Russia's invasion of Ukraine, and has been further complicated by the recent Middle East conflict.

Domestic and external factors, such as political instability in some African regions, weakened export demand due to slow global growth, and tighter monetary policies in major economies leading to higher borrowing costs, have exacerbated the situation.

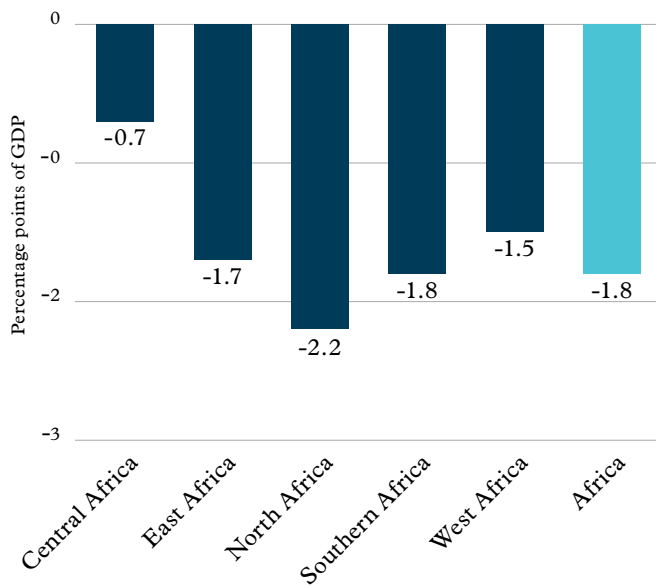
China's sluggish post-pandemic economic recovery and downturn in the property market have also played a key role. Africa has deep, multifaceted trade ties with China, as noted in the AfDB's most recent report.<sup>2</sup> The continent exports approximately 20% of its mineral, metal and fuel products to China, which is a critical revenue stream for many African economies. Africa also imports a significant portion of its manufactured goods from China. Africa is therefore highly dependent on China's economic stability for both its export earnings and supply of essential goods – this dependency magnifies the impact of China's economic slowdown on Africa's overall growth and economic resilience.

1 Africa's Macroeconomic Performance And Outlook, African Development Bank Group, January 2024

2 Ibid.

**Figure 1: Estimated losses in real GDP growth due to multiple shocks, by African region, 2020–2022.** Estimated losses are calculated as the difference between estimated real GDP growth in 2023 and projected real GDP growth before the Covid-19 pandemic.

Source: African Development Bank statistics.



According to the AfDB, Africa's average real GDP growth declined by 3.2% in 2023, down from 4.1% in 2022, primarily due to the multiple shocks described above. However, 15 African countries, including Ethiopia, Ivory Coast, the Democratic Republic of Congo, Mauritius and Rwanda, achieved 2023 growth rates exceeding 5%. This growth was boosted by increased investment, a rebound in tourism, strong performance in the mining sector and economic diversification.

Despite the overall slowdown in 2023, Africa's economies will remain resilient, with growth projected to rebound to 3.8% in 2024. This growth is expected to be broad-based across sectors and particularly strong in 41 countries, with 13 expected to experience growth exceeding one percentage point above 2023. And even with the subdued performance of 2023, Africa remains the second-fastest-growing region globally after Asia, and is projected to account for 11 of the world's 20 fastest-growing economies in 2024.

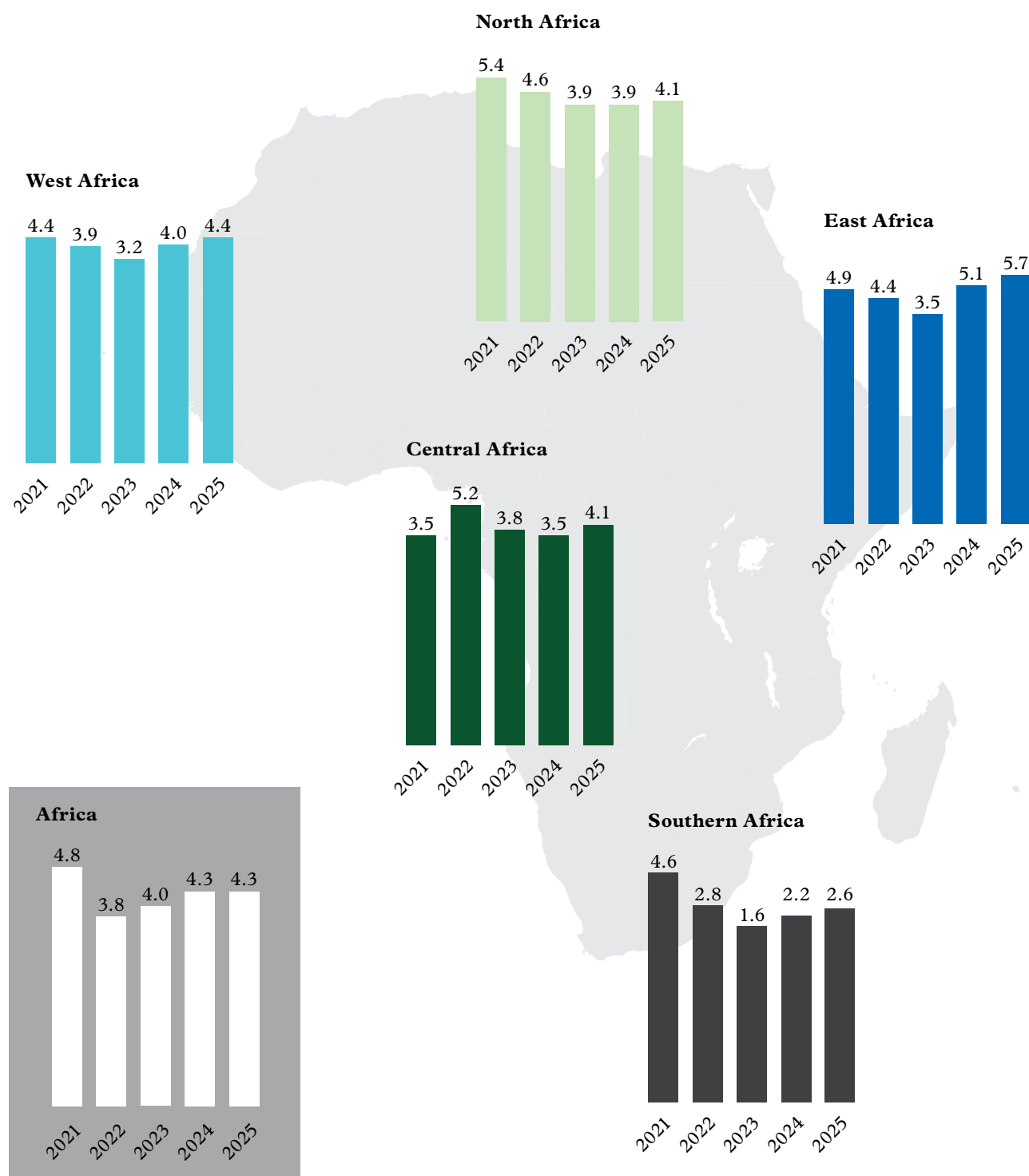
Africa's growth trends notably vary by region (figure 2), influenced by domestic policies aimed at reducing commodity dependence, strategic investment in key sectors and promoting private consumption, alongside external factors such as potential recoveries in key export markets.

- **Central Africa:** Growth is expected to weaken from 3.8 % in 2023 to 3.5 % in 2024, before improving to 4.1 % in 2025, with Equatorial Guinea's recession continuing due to declining oil production.
- **East Africa:** Growth is expected to increase from 3.5 % in 2023 to 5.1 % in 2024 and 5.7 % in 2025, driven by deeper regional integration and strategic infrastructure investments.
- **North Africa:** Growth is expected to hold steady at 3.9 % in 2024, impacted by adverse weather conditions in Morocco, Tunisia and Libya, as well as macroeconomic challenges, particularly in Egypt. However, it is projected to slightly improve to 4.1 % in 2025.
- **Southern Africa:** Growth is expected to rise from 1.6 % in 2023, the lowest growth rate of all regions, to 2.2 % in 2024 and 2.6 % in 2025. Despite the forecasted improvement, growth will remain insufficient to address the region's economic and social challenges, particularly in South Africa.
- **West Africa:** Growth is expected to rise from 3.2 % in 2023 to 4 % in 2024 and 4.4 % in 2025. Most countries in the region are projected to achieve at least 4 % growth in 2024, helping to balance out slowdowns in Nigeria and debt-ridden Ghana.



**Figure 2: GDP growth and outlook, by African region, 2021–2025 (in %).**

Source: African Development Bank statistics.



### **Egypt takes the lead as Africa's top economy in 2023**

Based on IMF data,<sup>3</sup> Egypt, South Africa and Nigeria were the three largest African economies in 2023, ranked in that order by their GDP in USD (figure 3).

Egypt became Africa's leading economy in 2023, moving up from second position in 2022 – primarily due to its diversified economic structure, which includes vital sectors like the Suez Canal, natural gas and tourism – despite facing challenges such as high inflation and fiscal imbalances. Strategic investments in infrastructure and ongoing economic reforms also supported Egypt's growth, enabling it to maintain stability and surpass other major African economies.

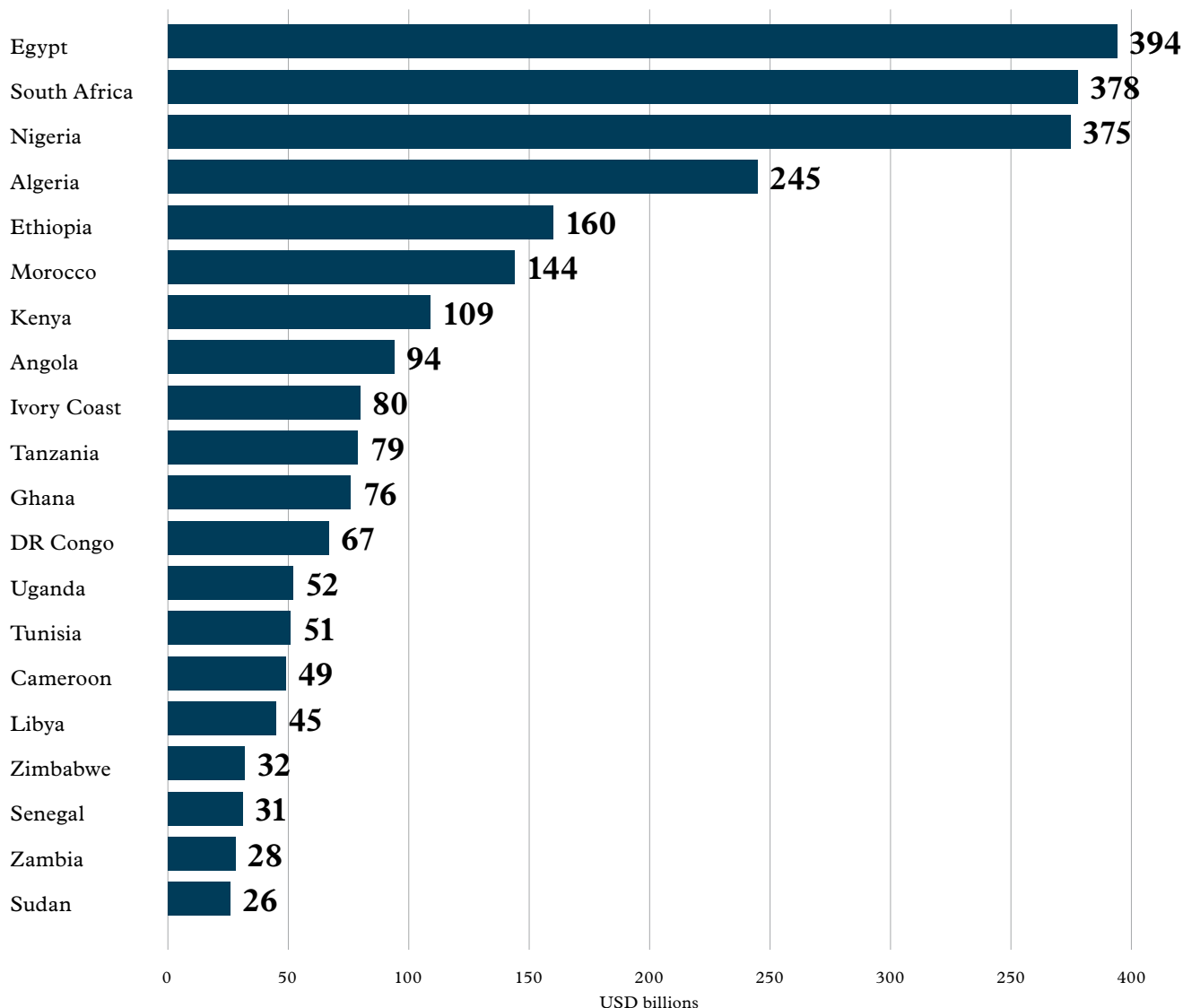
South Africa was Africa's second-largest economy in 2023, largely due to significant contributions from sectors such as mining, manufacturing and financial services. Moreover, South Africa's relatively large consumer market and regional influence in trade and industry have contributed to its economic standing. However, ongoing challenges such as a prolonged electricity crisis, weak economic growth, high unemployment and social unrest have hindered faster growth, preventing it from reclaiming the top position.

Nigeria moved down from the top position in 2022 to rank third in 2023. Nigeria's more modest economic growth in 2023 has been attributed to the initial effects of domestic economic reforms aimed at correcting the country's persistent macroeconomic imbalances and structural challenges. However, in the short term, the removal of fuel subsidies and efforts to unify the exchange rate have increased living and import costs, dampening domestic demand, production and investment, slowing the country's economic momentum.

<sup>3</sup> IMF, World Economic Outlook, April 2024 and IMF statistics.

**Figure 3: Estimated 2023 GDP at current prices for the 20 largest African economies.**

Source: IMF, World Economic Outlook, April 2024 and IMF statistics.



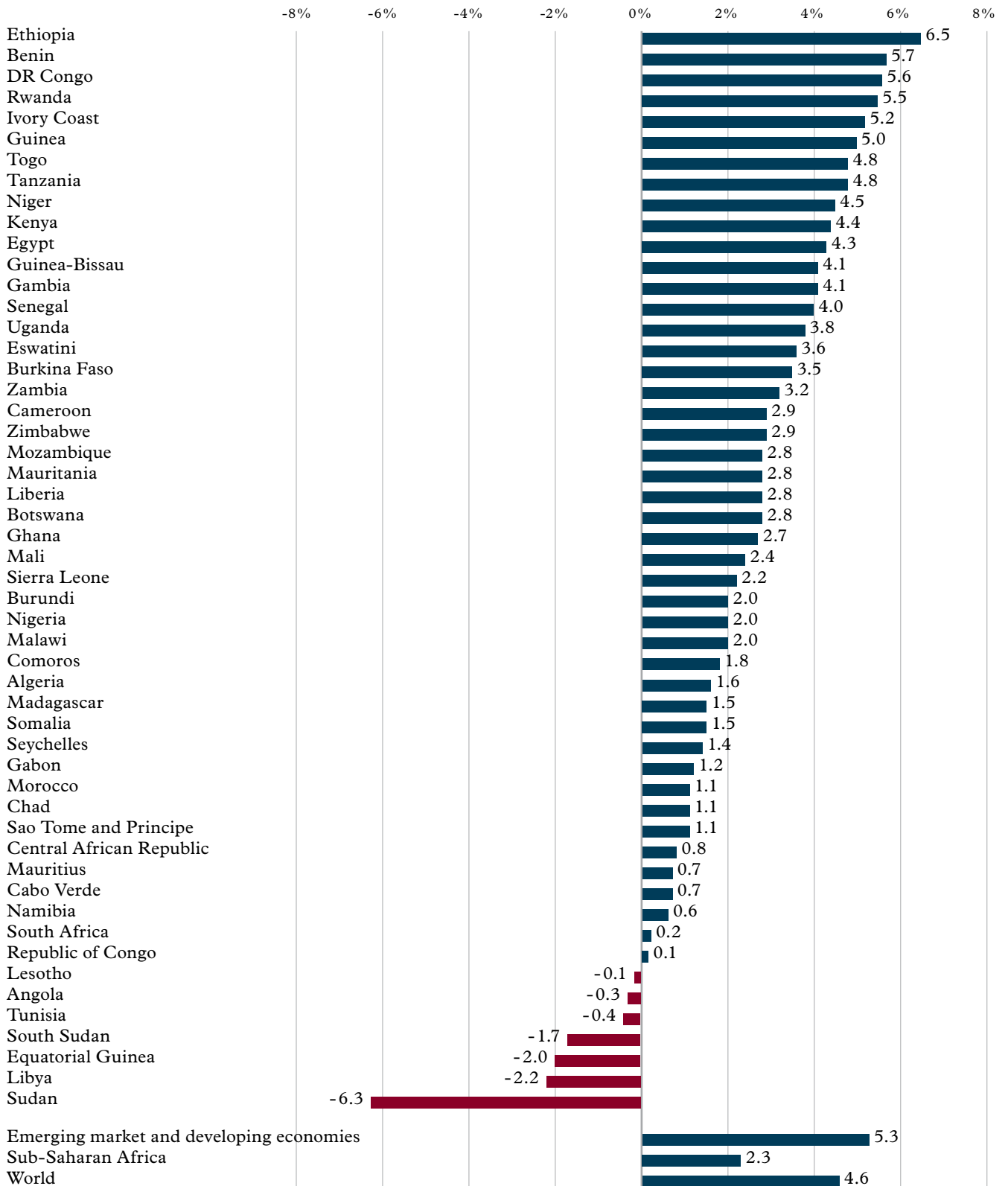
In figure 4, the compound annual growth rate (CAGR) of real GDP<sup>4</sup> from 2019 to 2023 reveals significant disparities across African countries. While the global real GDP CAGR was 4.6% and emerging markets achieved 5.3%, Sub-Saharan Africa achieved only 2.3%.

Ethiopia was the fastest growing of Africa's economies at 6.5% on average over this time frame, while Sudan experienced the steepest decline, shrinking by 6.3% annually. This range underscores the diverse economic challenges and growth patterns across the continent.

4 i.e. inflation-adjusted GDP

**Figure 4: Real GDP growth (2019–2023 compound annual growth rate).**

Source: IMF, World Economic Outlook, April 2024.



### INSURANCE SECTOR OVERVIEW

#### Global insurance demand rises amid economic growth, led by emerging markets and the life sector

In its 2024 report,<sup>5</sup> Allianz highlights that the global insurance industry experienced remarkable growth in 2023, marking the fastest expansion since 2006. This growth was driven by balanced increases across life, property & casualty (P&C) and health insurance. However, when adjusted for inflation, premium growth was modest. The life insurance segment experienced a resurgence, primarily driven by growth in Asia, while North America continued to dominate the P&C sector. The US further solidified its position in the global market, in contrast to Western Europe and Japan, which saw market share losses to China. With rising global risks, the challenges of insurability are becoming more significant, underscoring the importance of sustainable practices and individual responsibility in addressing climate change. Looking forward, Allianz states that the insurance market is projected to grow in line with the global economy over the next decade, with notable shifts in segment growth rates, particularly in life insurance, which is poised to benefit from higher interest rates.

Swiss Re shares a similar perspective,<sup>6</sup> noting that global insurance markets are witnessing increased demand driven by economic growth, strong labour markets, rising real incomes, moderating inflation and higher interest rates. Total insurance premiums (non-life and life) are projected to grow by 3.2% in 2024, driven by heightened demand for life savings products due to higher interest rates and continued strength in the non-life sector, particularly in personal lines. The profitability of non-life and life insurers is also expected to improve, largely due to the impact of higher interest rates on investment portfolio returns.

Advanced markets are seeing renewed growth in life insurance and are expected to contribute significantly to global life premiums over the next decade. Emerging markets, however, continue to outpace advanced markets, with premiums expected to rise by 7.2% in 2024, compared to just 1.5% in advanced markets. Non-life insurance in emerging markets is also

projected to grow faster than in advanced markets, at 4.9% versus 3.1%, propelled by stronger economic expansion and a rapidly expanding consumer class in emerging markets, particularly in Asia, led by China and India. As wealth and spending power increase in emerging markets, insurance penetration (premiums as a percentage of GDP) is expected to rise significantly, with Brazil, China, India and other countries including South Africa, poised for notable progress in insurance coverage.<sup>7</sup>

5 Allianz, Allianz Global Insurance Report 2024 «Transformative years ahead of the insurance sector»

6 Swiss Re Institute, sigma No 3/2024, Swiss Re Institute; source of all data in this paragraph

7 Ibid.

**Africa's inflation-adjusted insurance premiums stable in 2023**

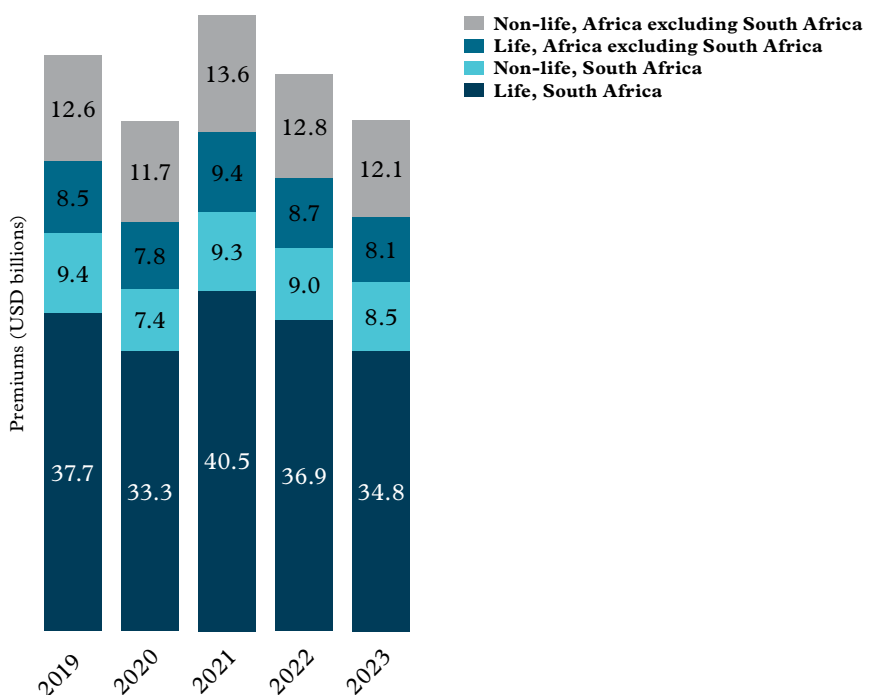
In 2023, total (non-life and life) African insurance premiums experienced a slight inflation-adjusted increase of +0.3% year-on-year (non-adjusted, falling to USD 63,563 million in 2023 from USD 67,317 million in 2022). Africa's share of the global insurance market was at 0.9% in 2023, with an insurance penetration rate of 3.5% and an average premium per capita of USD 46.<sup>8</sup>

**Premiums are dominated by the top nine African countries and life premiums**

In 2023, the top nine African countries by insurance premium volume accounted for 93.3% of Africa's total insurance premiums, down slightly from 93.9% in 2022. The geographic distribution of premium volume (figures 5 and 6) highlights the ongoing dominance of key markets, particularly South Africa, which contributed 68.2% of the total, a marginal rise from its 68.1% share in 2022. Morocco's market share also grew to 8.7%, while Egypt and Kenya experienced declines in their contributions, with Egypt dropping to 4.0% from 4.9% and Kenya to 3.9% from 4.9%. Nigeria also saw a decrease in its premium share to 2.1% from 2.5%.<sup>9</sup>

**Figure 5: African insurance premiums 2019–2023, life and non-life.**

Source: Faber Consulting AG, based on data from Swiss Re Institute, sigma 03/2024.

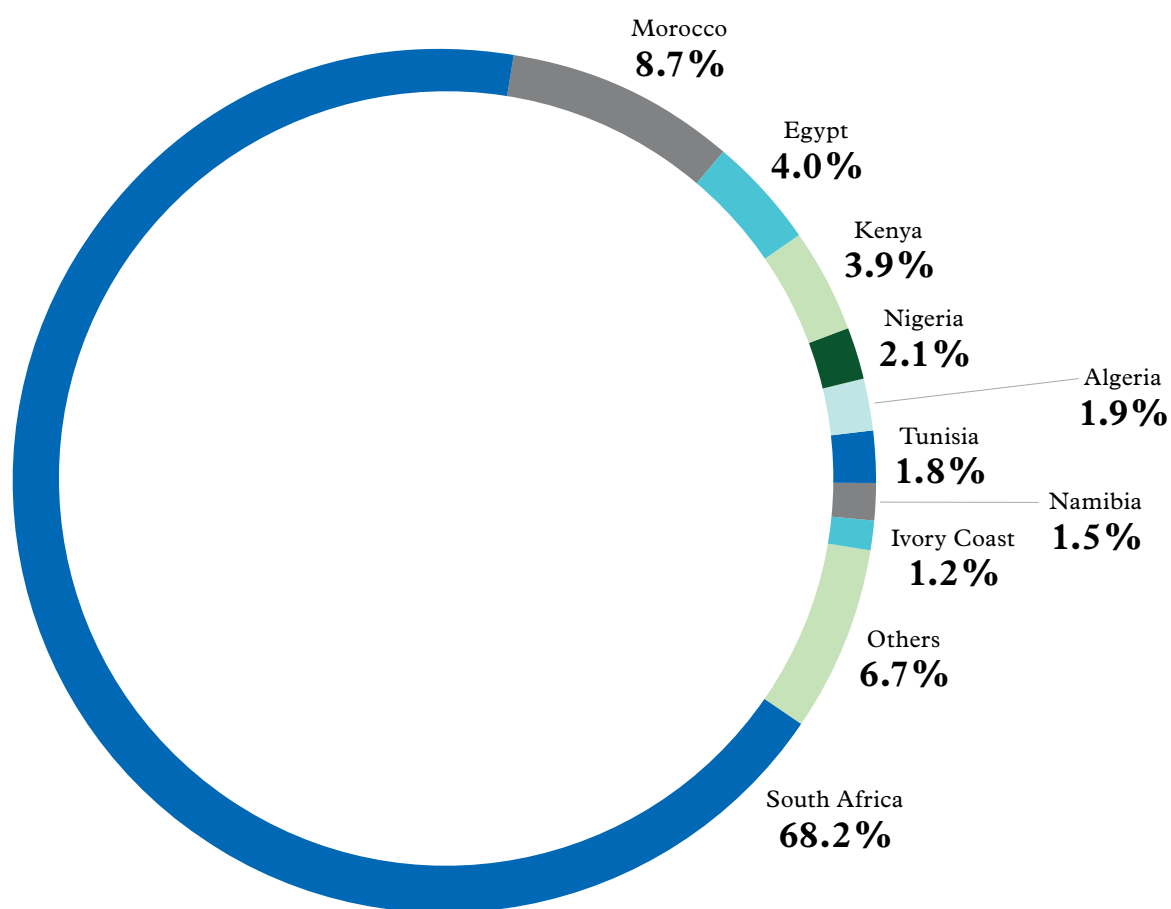


<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

**Figure 6: Geographical split of total African insurance premiums in 2023.**

Source: Faber Consulting AG, based on data from Swiss Re Institute, sigma 03/2024.



### LIFE INSURANCE

#### Global life insurance is experiencing a significant resurgence

Globally in 2023, the life insurance sector experienced renewed growth, primarily driven by the higher interest rate environment and a slightly more resilient macroeconomic environment - premium volume reached approximately USD 2.89 trillion, marking an inflation-adjusted year-on-year increase of 1.3%. The life insurance penetration rate stood at 2.9%, with a per capita premium of USD 361. Growth is expected to continue.<sup>10</sup>

Emerging markets also showed growth in life premiums, with total premiums reaching USD 703.4 billion in 2023, a 7.8% inflation-adjusted increase from the previous year. This growth is largely driven by rising middle-class incomes and increasing demand for retirement planning products, especially in India and China. The life insurance penetration rate for emerging markets was 1.7% in 2023 and the per capita premium USD 103.<sup>11</sup>

#### Africa's life insurance sector is also growing but remains behind other regions

In Africa, the life insurance sector is experiencing premium growth, but remains underdeveloped compared to other global regions. In 2023, the total life insurance premium volume in Africa was USD 42.9 billion, accounting for 1.5% of global life premiums and reflecting zero growth in inflation-adjusted terms compared to 2022 (compared to the global increase of 1.3% and emerging markets' increase of 7.8%). The per capita premium for Africa in 2023, USD 31, is also notably low in comparison to the global and emerging markets' values. On a brighter note, the insurance penetration rate in Africa was 2.4% in 2023, which is below the global average of 2.9%, but above the 1.7% rate for all emerging markets – largely due to South Africa's prominent life sector.<sup>12</sup>

With Africa's forecasted overall economic development in coming years, as incomes rise and more people enter the middle class, demand for life insurance products is expected to increase, which should help to reduce the disparities with other regions.

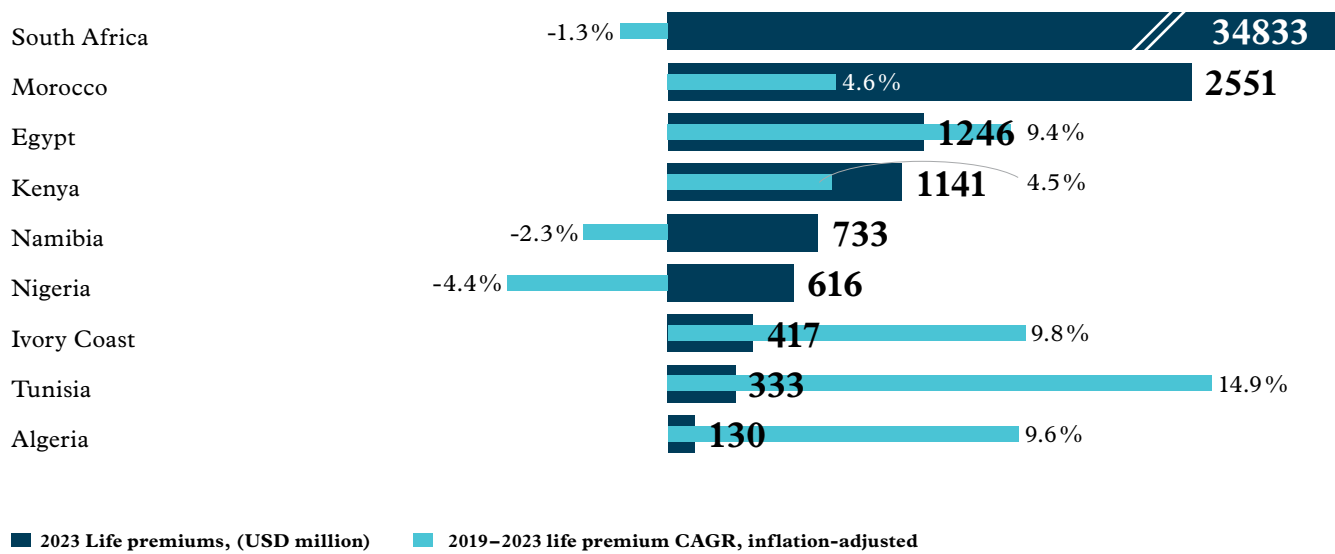
<sup>10</sup> Swiss Re Institute, sigma No 3/2024; source of all data in this paragraph

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.



**Figure 7: Life insurance premiums in 2023 and compound annual growth rate (CAGR) of life premiums from 2019-2023, for the top nine African countries by life premium volume.** Source: Faber Consulting AG, based on data from Swiss Re Institute, sigma 03/2024.



## **NON-LIFE INSURANCE**

### **Global non-life insurance sees inflation-driven growth and rising profitability**

Globally, the non-life insurance sector has been significantly impacted by inflationary pressures, leading to higher premium rates as insurers sought to offset rising claims costs, especially in property and motor insurance. In 2023, global non-life premiums reached USD 4.3 trillion, representing an inflation-adjusted year-on-year increase of 3.9%. This growth contrasts with the milder 0.8% increase in 2022. The non-life sector has an insurance penetration rate of 4.2% and an average premium per capita of USD 528. Rate increases have been more pronounced in personal lines compared to commercial lines, which have seen some easing after years of hard market conditions.<sup>13</sup>

The sector's profitability is also on an upward trajectory, with return on equity (ROE) rising to 6% in 2023 and expected to improve further to approximately 10% by 2025.<sup>14</sup> This improvement is driven by both better underwriting results, as claims growth moderates, and also higher investment returns due to elevated interest rates. Despite these positive trends, insurers remain vigilant to potential new inflation shocks, particularly from geopolitical conflicts that could disrupt global supply chains.

### **Africa's non-life insurance sector contracted in 2023 but has positive growth outlook**

In Africa, non-life insurance premiums contracted to USD 20.59 billion in 2023 – a 3.2% decrease in inflation-adjusted terms – due to depreciation of African currencies against the US dollar. This follows a 2.5% inflation-adjusted decline in the previous year. The region's share of the global non-life insurance market is small, accounting for just 0.5% of global non-life premiums in 2023. Africa's non-life penetration rate is low at 1.1% and the per capita premium is just USD 15.<sup>15</sup>

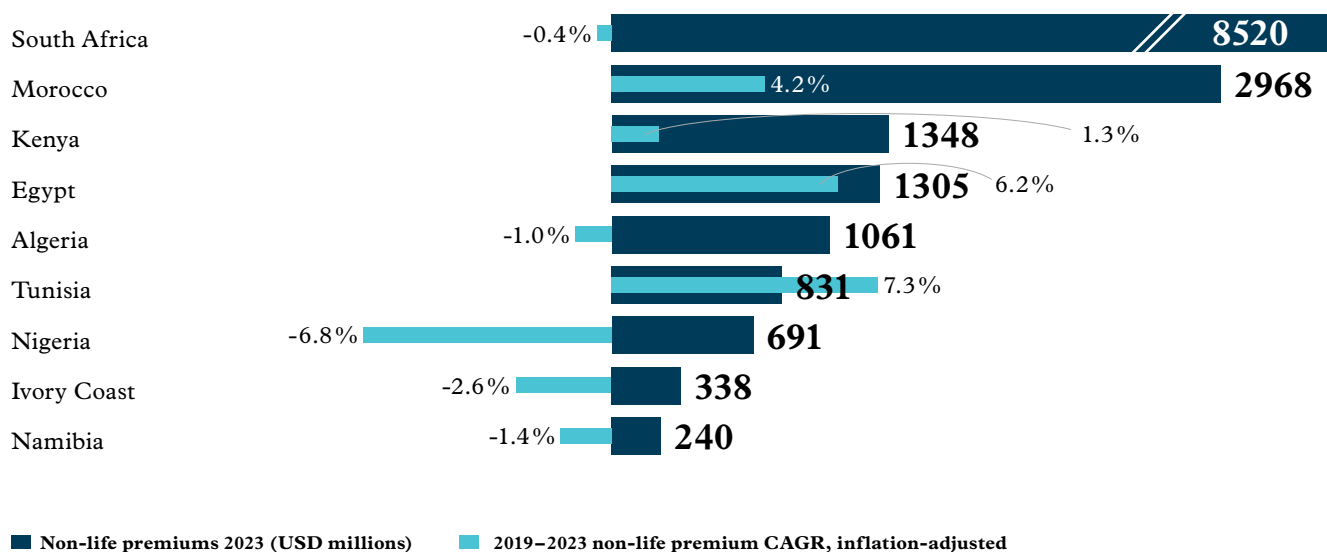
<sup>13</sup> Swiss Re Institute, sigma No 3/2024; source of all data in this paragraph

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

**Figure 8: Non-life insurance premiums in 2023 and compound annual growth rate (CAGR) of life premiums from 2019-2023, for the top nine African countries by non-life premium volume.**

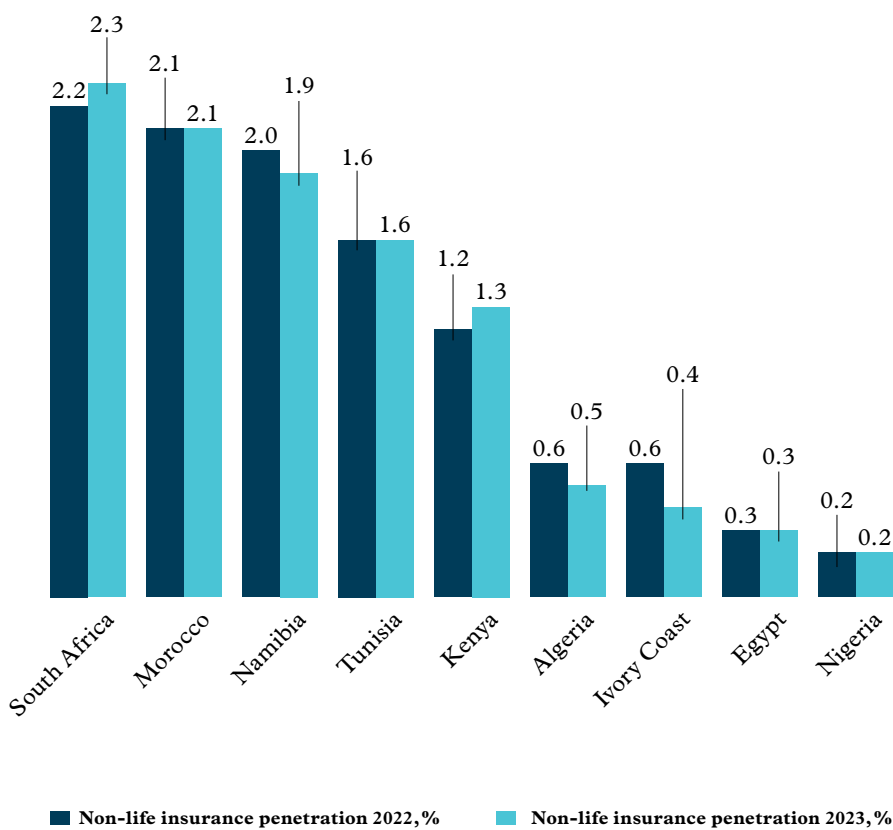
Source: Faber Consulting AG, based on data from Swiss Re Institute, sigma 03/2024.



Some encouraging signs can be found by drilling down into the 1.1% penetration rate. Figure 9 shows that despite this overall low rate, most of the top nine African countries by premium volume saw slight improvements or stable penetration rates in 2023 compared to 2022. South Africa leads with a penetration rate of 2.3% in 2023, up slightly from 2.2% in 2022, followed closely by Morocco and Namibia, which saw minimal or no changes. Tunisia and Kenya have lower rates, but remain above 1%, while Algeria, Ivory Coast, Egypt, and Nigeria experienced the lowest rates, all below 1%.

**Figure 9: Non-life insurance penetration rates in 2022 and 2023 for the top nine African countries by non-life premium volume.**

Source: Faber Consulting AG, based on data from Swiss Re Institute, sigma 03/2024.



Despite Africa's non-life insurance premium contraction, the sector is expected to grow as economic conditions improve, the middle class grows, urbanisation continues and more people seek insurance coverage for various risks.

Working to address challenges, including the affordability of insurance products and need to improve awareness and trust among potential customers, will help the sector to fulfil its potential and contribute to greater financial resilience in the region. Insurance premium growth and penetration will also benefit from infrastructure improvements that enhance broad insurance access.

### REINSURANCE

#### Global reinsurance demonstrates growth and resilience in 2023 and beyond

Significant 2022 natural catastrophe events, including Hurricane Ian and secondary perils such as severe convective storm, drought and flooding, resulted in rate increases and tighter terms in the 2023 reinsurance renewals, according to AM Best.<sup>16</sup> Factors such as market-to-market investment losses, social inflation and global macroeconomic uncertainties caused a supply-demand imbalance in the reinsurance market. This imbalance led to significant premium growth and increased net income for many companies. The top 35 non-IFRS 17 reinsurers<sup>17</sup> saw a gross premium increase of over 6%, primarily due to strong rate increases rather than an expansion in exposure. Amid global market volatility and large catastrophic losses, reinsurers demonstrated strong underwriting performance in 2023. The rates stayed high and underwriting discipline remained robust, supported by higher attachment points that reduced exposure to secondary perils.

According to Aon<sup>18</sup>, the 1 January 2024 treaty renewal was relatively smooth as reinsurers, supported by increased profitability, stronger capital positions and improved retrocession capacity, showed more appetite for the enhanced terms established in 2023. Higher primary insurance pricing provided support, though uncertainties related to climate change, inflation, litigation and geopolitical risks continued to deter new investors. Despite elevated natural catastrophe losses in 2023, particularly from severe storms in the US and Europe, many insurers faced challenges with eroded capital and reduced reinsurance coverage, leading to increased demand for reinsurance protection. Reinsurers, focused on achieving their signings, especially in catastrophe layers, strategically aimed to strengthen relationships with key insurance clients, though those who had experienced significant losses faced higher pricing.

Looking beyond 2023, the global reinsurance market continued to demonstrate growth and resilience in 2024. Based on the most recent report from Aon<sup>19</sup>, total (traditional and alternative) reinsurer capital reached USD 695 billion by mid-year 2024, a USD 25 billion increase compared to the end of 2023. This increase was driven by retained earnings, recovering asset values and new capital inflows into the catastrophe bond market. The reinsurers monitored by Aon achieved an impressive average return on equity (ROE) of 17.6%, despite above-average natural catastrophe losses of USD 58 billion in the first half of 2024. The demand for reinsurance remains high across property, casualty and specialty lines, with growing interest in emerging risks such as cyber, agriculture and marine. Alternative capital continues to be an important capital source, estimated at USD 110 billion at mid-year 2024, with total outstanding catastrophe bonds – estimated at USD 45 billion at mid-year 2024 – growing at an annualised rate of 17% since the start of 2023. This growth reflects the sector's ability to attract investor interest due to strong returns and the diversification benefit. The market outlook for 2025 remains positive, with reinsurers expected to maintain strong capital levels and greater flexibility for future renewals, barring any large catastrophe events.

<sup>16</sup> World's 50 Largest Reinsurers, AM Best, August 2024

<sup>17</sup> The transition to IFRS 17 diminishes the comparability among reinsurers and AM Best's ranking is now divided into IFRS 17 reporting reinsurers, such as Munich Re, and non-IFRS 17 reporting reinsurers, such as Swiss Re.

<sup>18</sup> Reinsurance Market Dynamics, Aon, January 2024

<sup>19</sup> Ultimate Guide to the Reinsurance Renewal, Aon, September 2024

### African reinsurers – operating in a challenging environment

According to AM Best,<sup>20</sup> Sub-Saharan reinsurers are contending with a challenging economic environment characterised by high inflation, currency volatility and rising interest rates. These issues, exacerbated by global disruptions such as Russia's war in Ukraine and the aftermath of the Covid-19 pandemic, have led to asset risks and increased operational complexity. While premium growth for Sub-Saharan reinsurers has been driven by rising demand from industrialising economies and the global hardening of reinsurance rates, retention levels have dropped as reinsurers have had to rely more heavily on global retrocession markets due to insufficient capital. The sector also faces political and social instability, with political upheavals and sovereign debt defaults adding to economic pressure. Moreover, the concentration of risk in key markets such as South Africa, Nigeria and Kenya, makes reinsurers particularly vulnerable to localised shocks. Despite all these difficulties, significant growth opportunities exist for Sub-Saharan reinsurers. The region's long-term economic prospects and underdeveloped insurance markets offer considerable potential for expansion. Additionally, by partnering with global reinsurers to underwrite more complex risks, local players can leverage international expertise to address capacity shortfalls in sectors such as energy and large property risks.

Reinsurers in the MENA region have benefitted from positive pricing momentum, although to a lesser extent than the global market, according to a report by AM Best on MENA.<sup>21</sup> The region saw strong growth in gross written premiums (GWP) at the end of 2023, driven by favorable global pricing, economic inflation and new business opportunities. Reinsurance capacity remains ample, sourced from global, regional and other reinsurers in Africa and Asia, with regional reinsurers

adapting to increased weather-related losses. Government-backed catastrophe schemes are becoming more common in North Africa to manage risks from earthquakes, droughts, wildfires and floods, boosting premiums for local reinsurers. Additionally, the growing MENA takaful segment presents opportunities for the retakaful market, supported by the increasing demand for takaful products in countries such as Morocco and Algeria.

### Top three African life reinsurance markets achieved growth in 2023

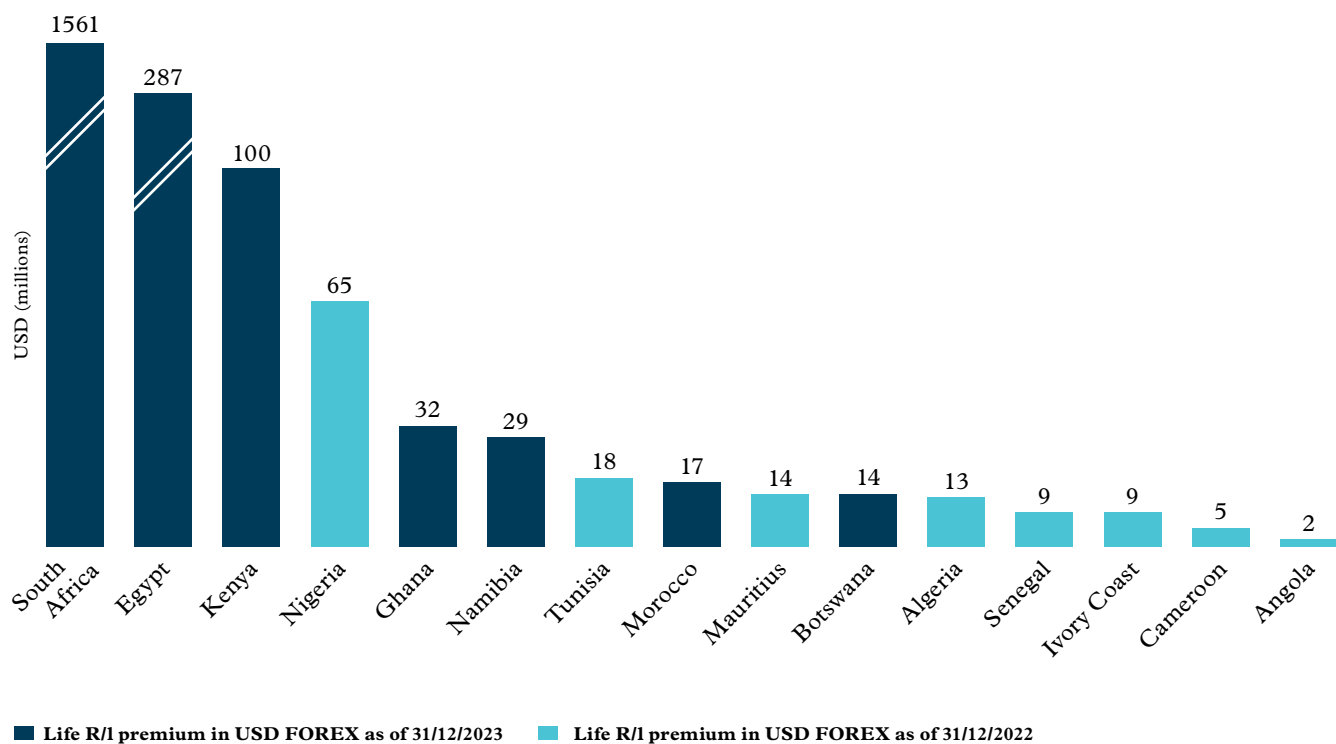
Figure 10 presents estimated life reinsurance premiums for the top fifteen African countries in 2023 (or based on the latest available data from 2022). Compared to the prior-year estimations, the top three reinsurance markets were the same – with South Africa in the top position, followed by Egypt and Kenya. However, the premium for the top three countries increased to USD 1,948 million from USD 1,725 million in the prior year estimations. South Africa dominated with a premium of USD 1,561 million, far exceeding any of the other countries listed. Egypt followed with USD 287 million, while Kenya came in third with USD 100 million. Nigeria, Ghana and Namibia each had more modest figures, ranging from USD 65 million to USD 29 million. The remaining countries, such as Tunisia, Morocco and Mauritius, reported premiums below USD 20 million, with Angola at just USD 2 million. The key finding is that the life reinsurance market in Africa is heavily concentrated in South Africa, which holds the vast majority of the market share.

<sup>20</sup> Sub-Saharan Africa's Reinsurers Resilient Amid A Complex And challenging Risk Environment, AM Best, 2024

<sup>21</sup> MENA Reinsurer Performance Benefits from Pricing Environment, Higher Interest Rates, AM Best

**Figure 10: Estimated life reinsurance premiums in selected African markets 2023/2022. 2023, latest available values.**

Source: Regulatory authorities, industry research and Faber Consulting AG calculations.

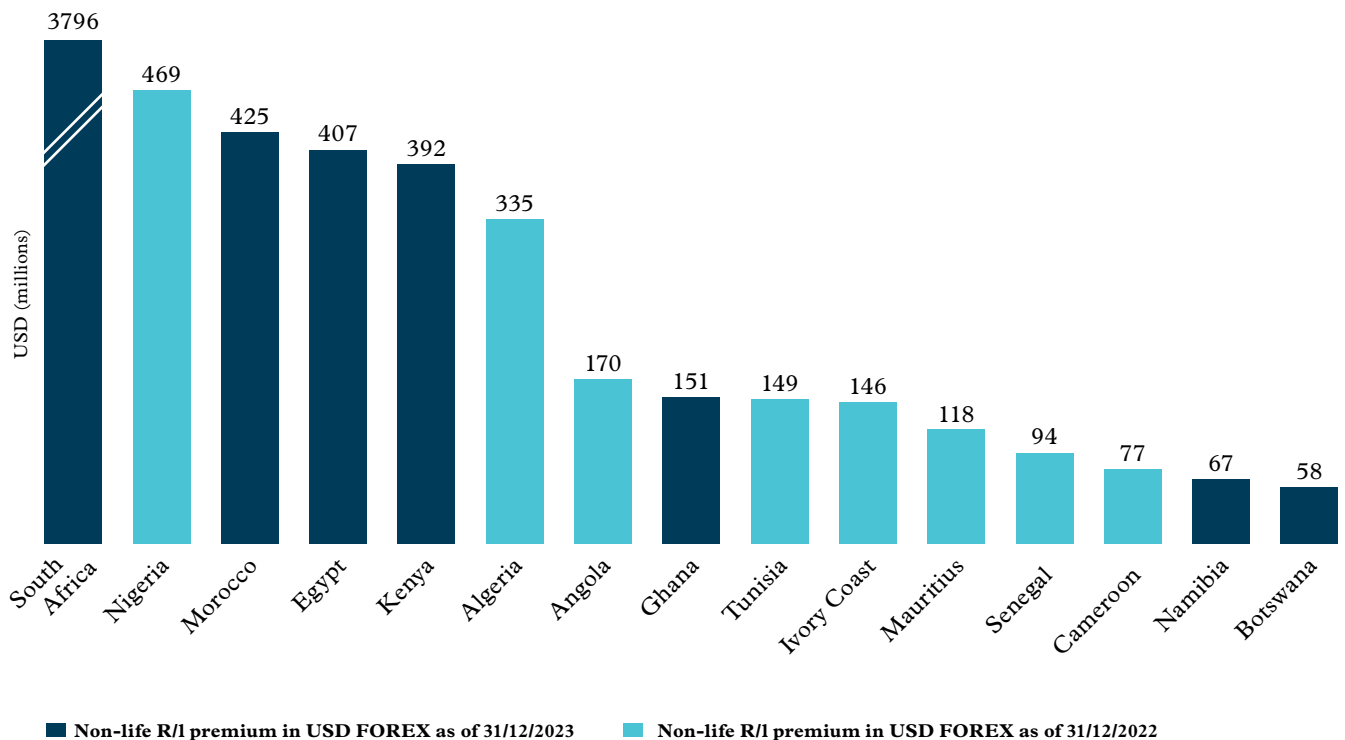


**African non-life reinsurance 2023 rankings reshuffle behind South Africa**

Figure 11 presents estimated non-life reinsurance premiums for the top fifteen African countries for 2023 (or based on the latest available data from 2022). South Africa held onto the top spot, seeing premiums grow to USD 3,796 million from USD 3,495 million in the prior year. The next five countries in the premium ranking were the same as in the prior year estimations but shifted their positions. Nigeria moved up from fourth to second place, overtaking Egypt which dropped from second to fourth place. Morocco maintained third place with USD 425 million and Kenya held onto fifth place, experiencing a slight premium increase from USD 382 million to USD 392 million. Algeria held onto sixth place, with a slight premium decrease from USD 337 million to USD 335 million. The remaining markets, such as Angola and Ghana, recorded lower values of under USD 200 million, with Botswana the lowest at USD 58 million.

**Figure 11: Estimated non-life reinsurance premiums in selected African markets 2023/2022, latest available values.**

Source: Regulatory authorities, industry research and Faber Consulting AG calculations.





# Highlight topic: Socio-economic importance of the insurance sector

The insurance sector is a powerful enabler of economic development and stability, and is therefore of extreme socio-economic importance to Africa, particularly given Africa's high debt burden and the higher-for-longer global interest rate environment.

Join us on a journey that begins by explaining how the debt burden is impacting Africa, and then takes us through the multiple – and sometimes surprising – ways that insurance can sustainably strengthen Africa's economies by supporting Africa's peoples, businesses and governments.

## NATIONAL DEBT, A GROWING BURDEN FOR AFRICA

While national debt can support economic growth and stability, excessive debt can become unsustainable, leading to financial distress, restricted market access, higher borrowing costs, and ultimately hindering public investment and economic progress.

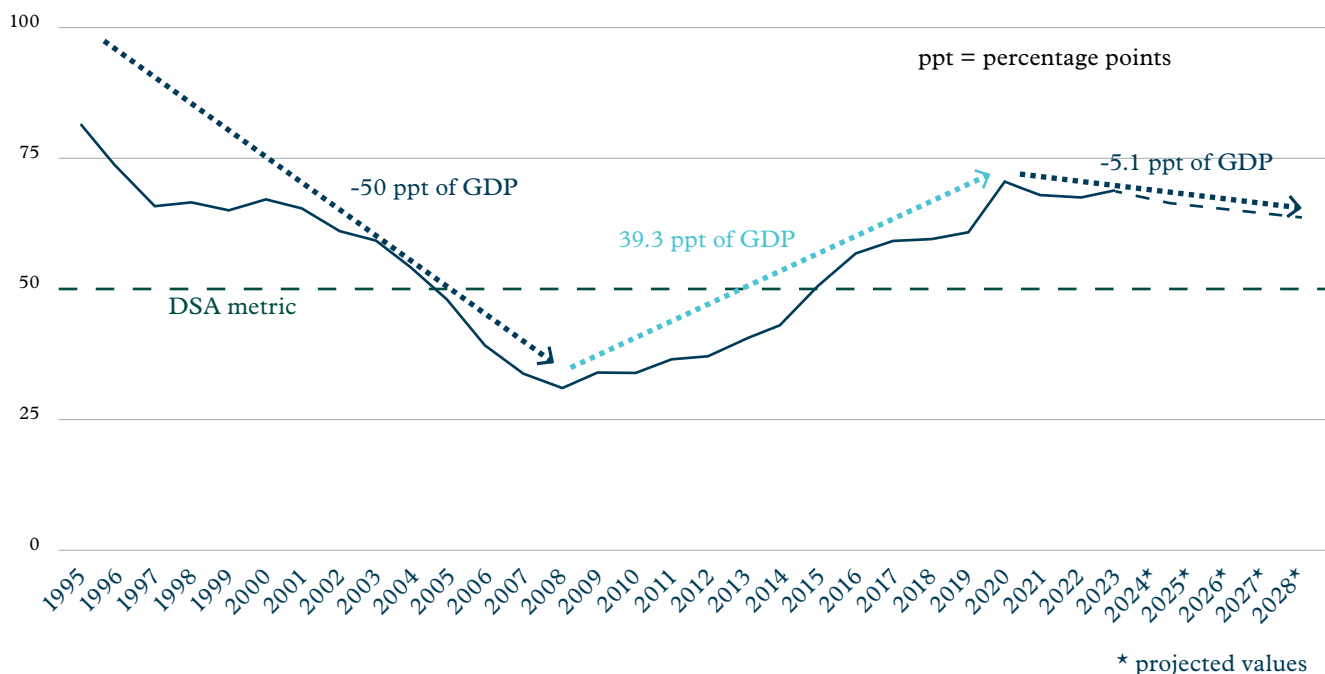
Since the 2008 financial crisis, and with the additional intervening shocks of the pandemic and war in Ukraine, as well as significant efforts to increase infrastructure investments, Africa's national debt has risen substantially as a percentage of GDP and has exceeded prudent levels – as defined by the World Bank's Debt Sustainability Assessment (DSA) threshold – since 2016 (figure 12).<sup>22</sup> The cost of servicing this debt has also significantly increased, as reported by the African Development Bank (AfDB): Africa will pay out USD 163 billion to service debts in 2024, up from USD 61 billion in 2010.<sup>23</sup>

<sup>22</sup> State of Play of Debt Burden in Africa 2024, African Export-Import Bank, 2024

<sup>23</sup> Annual Meetings 2024: old debt resolution for African countries – the cornerstone of reforming the global financial architecture, African Development Bank Group, May 2024

**Figure 12: Central government debt as a percentage of GDP, African countries. The current trend is of improvement, but debt remains high and above the Debt Sustainability Assessment (DSA) threshold, a metric of prudent maximum debt to GDP ratio.**

Source: Afreximbank Research.<sup>24</sup>



In 2023, the DSA revealed that eight African countries were in debt distress, with 15 at high risk, 14 at moderate risk and none at low risk of debt distress, based on assessments of 37 African nations (figure 13).<sup>25</sup>

High levels of national debt threaten Africa’s sustainable development goals, particularly in health, education and infrastructure,<sup>26</sup> and its economic development and stability – a situation exacerbated by the current higher-for-longer interest rate environment and sovereign bonds reaching maturity.

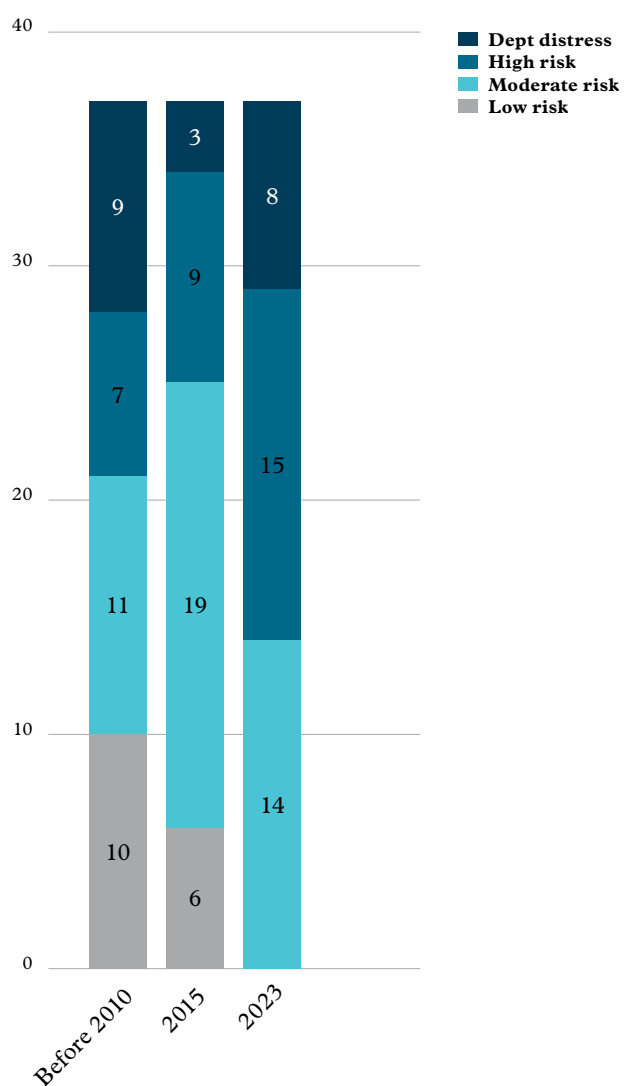
<sup>24</sup> State of Play of Debt Burden in Africa 2024, African Export-Import Bank, 2024

<sup>25</sup> State of Africa’s Infrastructure Report 2024: Taking the Pulse, Africa Finance Corporation, 2024

<sup>26</sup> Annual Meetings 2024: old debt resolution for African countries – the cornerstone of reforming the global financial architecture, African Development Bank Group, 2024

**Figure 13: Risk of debt distress 2023 for African countries, according to the Debt Sustainability Assessment (DSA) overall risk rating.**

Source: Africa Finance Corporation.<sup>27</sup>



27 State of Africa's Infrastructure Report 2024: Taking the Pulse, Africa Finance Corporation, 2024

**Debt can also threaten insurance sector profitability:  
Example, Ghana debt restructuring impact<sup>28</sup>**

According to a Deloitte report, Ghana's insurance industry has experienced remarkable growth, driven by legislative and regulatory reforms aimed at improving efficiency and profitability. From 2018 to 2022, total gross written premiums surged by 232%.

However, Ghana's broader economic environment, impacted by the Covid-19 pandemic and Russia-Ukraine conflict, led to inflation soaring from 13.6% in early 2022 to 54.1% by the year's end. Ghana faced a depreciating currency and rising national debt, prompting bailout discussions with the IMF. As a part of these efforts, the government introduced the Domestic Debt Exchange (DDE) programme, aimed at exchanging GHS 137 billion in domestic notes and bonds for new bonds to restore debt sustainability and economic growth.

The DDE programme poses significant challenges for Ghanaian insurers, particularly because of their substantial holdings in government bonds, which in 2022 accounted for approximately 40% of the industry's assets. Investment income, which represents a major portion of insurers' earnings (73% of total income at the end of 2022), could be severely impacted depending on the terms of the bond exchange. Insurers may face impairment provisions due to the debt restructuring, which could affect their financial performance.

Ghana's National Insurance Commission (NIC) has introduced regulatory measures to mitigate liquidity constraints, but the long-term profitability of insurers remains uncertain amidst these economic adjustments.

**Improving debt outlook**

Africa's debt level remains high, but the outlook is one of improvement, in part due to an encouraging growth forecast<sup>29</sup> and debt relief measures.<sup>30</sup> After more than a year of inactivity in Sub-Saharan Africa, the Eurobond market re-opened in 2024, with successful issuances by Côte d'Ivoire, Benin and Kenya.<sup>31</sup> And after reaching its highest level in three decades in 2022, Africa's sovereign default level fell in 2023.<sup>32</sup> Effective debt management will be crucial for African governments to achieve and maintain economic stability.

28 Deloitte, 2023 Africa Insurance Outlook, 2023

29 State of Play of Debt Burden in Africa 2024, African Export-Import Bank, 2024

30 Annual Meetings 2024: old debt resolution for African countries – the cornerstone of reforming the global financial architecture, African Development Bank Group, May 2024

31 Africa's Eurobonds market roars back to life, African Business, 2024

32 State of Play of Debt Burden in Africa 2024, African Export-Import Bank, 2024

## **HOW INSURANCE CONTRIBUTES TO ECONOMIC DEVELOPMENT AND STABILITY AND REDUCES THE NEED FOR DEBT**

### **1. As an underwriter – providing a safety net against risk**

Insurance protection derives from the fundamental principles of risk management and risk sharing. As a risk underwriter, the insurance sector plays a vital role in society, providing risk management expertise and financial protection to individuals, households, businesses and governments for unforeseen risks that could have devastating economic impacts (see box, «Vulnerable economies face economic shocks from natural disasters»).

Insurance protection fosters confidence in an economy and frees-up capital in a risky and unpredictable world, promoting investment, innovation, development and economic stability, and reducing the need for national debt.

#### **Vulnerable economies face economic shocks from natural disasters**

In vulnerable economies, natural disasters can hinder economic growth and efforts to reduce poverty, as governments are burdened with significant disaster response and recovery costs. Additionally, national revenues decline due to reduced household incomes, lower business productivity and decreased economic output.<sup>33</sup>

For instance, a study on developing economies showed that in the year of a major natural disaster, real GDP dropped by 1.3 percentage points compared to unaffected economies. To fund recovery efforts, these countries often increase national debt, with the same study noting a rise of 2.3 to 3.6 percentage points in debt and a 1 percentage point boost in economic growth over the three years following the disaster.<sup>34</sup>

In contrast, countries with well-developed insurance markets tend to experience smaller GDP losses from natural disasters,<sup>35</sup> reducing their need to increase national debt.

**Supporting individuals and households:** Insurance supports individuals and households by protecting their assets, health and well-being, as well as their livelihoods (through its support of businesses) and access to critical infrastructure (through its support of governments). Examples of insurance types include property damage, motor, life, funeral and health insurance.

<sup>33</sup> Developing insurance markets – The Insurance Sector’s Contribution to the Sustainable Development Goals (SDGs), World Bank Group, 2021

<sup>34</sup> On calamities, debt, and growth in developing countries, World Bank Blogs, 2022

<sup>35</sup> Developing insurance markets – The Insurance Sector’s Contribution to the Sustainable Development Goals (SDGs), World Bank Group, 2021

### **Microinsurance – a small investment with big benefits**

Microinsurance helps individuals, small businesses and farmers to mitigate the financial impacts of illness, death, loss of income and natural disasters. It has been shown to have a positive and enduring impact on economic growth in Africa, especially for the poorest developing countries.<sup>36</sup>

**Supporting businesses:** Insurance enables businesses to confidently operate in a risky world, to innovate and to invest in growth by mitigating diverse operational risks. In doing this, it also helps businesses to create jobs, reducing poverty and contributing to economic development. Through its support of individuals, households and governments, it also supports businesses through a healthier workforce and sustainable critical infrastructure. Examples of insurance types include property damage, business interruption, agriculture, public and product liability, cyber, credit, surety and political risk, professional liability, construction and engineering, aviation, marine, energy and employer's liability insurance.

### **Protecting Africa's SMEs**

SMEs are critical to Africa's economic development, representing over 90% of businesses, contributing to over 50% of Africa's GDP and accounting for over 60% of employment in low-income countries.<sup>37</sup> Despite their critical role, SMEs are particularly vulnerable to climate change and extreme weather events due to their heavy reliance on natural resources<sup>38</sup>, and often struggle to access the funding that they need to thrive and grow.<sup>39</sup> Access to electricity infrastructure is another key challenge area for SMEs.<sup>40</sup>

### **Trade credit insurance – facilitating intra-African trade growth**

The African Continental Free Trade Area (AfCFTA) is a free trade area covering most of Africa, established to promote intra-African trade and boost Africa's global trading position. However, exporting to other African markets can involve high levels of political and economic risk, especially for small companies. By mitigating credit and political risk, trade credit insurance can help businesses to benefit from opportunities created by the AfCFTA.<sup>41</sup>

36 Microinsurance and economic growth in Africa, Tsventanka Karagyozyova, *Risks* 2023, 11(19), 175

37 Financing Small and Medium Enterprises (SMEs) in Africa: A Crucial Imperative for Chambers, Pan African Chamber of Commerce and Industry website

38 Percentages relate to formal and informal SMEs. Source: Climate Change Resilience for Small and Medium-sized Enterprises (SMEs) in Africa, Ghana Climate Innovation Centre

39 Financing Small and Medium Enterprises (SMEs) in Africa: A Crucial Imperative for Chambers, Pan African Chamber of Commerce and Industry website

40 African small and medium enterprises (SMEs) contributions, challenges and solutions, Dr. Samuel Muiruri Muriithi, *European Journal of Research and Reflection in Management Sciences*, Vol. 5 No. 1, 2017

41 Trade insurance can provide some assurance of AfCFTA success, ecdpm, 2020

**Risk mitigation through insurance promotes infrastructure development**

Africa has an estimated infrastructure finance need of USD 130-170 billion a year and an investment gap of USD 68-108 billion.<sup>42</sup>

Many projects in emerging markets involve substantial investment and are high risk endeavours. By mitigating the risks associated with infrastructure projects – for example by providing protection against engineering, construction, credit, surety and political risks, insurance mitigates the associated risks (and therefore costs) for governments and improves the risk-adjusted returns for private investors, promoting private investment<sup>43</sup> and blended (public-private) finance solutions.<sup>44</sup>

The importance of infrastructure risk mitigation has become even greater in the higher-for-longer interest rate environment, i.e. where borrowing costs have increased and returns in other asset classes have become more attractive for investors.

**Supporting governments:** Insurance supports sustainable development goals e.g. by enabling infrastructure development and helping to finance disaster recovery efforts (see box above and on the following page). Through its protections provided to individuals, households and businesses, insurance also increases employment, grows national revenue and reduces natural disaster impacts and social welfare needs, freeing up governments' capacity to fund social and economic infrastructure. Examples include sovereign credit, credit, surety, political risk and parametric catastrophe insurance.

42 Public-private partnerships needed to bridge Africa's infrastructure development gap, African Development Bank Group, 2023

43 How can risk mitigation instruments accelerate private investment in infrastructure?, PPIAF, 2023

44 How insurance can help mobilize blended finance for projects in Africa, Marsh, 2023

**Parametric covers – timely and sizeable financial support for African governments in times of crisis**

Parametric insurance policies can provide sizeable and timely payouts to reduce the financial burden of disaster response/recovery efforts by governments and humanitarian organisations. For example:

- After the September 2023 magnitude 6.8 earthquake, the Moroccan Government received a USD 275 million payout from its parametric earthquake insurance policy.<sup>45</sup>
- Following the 2023/24 El Nino induced drought, the Zimbabwe Government received a USD 16.8 million payout from its parametric drought insurance policy.<sup>46</sup>

Through its underwriting and risk acceptance decisions, the sector also:

- Enhances risk awareness and risk management capabilities.
- Drives higher standards (e.g. in construction).
- Promotes positive environmental, social and governance (ESG) practices; for example, compared to prior year, one study found that the number of (analysed) leading insurance companies with coal exit policies increased from 41 to 45 in 2023.<sup>47</sup>

Given their long-term savings products, life insurance markets can also help to mobilise household savings for domestic investment, providing an alternative (to international debt) low risk, low-cost form of financing.<sup>48</sup>

Through catastrophe bond issuances, the insurance sector is also active in raising additional capital to support peak catastrophe risks, helping to build disaster and climate resilience. Globally, 2023 was a record year for new cat bond issuance, raising USD 15 billion, which brought the total capital deployed into catastrophe bonds to USD 41 billion.<sup>49</sup> Africa has not yet accessed catastrophe bond capacity, due in part to data availability issues and high issuance costs, but overcoming the challenges would bring significant benefits as ILS capacity has the potential to help reduce Africa's natural disaster protection gap.<sup>50</sup>

45 Morocco renewing parametric quake insurance after 2023 payout of \$275m, Artemis, 2024

46 ARC pays out \$32m as Zimbabwe's parametric drought insurance triggers, Artemis, 2024

47 Scorecard on Insurance, Fossil Fuels and the Climate Emergency, Insure Our Future Campaign, 2023

48 Life Insurance Markets in Sub-Saharan Africa, ODI, 2015

49 Surge in catastrophe bond issuance stabilises transfer of mounting peak risks, Swiss Re, 2024

50 The Prospects for Parametric Catastrophe Bonds in Africa, The African Reinsurer, Issue 38, 2024



## **2. As an investor – with a secure, long-term, sustainable focus**

Insurance companies are large institutional investors. At year-end 2022, global insurance company assets totalled USD 40 trillion.<sup>51</sup>

To ensure that they have the financial security to match their long-term liabilities, insurance companies are primarily secure, long-term investors, investing in a range of asset types, but focused on fixed-income securities (mainly corporate and sovereign bonds) and stable yields.<sup>52</sup> For example, fixed-income securities comprised 55 % of global insurance company assets at year-end 2022.<sup>53</sup>

The insurance sector plays a vital role as an investor in infrastructure, as the long-term, stable cash flows from infrastructure assets are well-aligned with insurers' long-term liabilities. This helps to reduce infrastructure investment gaps; as reported by the World Bank, higher insurance penetration has been correlated with smaller infrastructure investment gaps, even after accounting for GDP.<sup>54</sup>

As a long-term, responsible corporate investor, the sector is also a vital partner in the drive for sustainability - investing in clean energy assets and resilient infrastructure, issuing and investing in green, climate and sustainable bonds,<sup>55</sup> and integrating positive ESG considerations into its asset management activities.<sup>56</sup>

51 Global Insurance Market Report, IAIS, 2023

52 CHF 570 billion benefiting people, environmental and sustainability issues, ASA, 2024

53 Refers to total general account (GA) assets only. Source: Global Insurance Market Report, IAIS, 2023

54 Insurance Companies and Infrastructure Investments, World Bank Group website

55 Green bonds - raised capital is invested solely in projects with a positive environmental impact, such as renewable energy. Sustainable bonds - raised capital could alternatively be invested in social projects. Climate bonds - raised capital is invested in projects to reduce carbon emissions or adapt to climate change impacts.

56 Developing insurance markets – The Insurance Sector's Contribution to the Sustainable Development Goals (SDGs), World Bank Group, 2021

### **3. As an employer – creating secure, skilled jobs**

In addition to the jobs created through its support of individuals, businesses and by enabling infrastructure development, the insurance sector is a major employer. For example, the US insurance industry provided around 3 million jobs in 2023<sup>57</sup> and European insurers had 922,000 direct employees in 2020.<sup>58</sup>

The sector offers a wide range of direct employment opportunities, including for roles such as underwriters, actuaries, customer service representatives, agents and brokers, financial analysts, engineers and risk experts, as well as traditional corporate positions such as IT specialists and human resource professionals. Indirectly, the sector also supports employment through third-party services, such as legal, loss adjusters, medical experts and services linked to insurance claims and contracts. Insurance additionally drives demand for IT services, consulting and asset management.

### **THE INSURANCE SECTOR IS A KEY PARTNER FOR AFRICA'S ECONOMIC DEVELOPMENT AND STABILITY**

The insurance sector has a powerful role to play in Africa's economic development and stability and can therefore be a key partner in improving the welfare of Africa's people.

Enabling the insurance sector to fulfil its potential across the continent is therefore strongly recommended. The AIO calls on all parties – governments and regulators, bi- and multi-lateral organisations – to enable and prioritise the sector's development.

<sup>57</sup> Facts + Statistics: Careers and employment, Insurance Information Institute website

<sup>58</sup> Insurance Europe, European Insurance Key Facts, 2020 data



