



**NEW FRONTIERS OF RISK:
CYBER, CLIMATE &
CATASTROPHE
IN AFRICA**

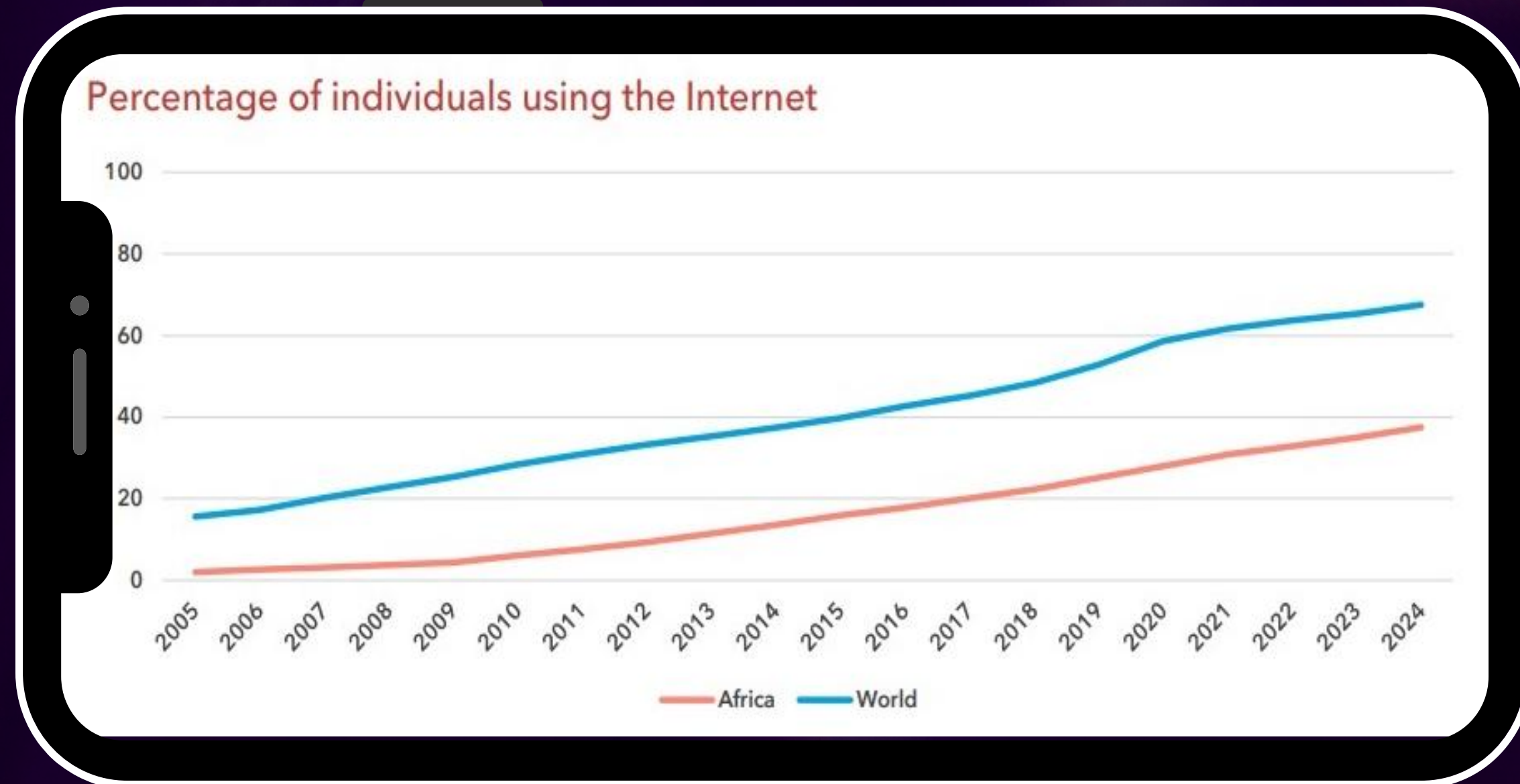




CYBER RISKS

INTERNET ACCESSIBILITY IN AFRICA

- Internet use in Africa: growing **twice** as fast as the global average
- Access to at least 3G mobile broadband services: **85%** of the population in Africa
- Forecast: **51.79%** increase in Africa's internet users from 2024 to 2029



RISKS / DOWNSIDE

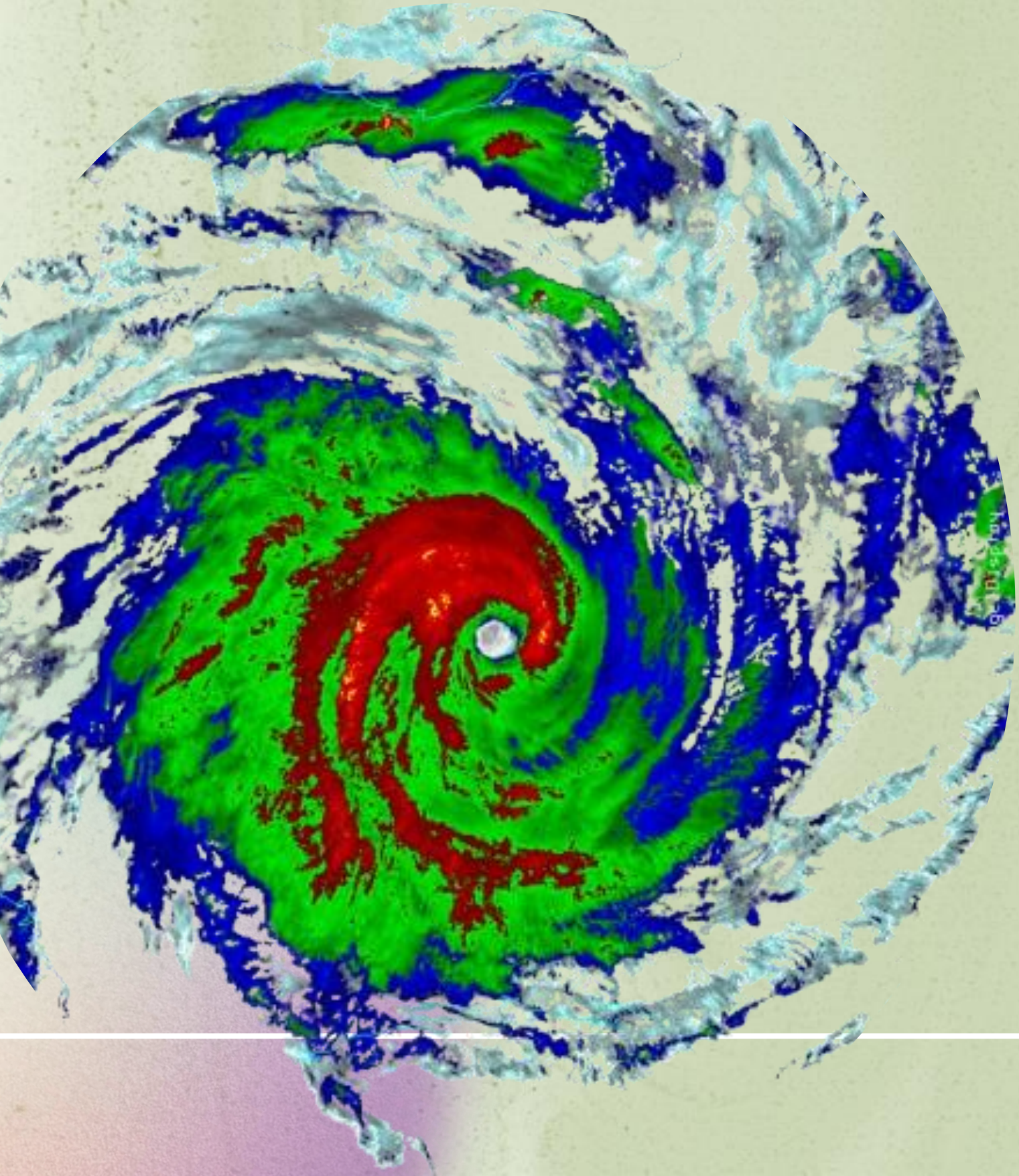
- **Spyware attacks: 14%** increase on African businesses in 2024 versus 2023.
- **Confidence in cyber resilience: 36%** of African businesses lack confidence in their country's ability to handle major cyberattacks, **27%** are neutral, **9%** are confident.
- **Targeted countries and sectors: Ethiopia, Zimbabwe, Angola, Uganda, Nigeria, Kenya, Ghana, Mozambique among top 20 most attacked countries (Jan 2025); education, government, and telecoms are the most targeted sectors.**
- **Loses more than \$3.5 billion annually due to direct cyberattacks, and billions more from missed business opportunities caused by the resulting reputational damage from the attack**

Sources:

- *Ecofin Agency, 2025. Africa Faces Rising Cybersecurity Threats Amid Growing Digital Shift*
- *Techpoint Africa, 2025. Eight African countries rank among top 20 most cyber-attacked nations globally.*
- *Kaspersky, 2025. 14% increase in spyware attacks on African businesses: Kaspersky presents a cyberthreat landscape report at GITEX Africa in Morocco*
- *Kearney, 2024. Cybersecurity in Africa – a Call to Action.*

CYBER INSURANCE MARKET

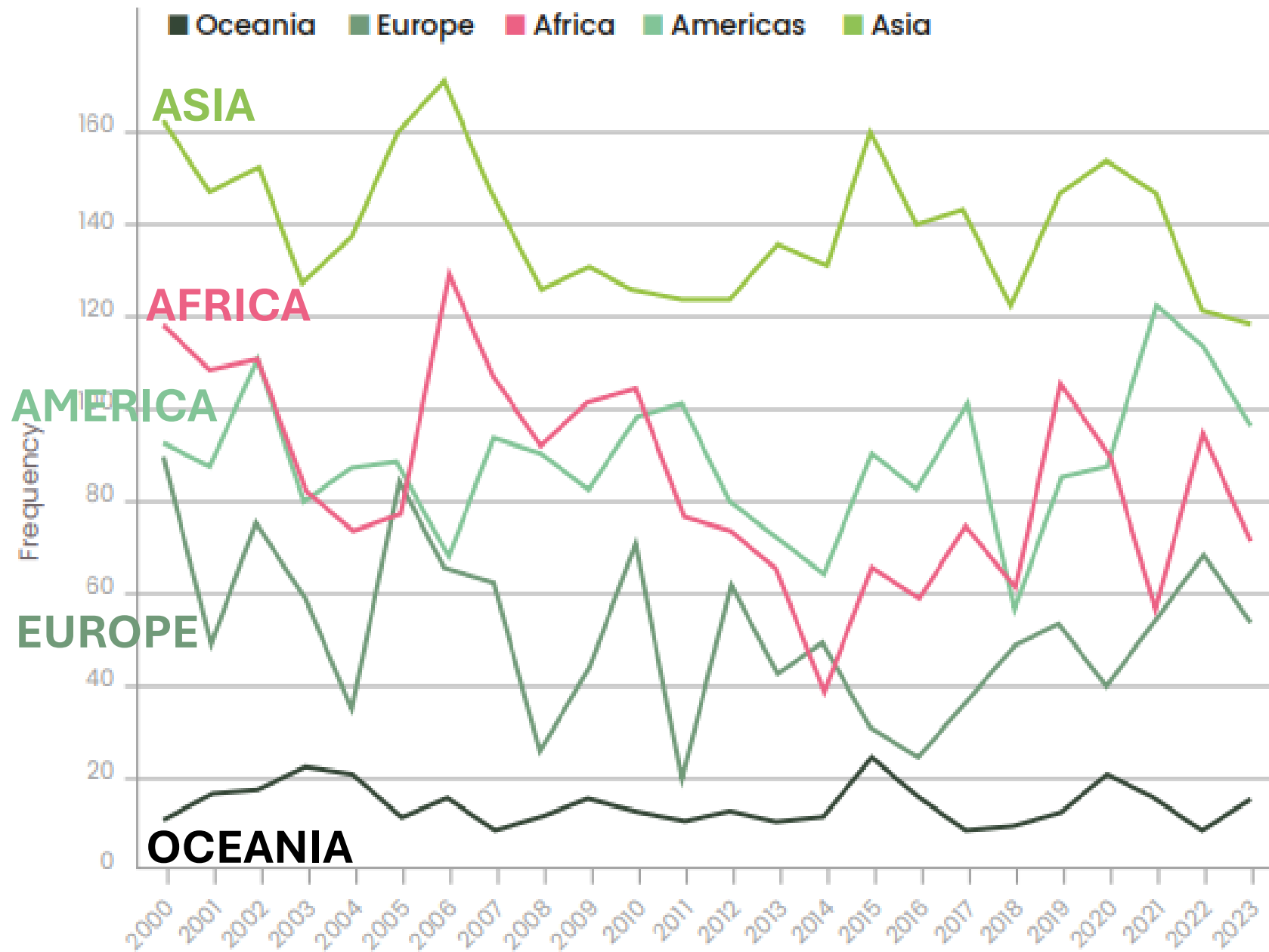
- **Middle East & Africa cyber insurance market: Held ~2% of global revenue in 2024, valued at USD 283.02 million, and expected to grow at a CAGR of 26.2% from 2024 to 2031.**
- **Market size: African cybersecurity market valued at \$600 million in 2024, projected to reach \$1.28 billion by 2029.**
- **Africa's cybersecurity market is growing rapidly due to digital transformation, cloud adoption, and stricter data laws, but faces major challenges such as skill shortages, uneven readiness, and weak security protocols, creating strong opportunities for innovation and investment.**
- **The global cyber insurance market premium totaled USD 15.3bn in 2024, anticipating to reach USD 16.3bn in premiums by 2025 & global premium volume will more than double by 2030.**
- **North America – Largest cyber insurance market, representing 69% of global premiums, followed by Europe, Asia-Pacific and Rest of World**



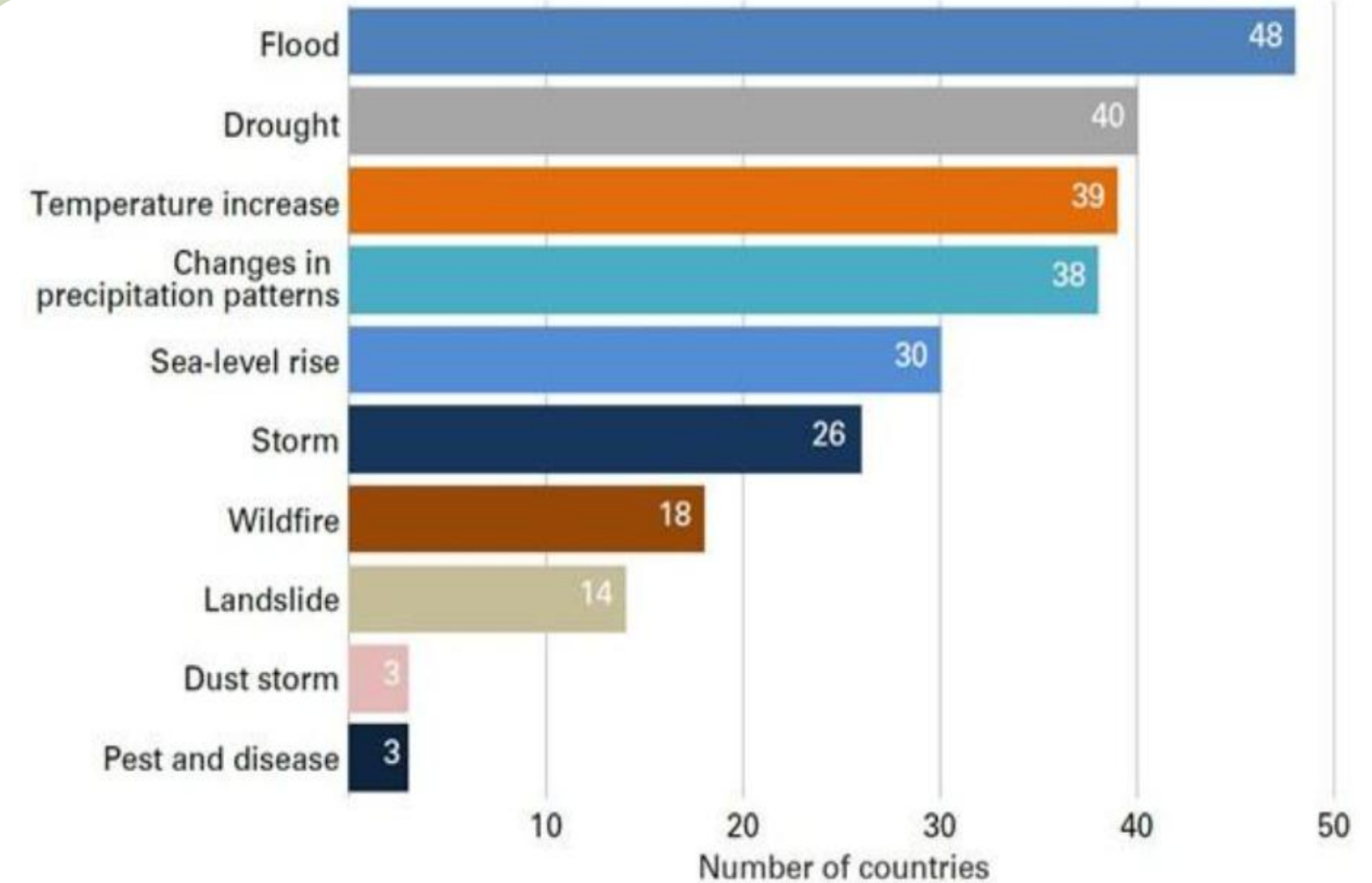
NAT CAT EVENTS IN AFRICA

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Number of Weather-related Natural Disasters in Africa vs Rest of World (2000-2023)



Hazards of greatest concern for the African region, as of June 2024



Hazards of greatest concern for the African region. This graph was generated by WMO using the NDCs of 53 countries in Africa based on the active NDCs submitted as of June 2024.

NAT CAT EVENTS IN AFRICA



2022:

Cyclone Idai, one of the worst on record in Africa - Mozambique, Zimbabwe, and Malawi.

2023:

- Libya floods ; Morocco earthquake ; Algeria wildfires ; Mozambique cyclone ; DRC and Rwanda floods ; Cyclone Freddy – longest in history

2024:

- Severe flooding / heavy monsoon rains in Kenya, Ethiopia, Uganda, Tanzania, Burundi, and Somalia.**
- Prolonged drought in Angola, Zambia, Namibia, Botswana, Zimbabwe, Mozambique, South Africa, and Lesotho.**
- Cyclones Hidaya and Ialy worsened flooding in Tanzania and Kenya.**
- Cyclone Belal in Mauritius and Madagascar**

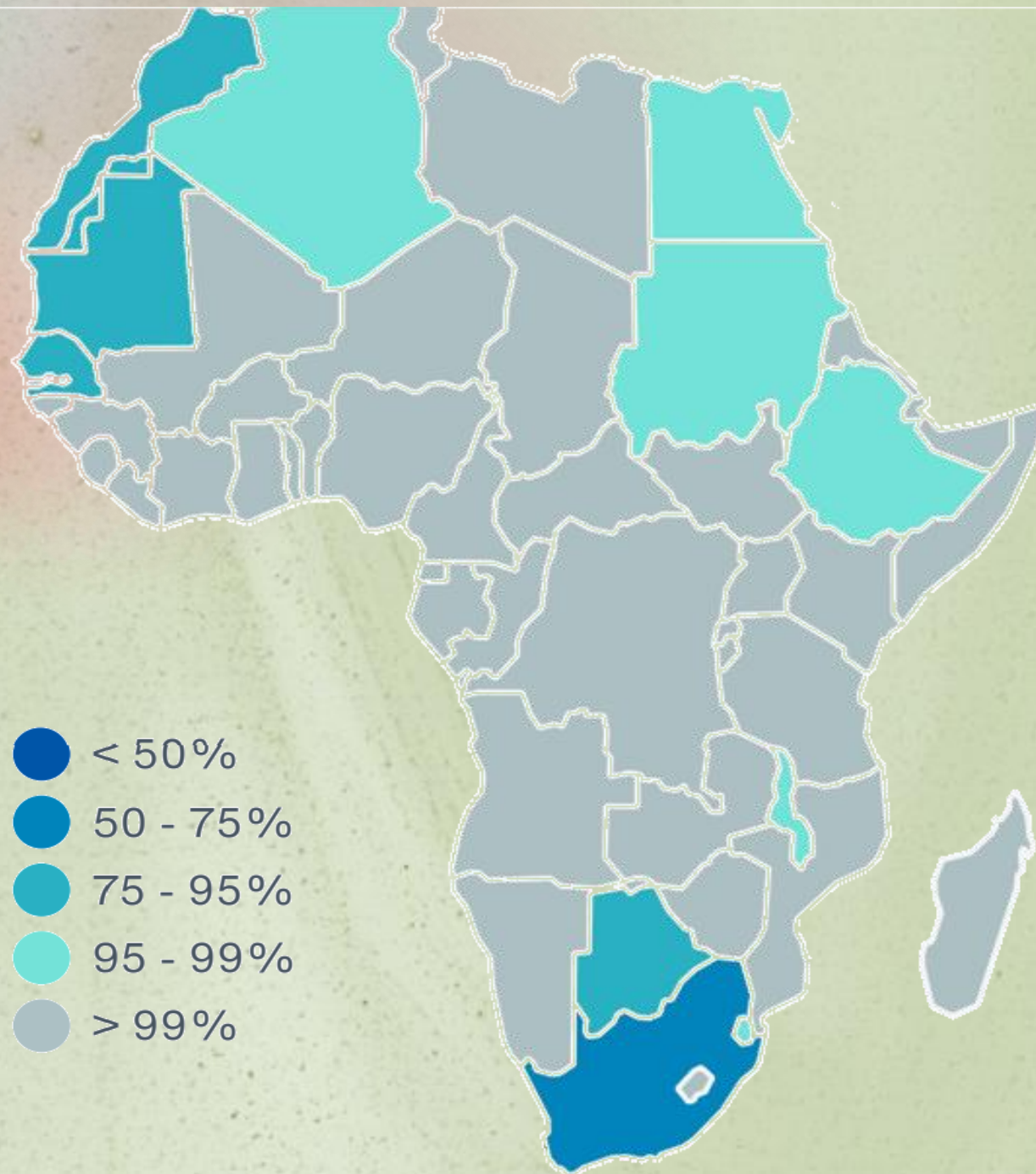
2025:

- Tropical cyclone Chido (southeast Africa), Tropical storm Jude (Mozambique & Madagascar), Cyclone Dikeledi (Madagascar)**
- Flooding in South Africa (June 2025)**

NAT CAT EVENTS IN AFRICA

PROTECTION GAP SINCE 2000

The gap being most pronounced in parts of Africa



ECONOMIC LOSSES V/S INSURED LOSSES

- Africa: The most vulnerable continent to the impacts of climate change.
- HY1 2024: Natural disasters in Africa were responsible for total economic losses of **US\$ 0.5bn.**
- **Only 6%** economic losses from natural disasters are insured in Africa.
- Insurance protection gap remains persistently high with insurance penetration typically well below **1%**.

Sources:

- Munich Re, 2024. *The Price of Natural Catastrophes in Africa.*
- The Nation Newspaper, 2024. *Only 6% economic losses from natural disasters are insured in Africa.*



SYSTEMIC SHOCKS



ENERGY GRID FAILURE

- Africa’s chronic power problems have escalated into a crisis affecting 30 countries. This tolls heavily on economic growth and productivity.
- Persistent blackouts stemming from repeated grid failures, paralyzing households, businesses.
- Technical, infrastructural, and operational issues that bring to the scene the frailty of the country’s power sector
- Africa’s power supply crisis has many other underlying causes :



Source: Based on interviews with World Bank staff from the Africa Energy Department, 2008.

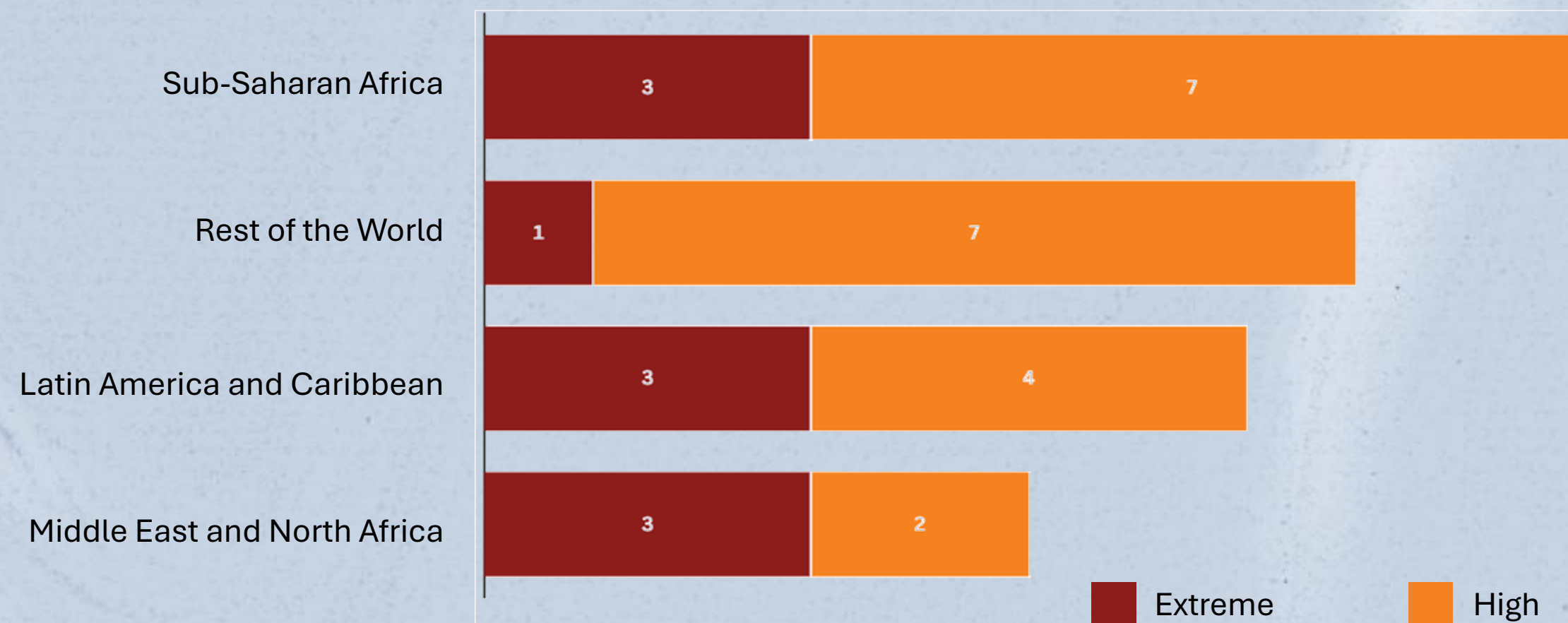
Sources:

- Athena Centre for Policy and Leadership, 2024. A Nation in Darkness: Persistent Power Grid Collapse in Nigeria.
- Africa Infrastructure Knowledge Program - African Development Bank Group, 2025. Africa’s chronic power problems have escalated into a crisis affecting 30 countries.

AFRICA – A CONTINENT OF WAR...?

- Africa's level of conflict was the highest in the World in 2024
- Regional conflicts in Africa, such as those in the Sahel, DRC, Sudan, and South Sudan, are driven by factors like extremist groups, resource competition, and political instability.

Number of countries classified with 'Extreme' or 'High' levels of conflict on the ACLED conflict index

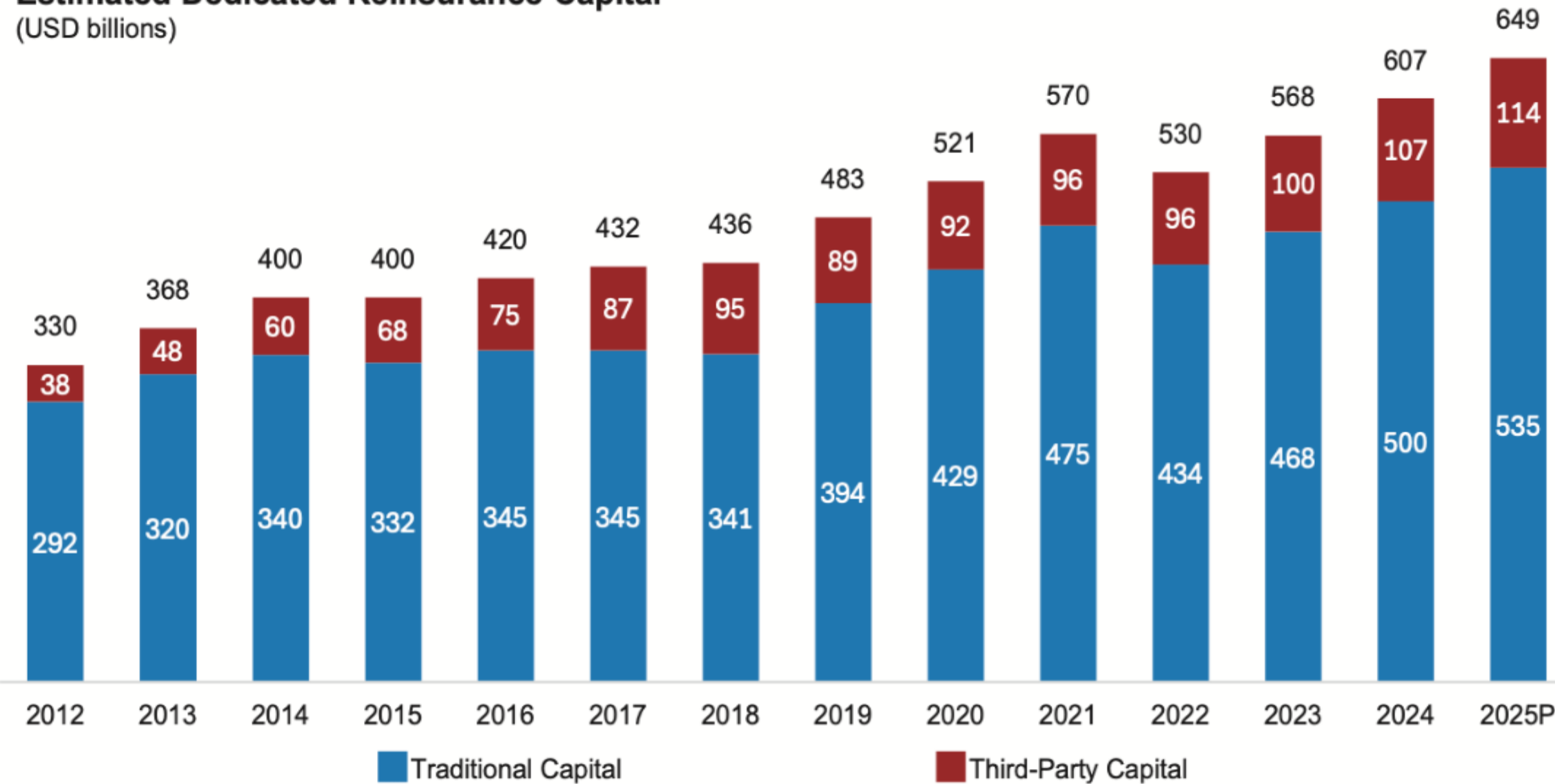




CAPITAL IN REINSURANCE

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Estimated Dedicated Reinsurance Capital
(USD billions)



Sources: AM Best data and research, Guy Carpenter

- **Dedicated reinsurance capital to hit record \$649bn in 2025: AM Best/G**
- **Capital deployment becoming more diverse as reinsurance growth persists, AM Best**



REGULATIONS

AfCFTA

- **The AfCFTA's objective: To create a unified marketplace is poised to substantially enhance intra-African trade, eliminate trade barriers and foster economic integration, thereby driving growth in the insurance sector. One of its key objectives is to reduce protectionism, which has historically hindered the growth and competitiveness of various sectors, including the insurance market. By doing away with protectionism, AfCFTA can create a more open and competitive insurance market in Africa, leading to numerous benefits**
- **Its effectiveness will rely on clear policy direction and operational efficiency, requiring a joint industry action plan involving (re)insurers, intermediaries, specialists, and regulators.**
- **Industry is facing numerous challenges with one of the key risks being inconsistent regulatory frameworks across different African continents – challenge for insurance companies operating across borders.**
- **AfCFTA implementation faces barriers such as weak member-state commitment, regulatory inconsistencies, inadequate infrastructure, and high trade costs. Overcoming these challenges and ensuring regulatory compliance is essential for growth and unlocking opportunities in Africa's insurance sector, including trade credit and marine insurance.**



DATA & MODELLING

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- **AI is transforming underwriting, claims, and risk modelling, driving efficiency and better decision-making.**
- **The agile adaptation of models that integrate high-quality datasets throughout the insurance value chain is key.**
- **Major players in the industry like Swiss Re and Allianz are appointing AI leaders and deploying generative AI tools.**
- **Partnerships (e.g. CanopiUS–Kalepa, Verisk) show rapid adoption of AI-powered underwriting platforms.**
- **Data quality and governance remain the main barriers to effective AI implementation.**
- **AI innovation is expanding into new areas such as biodiversity risk monitoring and policy automation.**



TALENT GAPS IN REINSURANCE

TALENT GAPS IN REINSURANCE

 Reinsurance News

<https://www.reinsurancene.ws> > talent-gap-a-challenge-f... ⋮

Talent gap a challenge for the re/insurance industry amid ...


5 days ago — The global insurance and reinsurance industry is facing a significant talent

 Insurance Business America

<https://www.insurancebusinessmag.com> > news > insura... ⋮

Insurance faced with tech-skills gap, institutional ...

30 Jun 2025 — With retirements looming and digital demands rising, Canada's insurance industry is facing a triple talent crisis.

 Reinsurance News


<https://www.reinsurancene.ws> > News ⋮

Young professionals see insurance as outdated, urging ...

27 Sept 2024 — The insurance industry is facing a recruitment challenge, driven by an ageing workforce nearing retirement and a dwindling talent pipeline, ...

Skills Gaps Can Elevate Risks and Insurance Claims


The skills gap in the renewable energy sector has a range of implications, from operational

 Insurance Business America

<https://www.insurancebusinessmag.com> > breaking-news ⋮

What can re/insurance do to attract more talent?

8 Jul 2024 — Desquesses said that today's workforce seeks meaningful jobs, career advancement, and

 Chartered Insurance Institute (CII)

<https://www.cii.co.uk> > media > new-gen-talent-sh... PDF ⋮

The Talent Shortage Crisis


The talent shortage crisis is further impacted by an ageing workforce, with currently estimated that 25% of the sector are due

 Hannover Re

<https://www.hannover-re.com> > skills-shortage

Skills Shortages as an Emerging


Explore how global talent gaps and workforce shortages are impacting various industries—and what this means for insurers and

 Swiss Re

<https://www.swissre.com> > research > sonar > sonar2025 ⋮

Emerging workforce and skillset shortages challenge


12 Jun 2025 — Such circumstances of skill shortage can lead to more claims and higher costs for professional and employer liability insurance business.

 Atlas Magazine

<https://www.atlas-mag.net> > article > the-shortage-of-skill... ⋮

The shortage of skills is a problem for the insurance sector

4 Dec 2014 — S. Muloziwa also pointed out the shortage of skills (accountants, actuaries, software developers ...) which

 Insurance Journal

<https://www.insurancejournal.com> > 2025/03/24 ⋮

The Insurance Industry's Talent Crunch: Attracting and ...

24 Mar 2025 — The last three years have exposed a growing challenge for insurance carriers: attracting, hiring, and retaining young talent.

 AXA XL

<https://axaxl.com> > fast-fast-forward > articles > closing... ⋮

Closing the talent gap

19 Nov 2024 — A six-year outline to tackle the industry's talent shortage by uplifting capability, diversity, equity and inclusion across Australia's insurance industry.

PANEL DISCUSSION: NEW FRONTIERS OF RISK: CYBER, CLIMATE & CATASTROPHE IN AFRICA

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