



# Africa Insurance Pulse 2026

**Data-driven insurance catalyses  
inclusive growth in Africa**

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African Insurance Organisation  
30, Avenue de Gaulle  
P. O. Box 5860  
Douala, Cameroon  
Telephone: +(237) 233 42 01 63  
E-mail: [aio@africaninsurance.net](mailto:aio@africaninsurance.net)  
Website: [www.african-insurance.org](http://www.african-insurance.org)

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# Foreword



The role of insurance in economic development is well established. This year's African Insurance Pulse explores a more specific constraint: Africa's protection gaps are closely linked to data gaps. When risks are poorly measured or recorded inconsistently, insurance markets struggle to price accurately, innovate responsibly, or scale sustainably.

Our interview partners, insurers, reinsurers, and brokers across the continent confirm this. When asked whether high-quality data is fundamental to their strategy, all participating organisations rated it critical. The consensus reflects operational reality: without reliable data, underwriting becomes conservative, pricing incorporates uncertainty, and coverage remains limited.

The challenge is measurable. Our survey documents persistent inefficiencies: insufficient granularity, delayed reporting, inaccuracy, and non-standardised definitions. These are not isolated issues but systemic constraints that organisations manage daily. The consequence is evident in insurance markets, where data gaps lead to limited risk appetite, higher premiums and tighter terms, a cost ultimately paid by African customers.

This has implications beyond insurance. Where risks remain unquantifiable, investment hesitates. Where insurance is unavailable or unaffordable, households and businesses lack protection against shocks that erode development gains.

The path forward requires coordinated action on data foundations. First, industry must invest in improving data quality and establishing shared data infrastructure. This enables consistent data generation and establishes a technical foundation. Second, regulatory harmonisation, a separate but essential task, builds on that foundation by establishing aligned standards across markets. Only with comparable data infrastructure in place can harmonised definitions actually drive consistency beyond single markets.

Recognising the critical role of data, the African Insurance Organisation is working on establishing the African Insurance Data Repository (AIDR), a pan-African platform to aggregate, standardise and centralise insurance data across the continent. This initiative, included in our 2024-28 strategic plan, represents a concrete commitment to building the data foundations that African insurance markets require to function effectively and drive inclusive growth.

**Yared Mola**

President of the African Insurance Organisation (2025-2026)



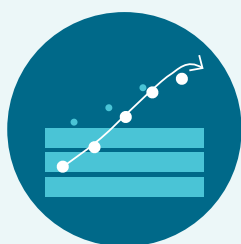
“Africa’s insurance markets face not just a capital gap, but a data gap. Without better data infrastructure, shared standards and the analytical capacity to translate information into insight, insurers cannot price risk accurately, reach the underserved or scale sustainably. Closing this gap is both an institutional and technical task, requiring investment, governance and genuine collaboration among public and private actors. The stakes extend well beyond the industry itself: data-driven insurance is part of the economic infrastructure that enables resilience and inclusive growth.”

**Jean Baptiste Ntukamazina**  
Secretary General of the African Insurance Organisation

# At a glance

## KEY FINDINGS OF RESEARCH SECTION

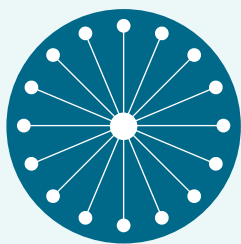
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- **Data scarcity is Africa’s central constraint on insurance market development and inclusive growth.** Without credible, granular data, actuarial modelling becomes uncertain, technical pricing requires high safety margins, and reinsurance costs rise, making protection either unavailable or unaffordable for underserved populations.
- **Insurance non-life penetration across Africa remains below global benchmarks, reflecting structural barriers partly rooted in data gaps and weak financial infrastructure.** Even advanced African markets like South Africa (2.3% non-life penetration) fall short of global averages (4%), with lower-income markets lacking the data systems needed to expand risk protection and enable investment.
- **Mobile money has become crucial for achieving financial inclusion in Africa, creating hybrid ecosystems where insurance must integrate into digital channels to reach scale.** Low-income countries rely heavily on mobile money over traditional banking; insurance growth depends on aligning distribution and data systems through these mobile-led financial ecosystems rather than traditional banking models.
- **Insurance mobilises capital and reduces fiscal risk, but only where data integrity supports confidence in underwriting, solvency reporting and claims management.** Weak data ecosystems increase perceived systemic risk, elevating capital costs and constraining the investment role of insurers in supporting infrastructure, agriculture and micro, small, and medium-sized enterprises growth.
- **Inclusive insurance can expand dramatically by leveraging alternative data sources such as satellite imagery, mobile usage and digital records rather than relying on historical insurance datasets.** Data-driven technologies enable parametric insurance, microinsurance and other innovative products for previously uninsurable populations like smallholder farmers, demonstrating that the protection gap is partly a data infrastructure gap.
- **Currently, many African insurers treat data as a byproduct rather than a strategic asset, fragmenting systems and preventing the integration necessary to unlock innovation and competitive advantage.** Moving beyond siloed, function-specific data environments toward enterprise-wide data ecosystems, where information is accessible, reliable and actionable, is essential for African insurers to improve risk understanding and design affordable products.
- **The “virtuous flywheel” of data-driven insurance, where scale generates data, which improves pricing and investment decisions, driving affordability and uptake, can catalyse inclusive economic growth if ecosystems enable data sharing and attract capital.** For African markets, replicating this flywheel requires coordinated action on data standards, public-private partnerships, digital infrastructure and regulatory alignment to ensure that insurance growth translates into systemic resilience and investment capacity.

## KEY FINDINGS OF THE SURVEY SECTION

Pages 23–45



A survey of 17 African insurance and reinsurance organisations (9 reinsurers, 7 insurers, 1 broker) conducted in March–April 2026 examining data practices, standardisation, priority use cases, and insurance and reinsurance market impact revealed these key findings:

- **No data, no reliable strategy:** All 17 organisations rated high-quality data as critical, citing operational necessity, governance requirements, and competitive advantage.
- **A narrow data diet in a data-hungry industry:** African insurers rely heavily on proprietary claims data and public regulatory sources; with limited adoption of third-party data.
- **Data inefficiencies are the norm, not the exception:** Insufficient granularity, delays, inaccuracy, and non-standardisation affect most respondents regularly, cascading through pricing, reserving, and risk assessment.
- **The market sees data harmonisation as essential for expansion:** Improved pricing accuracy dominates as priority, followed by benchmarking; standardisation viewed as operational necessity.
- **Fragmented regulatory frameworks, the primary barrier to data harmonisation:** Regulatory fragmentation across 50+ countries is the overwhelming obstacle, compounded by inconsistent definitions and lack of data-sharing incentives.
- **Priority use cases: underwriting and pricing first** – Underwriting and pricing is urgent foundation; climate analytics ranks lowest despite climate exposure, possibly signalling a capability gap.
- **Impact on African insurance markets:** Poor data drives mispricing, reduced appetite, difficult capital access, and can even erode consumer confidence, creating systemic growth constraints.
- **Impact on African reinsurance markets:** Data gaps force higher rates, tighter terms, and higher attachment points, pricing African insurers out of efficient reinsurance solutions.

# Research: Data-driven insurance catalyses inclusive growth in Africa



## INTRODUCTION

This year's African Insurance Pulse advances a simple but urgent proposition: Africa's protection gaps are not only capital gaps; they are also data gaps. Where risks are poorly measured, inconsistently recorded or fragmented across institutions, insurance markets cannot price accurately, innovate responsibly or scale sustainably. The result is predictable: limited coverage, elevated premiums, constrained reinsurance capacity and persistent vulnerability.

The strategic question is therefore whether Africa can build the data foundations required for insurance to become a true engine of inclusive growth.

Building and strengthening these foundations is both a technical and an institutional challenge. It requires improving data availability, quality, and interoperability across public and private sectors, whilst protecting privacy and consumer data. It also calls for investment in digital infrastructure, common standards and governance frameworks that enable trusted data sharing across the insurance value chain and beyond.

At the same time, data must be translated into capability. Advanced analytics, new data sources and digital distribution models create opportunities to better understand risk, reduce transaction costs and design products that are more relevant to individuals and businesses. Realising these opportunities depends on building skills, fostering innovation ecosystems and encouraging partnerships between insurers, reinsurers, technology firms and public institutions.

For policymakers, the agenda is to create an enabling environment that balances innovation with stability. Clear and proportionate regulation, support for data ecosystems and a focus on interoperability can help unlock scale while maintaining trust. For industry leaders, the imperative is to embed data at the core of strategy and operations, moving from incremental improvements to more structural transformation.

If these elements come together, the benefits extend beyond the insurance sector. More effective risk transfer can support investment, enhance resilience and reduce the fiscal burden of shocks. In this sense, data-driven insurance is not only a commercial opportunity; it is part of the broader economic infrastructure required for sustainable and inclusive growth.

The path forward is pragmatic. It is about making steady, coordinated progress in building the data systems, capabilities and governance that allow insurance markets to function more effectively. The opportunity is significant.

**RISK, RESILIENCE AND INCLUSIVE GROWTH:  
WHY DATA-DRIVEN INSURANCE IS CENTRAL TO  
AFRICA'S DEVELOPMENT**

Africa's economic future will not be determined by growth rates alone, but by how effectively the continent manages risk. Climate volatility, health crises, political uncertainty, infrastructure deficits and commodity price shocks repeatedly test households, enterprises and governments. Too often, a single drought, flood, illness, accident or business interruption erases years of progress.

In such an environment, insurance is not a peripheral financial service. It is an economic infrastructure.

Where risks remain uninsured or poorly priced, poverty deepens, investment hesitates and fiscal pressures intensify. Where risks are measured, pooled and transferred effectively, resilience grows. And with it, long-term opportunities thrive.

Yet across much of Africa, a structural constraint limits insurance development: Risks are frequently unquantifiable due to missing, non-standardised or low-quality data.

Without credible, granular and interoperable data:

- Actuarial modelling becomes inaccurate.
- Technical pricing requires high safety margins.
- Reinsurance costs rise due to perceived opacity.
- Product innovation stalls.
- Strategic investment decisions become riskier and more expensive.
- Risk appetite is constrained.
- Coverage gaps persist.

As a result, protection is either not offered at all or at prices that exclude the very populations and enterprises most vulnerable. If inclusive growth is to succeed, Africa must close not only its protection gaps, but also its risk information gaps.

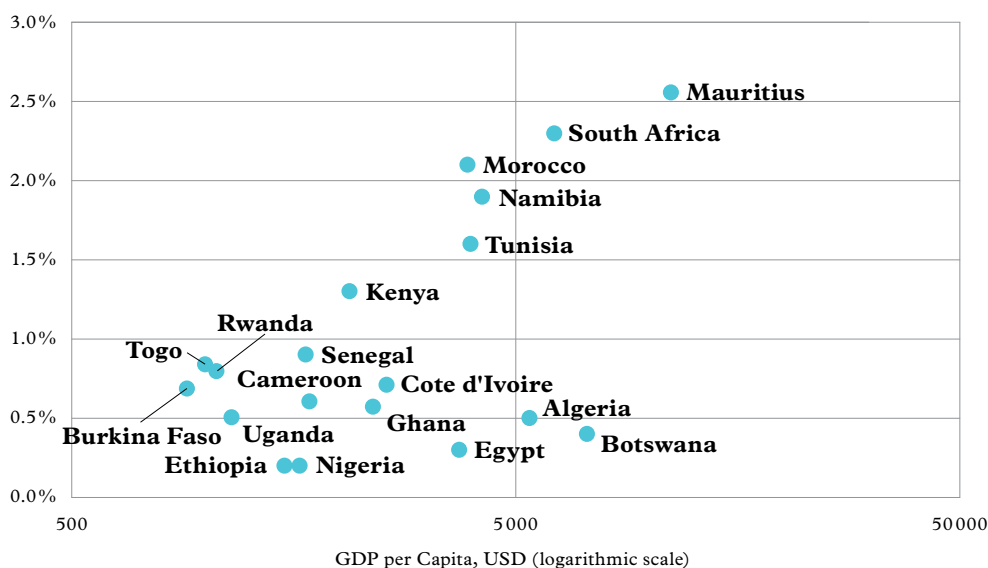
**INSURANCE AS A SHOCK ABSORBER:  
PREVENTING POVERTY, NOT JUST RESPONDING TO IT**

Poverty in many African countries is dynamic rather than static. Households frequently move above and below the poverty line depending on exposure to shocks. In the absence of insurance, families cope by selling productive assets, withdrawing children from school or relying on expensive informal borrowing. These strategies protect consumption in the short term but undermine long-term welfare and economic mobility. Inclusive insurance can change this trajectory.

Non-life insurance penetration is a standard industry indicator that measures the size of the non-life insurance sector relative to the overall economy. In practical terms, it indicates how extensively insurance is used to transfer risk within an economy. Higher penetration suggests that households and businesses are more actively protecting themselves against risks such as accidents, natural disasters, or property losses. Lower penetration, by contrast, signals that risks are largely retained by individuals, firms, or governments. In a development context, this metric is particularly important. Low non-life insurance penetration often reflects structural barriers such as limited access, affordability constraints, low trust, or weak data and distribution systems. It also implies higher economic vulnerability: when shocks occur, losses are absorbed directly by households or public finances, often leading to reduced investment, asset depletion, or increased poverty.

**Chart 1: 2023 non-life insurance penetration (%) and GDP per capita (USD)**

Source: Faber Consulting AG, based on regulatory and industry reports



The data in chart 1 above shows a positive but uneven relationship between GDP per capita and non-life insurance penetration across African markets. Higher-income countries such as Mauritius (2.56%) and South Africa (2.30%) exhibit deeper insurance penetration, reflecting more mature risk transfer mechanisms. However, Morocco (2.10%) and Namibia (1.90%) outperform income peers, highlighting the role of effective regulation and market development. Conversely, Botswana and Egypt underperform relative to their income levels. Among lower-income markets, Kenya (1.30%) stands out as an emerging leader.

But even the most advanced African markets remain below global benchmarks: non-life insurance penetration globally averages around 4% of GDP, and emerging markets as a group typically exceed 1.5%. This highlights a persistent protection gap across the continent, even in relatively well-developed insurance markets. This pattern underscores insurance’s role in economic resilience: higher penetration enables

risk pooling and loss absorption, reducing volatility for households and businesses. Lower-income markets, with limited insurance uptake, remain more exposed to shocks, reinforcing the development imperative for expanding coverage.

**UNLOCKING MSME POTENTIAL: INSURANCE AS INFRASTRUCTURE FOR INCLUSIVE ECONOMIC TRANSFORMATION**

For African economies, the implications are profound. Micro, small, and medium-sized enterprises (MSMEs), which are responsible for a substantial share of employment and GDP, remain disproportionately vulnerable to shocks, limiting their ability to invest and grow. Inclusive insurance can unlock productive investment by stabilising cash flows and de-risking entrepreneurship, particularly when integrated into broader financial and industrial policy frameworks.

However, GIZ<sup>1</sup> highlights that scaling this impact requires more than product innovation. It demands enabling regulatory environments, data infrastructure, and cross-sector partnerships that allow insurers to reach underserved segments effectively. In this context, data becomes a public-good infrastructure: bridging insurers, governments, and development actors.

Ultimately, embedding data-driven inclusive insurance into national development strategies is not a marginal intervention; it is a system-level lever. It strengthens resilience, protects development gains, and enables households and enterprises to shift from survival to investment, laying the foundation for sustained, inclusive growth.

#### **EMBEDDING RISK PROTECTION AT THE CORE OF DEVELOPMENT STRATEGY**

Despite this potential, insurance markets in many emerging economies remain underdeveloped, with low penetration rates and limited access for individuals and businesses. This weak market depth constrains economic resilience, particularly in contexts exposed to natural disasters, pandemics, and other systemic shocks. Evidence from cross-country experience shows that countries with more developed insurance markets tend to recover faster from disasters and experience less severe declines in GDP, underscoring the macroeconomic importance of insurance sector development.

Integrating insurance into national development policy therefore requires more than sectoral reforms; it demands a coordinated approach that embeds insurance within broader financial sector development, disaster risk financing, and sustainable development planning. Governments play a critical role in establishing enabling regulatory and supervisory frameworks, improving data infrastructure, and fostering public-private partnerships that support market expansion. Well-designed policy interventions can help deepen insurance penetration, strengthen product innovation, and expand access to underserved populations.

Ultimately, a well-developed insurance sector contributes not only to faster post-crisis recovery but also to long-term development by supporting financial stability, protecting livelihoods, and enabling investment in growth-enhancing sectors. As such, insurance should be viewed as a foundational pillar of national development strategies rather than a standalone financial service.

<sup>1</sup> GIZ (2019), *How Inclusive Insurance Supports Development*, Inclusive Insurance Factsheet Series.

### **PUBLIC DATA, PRIVATE PROTECTION: THE FOUNDATION OF INSURANCE MARKETS**

Research by CGAP<sup>2</sup> demonstrates that insurance enables low-income households to absorb shocks without sacrificing productive capacity. When claims are paid timely and predictable, families avoid negative coping mechanisms and maintain participation in local economies.

However, delivering this impact at scale requires reliable data:

- Agricultural insurance depends on accurate yield histories and weather data.
- Health and life insurance require mortality and morbidity statistics.
- MSME cover requires credible loss records.
- Disaster risk insurance requires hazard mapping and exposure databases.

Where such data are incomplete or unreliable, underwriting becomes conservative by necessity. Premiums incorporate elevated technical loadings. Reinsurers apply higher risk margins. Coverage shrinks or remains low.

In short, insurance data scarcity translates directly into affordability constraints and exclusion.

For regulators and policymakers, this reality carries an important implication: Insurance market development is not only a prudential or commercial objective. It is a social stability strategy dependent on public data infrastructure.

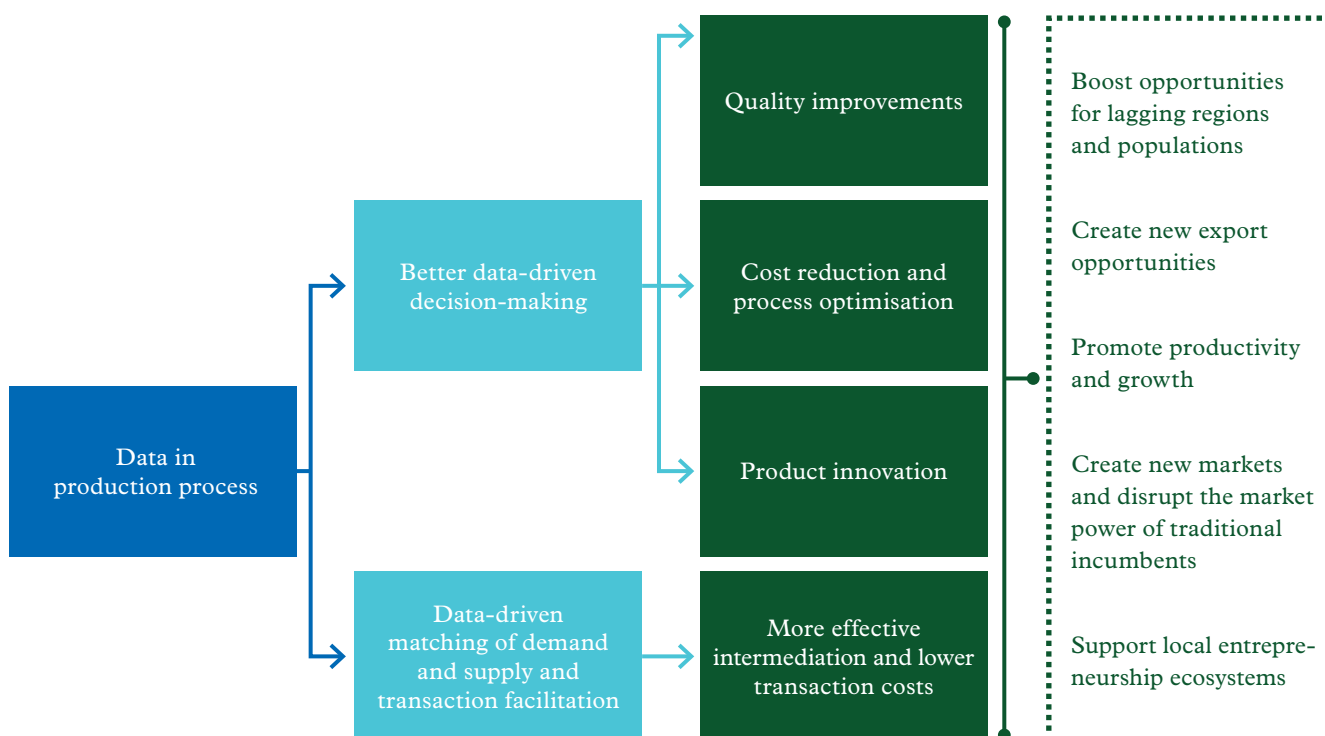
<sup>2</sup> Kara, Anaar, Sarah Rotman Parker, Swati Sawhney, Martina Wiedmaier-Pfister, and Liza Gordin (2025). Inclusive Insurance: Scaling for Resilience and Impact. Reading Deck. Washington, D.C.: CGAP. <https://www.cgap.org/research/reading-deck/inclusive-insurance-scaling-for-resilience-and-impact>

**TURNING DATA INTO DEVELOPMENT: THE NEW FRONTIER FOR AFRICAN INSURANCE**

Chart 2 illustrates how the integration of data into the production process creates a chain of value that ultimately drives economic development. At its core, the use of data enables data-driven decision-making and more efficient matching of demand and supply, including improved transaction facilitation. These capabilities translate into tangible operational outcomes: quality improvements, cost reduction and process optimisation, product innovation, and more effective intermediation with lower transaction costs.

**Chart 2: The role of data in the production process: Pathways to development**

Source: Adapted from World Bank (2021), World Development Report: Data for Better Lives; OECD Data Governance Framework



These intermediate outcomes, in turn, unlock broader development. Data-driven systems help expand opportunities for underserved regions and populations, increase productivity and growth, and create new markets, often challenging traditional incumbents. They also foster local entrepreneurial ecosystems, based on innovation and competition.

In the context of data-driven inclusive insurance in Africa, this framework is highly relevant. Insurance markets across the continent remain underpenetrated, often due to information asymmetries, high transaction costs, and limited product relevance. By leveraging data, such as mobile usage, satellite imagery, climate data, and alternative credit signals, insurers can dramatically improve risk assessment and pricing accuracy. This enables the development of affordable, tailored insurance products for previously excluded populations, including smallholder farmers, informal workers, and MSMEs.

Moreover, data-driven platforms can enhance distribution through digital channels, reducing costs and expanding reach into rural and underserved areas. Improved intermediation through Insurtech partnerships and embedded insurance models further lowers barriers to access. For policymakers, strengthening data governance frameworks is essential to ensure trust, privacy, and interoperability, which are critical for scaling these innovations.

Ultimately, as the figure suggests, embedding data into the “production process” of insurance does not only improve firm-level efficiency; it catalyses inclusive economic development. By expanding risk protection, enabling investment, and increasing resilience to shocks, data-driven insurance can become a foundational pillar for sustainable growth across Africa.

## **FROM FINANCIAL INCLUSION TO INCLUSIVE GROWTH**

Financial inclusion does not emerge in isolation. It is shaped by the strength of institutions, the depth of the financial sector, and the enabling environment in which households and businesses operate. Within this broader ecosystem, insurance plays a uniquely strategic role. Where regulation is weak, financial infrastructure is limited, and financial literacy remains low – as is still the case in many parts of sub-Saharan Africa – both financial inclusion and insurance penetration tend to lag. Strengthening governance, supervisory effectiveness, and consumer protection is therefore not only a matter of market development; it is fundamental to building trust, expanding coverage, and unlocking demand for risk protection.<sup>3</sup>

At the same time, insurance both depends on and reinforces wider financial system development. Economies with more advanced banking sectors and stronger institutional frameworks tend to achieve deeper inclusion overall, creating fertile ground for insurance markets to grow. In turn, insurance enhances systemic resilience by pooling and transferring risk, reducing vulnerability across households, businesses, and governments. It should therefore be viewed as a core pillar of economic stability and inclusive growth.

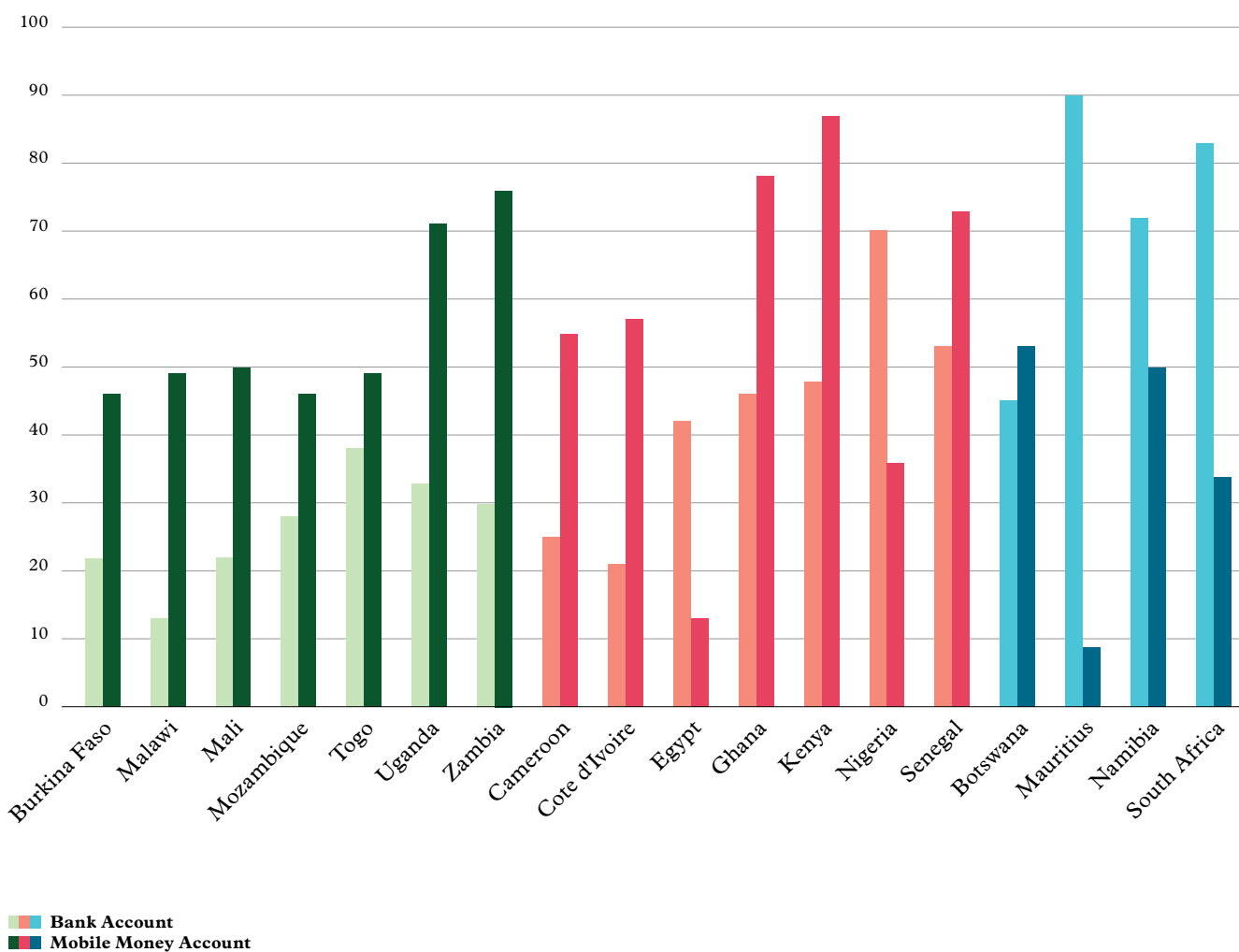
## **BEYOND PAYMENTS: TURNING FINANCIAL INCLUSION INTO RISK PROTECTION AT SCALE**

Digital innovation is accelerating this dynamic. Mobile-based distribution models and embedded insurance solutions are rapidly lowering traditional barriers related to cost, access, and documentation. By integrating insurance into digital financial ecosystems, countries can expand reach at scale, particularly to underserved and low-income populations. This creates a powerful opportunity to align financial inclusion strategies with risk protection, ensuring that newly included populations improve their resilience. Chart 3 demonstrates how financial inclusion is evolving across African economies, with important implications for the insurance market development.

<sup>3</sup> Eshun, S.F. & Kočenda, E. (2021). Determinants of financial inclusion in sub-Saharan Africa and OECD countries. *Borsa Istanbul Review*.

**Chart 3: 2024 share of the population with bank and mobile money accounts, selected African countries**

Source: World Bank, Global FINDEX Database





#### **A. Mobile-led inclusion in low-income markets**

In low-income countries (see the left-hand portion of the preceding chart) such as Burkina Faso, Malawi, Mali, Mozambique and Togo, access to formal banking remains limited, with only a minority of the population holding bank accounts. By contrast, mobile money has achieved significantly broader reach, often serving close to half, or more, of the adult population. This divergence reflects structural constraints in traditional banking, including limited physical infrastructure, documentation requirements and cost barriers. Mobile money, by leveraging widespread mobile phone penetration, has effectively bypassed these obstacles and emerged as the primary entry point into the formal financial system. In these markets, financial inclusion is therefore largely synonymous with mobile-enabled access rather than conventional banking relationships.



#### **B. The rise of hybrid financial ecosystems**

As countries transition into lower-middle-income status (see the middle portion of the preceding chart), illustrated by Cameroon, Côte d'Ivoire, Ghana, Kenya, Nigeria and Senegal, the picture becomes more nuanced. Here, mobile money continues to expand rapidly, but bank account ownership also rises, resulting in a dual-track system. In some markets, most notably Kenya and Ghana, mobile money and banking are increasingly complementary, with digital channels acting as gateways into more sophisticated financial services. In others, such as Nigeria and Egypt, traditional banking still plays a more dominant role. This phase represents a critical inflection point, where digital innovation and formal financial deepening begin to converge, creating a more diversified and resilient financial ecosystem.



#### **C. Bank-led maturity and deepening insurance markets**

In upper-middle-income countries (see the right-hand portion of the preceding chart), including Botswana, Mauritius, Namibia and South Africa, the balance shifts decisively toward traditional banking. Bank account penetration is high, often encompassing most of the population, while mobile money assumes a more supplementary role. These markets benefit from more mature financial sectors, higher income levels and stronger regulatory frameworks, all of which support deeper and more formalised financial intermediation.

## **FROM FINANCIAL INCLUSION TO INSURANCE INCLUSION**

From an insurance perspective, these patterns are highly consequential. Financial inclusion, whether achieved through mobile money or banking, forms the foundational layer upon which insurance inclusion is built. In low-income, mobile-led markets, the expansion of insurance will depend heavily on the ability of insurers and reinsurers to integrate with mobile ecosystems, enabling low-cost distribution, premium collection and claims payments. In lower-middle-income countries, the coexistence of digital and traditional channels creates opportunities for hybrid models that combine scale with product sophistication. In more advanced markets, high levels of banking penetration enable broader insurance uptake, supporting higher overall penetration rates.

Taken together, the data illustrate a continuum of financial development across the continent, from mobile-led access to bank-led maturity. For policymakers and industry leaders alike, the strategic imperative is clear: aligning regulatory frameworks, digital infrastructure and market innovation with these distinct stages of development will be essential to unlocking the full potential of both financial and insurance inclusion.

## **FROM CONTINGENT LIABILITIES TO CONTROLLED RISK: THE POWER OF INSURANCE AND DATA**

Beyond households and businesses, the macroeconomic implications are significant. Evidence highlighted by the Alliance for Financial Inclusion shows that inclusive insurance can materially reduce governments' contingent fiscal liabilities. In underinsured economies, shocks often trigger emergency borrowing, budget reallocations, and delayed reconstruction. By contrast, well-developed insurance and reinsurance markets provide pre-arranged liquidity and structured risk financing, enabling faster and more predictable recovery.

However, the effectiveness of risk transfer mechanisms ultimately depends on the availability of credible, high-quality data. Without robust risk data systems, pricing becomes inefficient and coverage remains limited or unaffordable. For policymakers and supervisory authorities, investing in data infrastructure is therefore not a technical exercise. It is central to fiscal risk management and long-term development planning. Inclusive growth requires inclusive risk protection. Inclusive risk protection, in turn, requires measurable risk.<sup>4</sup>

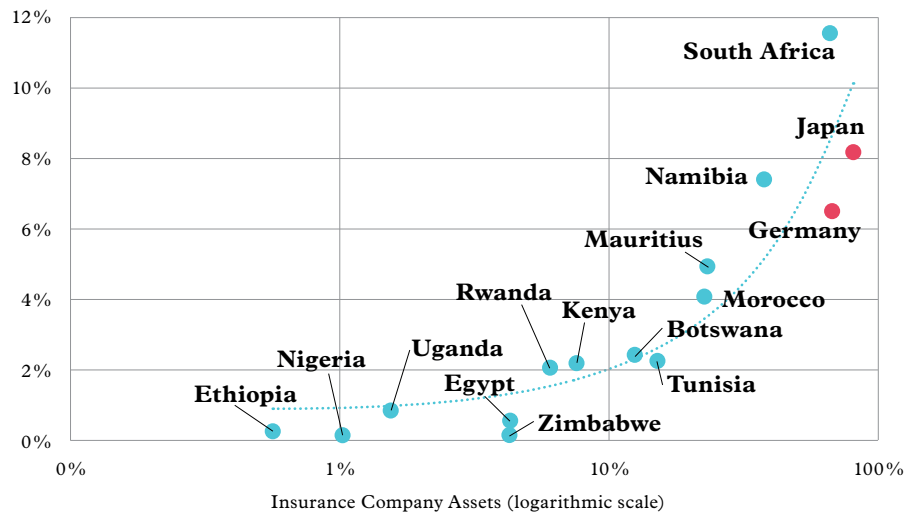
<sup>4</sup> Alliance for Financial Inclusion & Access to Insurance Initiative (2018). Inclusive Insurance in National Financial Inclusion Strategies

### INSURANCE AS A CATALYST FOR INVESTMENT AND STRUCTURAL TRANSFORMATION

Insurance mobilises capital. Life insurers accumulate long-term contractual savings that can be invested in infrastructure, sovereign bonds, housing finance and private sector expansion. In capital-scarce African economies, this domestic resource mobilisation function is indispensable.

**Chart 4: 2024 total insurance company assets to GDP (%), total insurance penetration (%)**

Source: Faber Consulting AG, based on regulatory and industry reports



Insurance assets as a percentage of GDP are a key indicator of the scale, depth, and long-term investment capacity of the insurance sector within an economy. The data in chart 4 highlights a strong link between insurance penetration and the accumulation of insurance assets relative to GDP across African markets, though with significant variation. South Africa (67 % assets; 11.5 % penetration) and Namibia (38 %; 7.4 %) stand out as the most advanced systems, where insurance plays a systemic role in financial intermediation and long-term capital formation. Mauritius (23 %; 5.0 %) and Morocco (23 %; 4.1 %) also demonstrate relatively deep and balanced development.

In contrast, large markets such as Nigeria (1 %; 0.2 %) and Ethiopia (1 %; 0.3 %) show minimal asset accumulation, reflecting limited risk pooling and constrained capacity to absorb shocks. Emerging markets like Kenya and Botswana occupy a middle ground, indicating growing but still underdeveloped balance sheets.

Compared to mature markets such as Germany or Japan, where high asset ratios underpin financial stability, most African markets remain undercapitalised, reinforcing the need to scale insurance as both a risk absorber and institutional investor.

### **WEAK DATA, EXPENSIVE RISK: THE COST OF UNCERTAINTY**

Insurance also enables credit expansion. Banks lend more confidently when collateral, crops, equipment and business operations are insured. By underwriting risk, insurers support MSME growth, agricultural modernisation and industrialisation.

However, capital mobilisation depends on confidence in data integrity. Investors, rating agencies and reinsurers will require:

- Transparent solvency reporting
- Reliable claims data
- Credible catastrophe modelling
- Standardised financial disclosure

Weak data ecosystems increase perceived systemic risk. This can elevate the cost of capital and constrain the investment role of insurers.

Reinsurance markets provide an additional stabilising layer by diversifying systemic risk beyond national borders. But reinsurance pricing is highly sensitive to data quality. Incomplete exposure information or inconsistent loss reporting leads to precautionary pricing, limiting affordability and capacity. Hence, improving data quality is a strategic lever to reduce reinsurance costs and expand underwriting capacity.

### **THE PROTECTION GAP IS PARTLY A DATA GAP**

Premium growth alone does not equate to development impact. Insurance systems that primarily serve formal, higher-income segments risk reinforcing inequality and leaving the majority exposed. Research by CENFRI and FSD Africa<sup>5</sup> underscores the need for coordinated regulatory and market action to unlock inclusive insurance. Proportional regulation, product innovation, consumer education and public-private collaboration are essential. Yet innovation is constrained where data are scarce.

Examples include:

- Microinsurance products lacking credible risk segmentation data
- Climate products limited by insufficient local weather stations
- Health products constrained by incomplete health statistics
- MSME insurance affected by poor enterprise registration data

Furthermore, low-quality claims data, slow payout processes, undermine trust and increase administrative costs. Robust digital claims systems, supported by interoperable data standards, can significantly reduce settlement times and leakage. The protection gap is therefore partly a data infrastructure gap.

Recent research on insurance innovation in the context of climate change highlights that insurers are increasingly pursuing strategies aimed at closing the protection gap by expanding coverage to underserved

5 FSD Africa / CENFRI (October 2019): Insurance for inclusive and sustainable growth: Imperatives for action from a four-country synthesis <https://fsdafrica.org/wp-content/uploads/2019/10/Insurance-for-growth-01.10.19.pdf>

markets. These strategies rely heavily on data-driven technologies to make new forms of insurance viable and scalable.

In practice, this involves the development of innovative insurance products tailored to climate and livelihood risks, including parametric insurance and microinsurance solutions. Such products are designed to reach underserved populations such as smallholder farmers, coastal communities and low-income households, groups that are often excluded from traditional insurance markets.

Advanced data analytics plays a crucial role. Improved risk modelling based on satellite imagery, climate data and digital records allows insurers to assess risks accurately and price products affordably. At the same time, ecosystem partnerships between insurers, reinsurers, Insurtechs and technology providers are increasingly important to combine risk expertise with digital capabilities.

Evidence from emerging markets shows that such approaches can significantly expand access to financial protection. For example, climate microinsurance products have been developed for farmers and fishers in Pacific Island countries<sup>6</sup>, providing rapid post-disaster payouts in contexts where traditional insurance coverage is largely absent.

For Africa, this logic aligns closely with the objectives of inclusive insurance development. Data-driven technologies can lower distribution costs, enable more accurate risk modelling and support new delivery channels, making it economically feasible to insure vulnerable populations that were previously considered too costly or risky to serve.

Closing the protection gap therefore requires more than product innovation. It also requires stronger data foundations that allow inclusive insurance models to function effectively.

Key priorities include:

- Transparent and robust data standards for insurance-relevant datasets
- Public-private data sharing frameworks
- Investment in meteorological and geospatial systems
- Digital identification and address systems
- Supervisory reporting harmonisation
- Strong governance and data protection safeguards

Trust is fundamental. Accordingly, data-driven insurance must operate within clear consumer protection frameworks to ensure transparency, fairness and ethical use.

#### **FROM RISK EXPOSURE TO RISK INTELLIGENCE**

Obviously, Africa does not lack risk, but a dependable risk intelligence infrastructure.

- Where risks are opaque, insurance retreats.
- Where risks are measurable, markets expand.
- Where markets expand inclusively, growth becomes more resilient.

Insurance performs two critical functions simultaneously:

1. At the micro level, it prevents households and enterprises from falling into poverty aftershocks.
2. At the macro level, it mobilizes capital, stabilizes public finances and strengthens financial systems.

Both functions depend on data.

<sup>6</sup> The Geneva Papers on Risk and Insurance - Issues and Practice (2026): Closing the protection gap or prioritising prevention: alternative value creation strategies based on data-driven technologies in the context of insurance companies' climate change actions

## **UNLOCKING INCLUSIVE GROWTH BY TREATING DATA AS A STRATEGIC ASSET**

In 2022 research by Deloitte<sup>7</sup> highlighted the ongoing discrepancy between the amount of data that insurers possess and the value they derive from it. Too often, data is treated as a by-product of operations or a short-term expense tied to isolated projects, rather than as a strategic asset that can generate long-term enterprise value. This mindset, combined with fragmented systems, limited data sharing, and capability gaps, prevents insurers from fully leveraging data to drive innovation, growth, and competitive differentiation.

Moving beyond this constraint requires a structural shift. Insurers need to transition from siloed, function-specific data environments toward integrated, enterprise-wide data ecosystems where information is accessible, reliable, and actionable. This includes investing in data quality, interoperability, and governance, while embedding analytics into core decision-making processes across underwriting, claims, product development, and distribution. Equally important is the human dimension: building data literacy, fostering collaboration across functions, and aligning leadership expectations with the long-term nature of data investments.

In the African context, these insights have direct implications for advancing data-driven inclusive insurance as a catalyst for economic development. Many markets face structural data limitations, such as fragmented records, limited historical datasets, and weak interoperability. Addressing these constraints is therefore not only an operational priority but a development imperative.

By treating data as a strategic asset, insurers in Africa can improve risk understanding, lower transactional cost, and design products that are more accessible and relevant. This enables broader risk coverage, supports entrepreneurship, and strengthens resilience to shocks. In this sense, building robust data ecosystems is not merely about improving insurance performance; it is about laying the foundations for more inclusive, sustainable economic growth.

<sup>7</sup> Deloitte (2022), How to walk the talk by treating insurer data as a strategic asset, Deloitte Insights. Available at: <https://www.deloitte.com/us/en/insights/industry/financial-services/insurance-data-as-a-strategic-asset.html>

## FUELLING AFRICA'S GROWTH ENGINE: THE RISE OF DATA-DRIVEN INCLUSIVE INSURANCE

The evolution of insurance business models, particularly through the integration of private capital and advanced investment capabilities, offers important lessons for Africa's pursuit of data-driven inclusive insurance. As highlighted in "Private capital in insurance 2.0: Building the flywheel,"<sup>8</sup> insurers are increasingly adopting a "virtuous flywheel" approach in which scale, investment management, and capital efficiency reinforce one another to drive sustainable growth. While the original context focuses on mature markets, the underlying principles are highly relevant for African markets seeking to expand insurance penetration and unlock economic value.

At the core of this flywheel is the ability to issue insurance policies and annuities at scale. Scaling policy issuance not only expands coverage but also creates rich datasets that can be used to refine underwriting, improve risk selection, and design more inclusive products tailored to underserved populations. In Africa, where informal sectors dominate and traditional data sources are limited, leveraging alternative data, such as mobile usage, satellite imagery, or agricultural indicators, can enable insurers to extend protection to previously uninsurable segments.

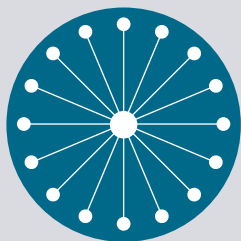
Equally important is the role of differentiated investment management: insurers can enhance returns by investing in diverse asset classes and developing sophisticated analytics capabilities. In an African context, this translates into an opportunity to channel insurance capital into productive sectors such as infrastructure, agriculture, and MSMEs. When guided by robust data analytics, such investments not only improve insurers' financial performance but also stimulate broader economic development, creating a reinforcing loop between insurance growth and economic resilience.

Capital flexibility, the third pillar of the flywheel, further underscores the importance of innovative partnerships. By mobilizing third-party capital and leveraging data-driven insights, African insurers can de-risk investments and scale inclusive products more rapidly. This is particularly critical in markets where capital constraints and regulatory fragmentation often limit growth.

Ultimately, the "self-reinforcing" nature of the flywheel, where more policies generate more data, which improves pricing and investment decisions, leading to greater affordability and uptake, illustrates how data-driven inclusive insurance can act as a catalyst for economic growth. For African policymakers and industry leaders, the imperative is clear: build ecosystems that enable data sharing, foster innovation, and attract capital, thereby replicating and adapting this flywheel to local realities.

<sup>8</sup> Reich, A., Balasubramanian, R., Torbey, H., & Zhao, Y. (2024). Private capital in insurance 2.0: Building the flywheel. McKinsey & Company, June 2024.

# Survey: Data practices and trends in African insurance and reinsurance



## INTRODUCTION

The questionnaire — developed by Faber Consulting — consisted of a 30-minute interview with questions organised around these central themes: current data practices (sources and inefficiencies), the case for standardisation (strategic value, obstacles, impact of data gaps, priority use cases) and the impact of poor data quality on insurance and reinsurance markets. Responses combined quantitative ratings and rankings with open-ended comments, enabling both statistical comparison and contextual detail.

The interviews took place during March and April 2026. Seventeen organisations from the African insurance and reinsurance market participated. Reinsurers comprised the majority (9 of 17), followed by seven insurers and one international broker.

The respondents comprise national specialists alongside regional, pan-African and international participants, spanning Sub-Saharan and North Africa. Coverage extends from West Africa (Nigeria, Ghana, Ivory Coast) through East Africa (Kenya, Ethiopia) and Southern Africa (Angola, Namibia) to North Africa (Algeria, Morocco, Tunisia).

The African Insurance Organisation and Faber Consulting warmly thank the following companies for their invaluable participation:

1. African Reinsurance Corporation
2. Allianz Re
3. African Risk Capacity Group
4. Compagnie d'Assurance Transport
5. Compagnie Centrale de Réassurance
6. EIIGeo Re
7. ENSA
8. Ethiopian Re
9. Ghana Union Assurance
10. Guy Carpenter
11. Leadway Assurance
12. Mulemba Re
13. Namib Re
14. NEM
15. SAA Assurance
16. Tunis Re
17. ZEP Re

**SURVEY RESULTS**

**THE UNIVERSAL PRIORITY: NO DATA, NO RELIABLE STRATEGY**

**Chart 5: How important is high-quality insurance data to delivering your organisation’s strategy? (1 = not important, 5 = critical)**



“Data is at the nerve-centre of all insurance. Unless we have access to reliable and consistent data, we cannot adequately assess risk, gauge risk appetite, price it, administer claims, manage accumulations, steer our portfolio or detect fraud. In agricultural insurance for instance, we are able to source data from providers such as meteorological services, weather stations, satellite providers. However, that only covers our data needs more for the frequency of events. For their quantitative severity - for instance - impact of an event on yield - we need to source local data for ground-truthing. In case of commercial agriculture, you can circumvent the issue and approximate the risk sourcing data from farmers such as fertilizer, seeds bought yield records etc. For small scale farmers, however, that kind of data often doesn’t exist and thus they often remain uninsured.”

**Lovemore Forichi | Senior Underwriter Agriculture | Allianz SE Reinsurance**

“In parametric insurance, data is the solution, without it, there is no product. If the data is wrong, the payout is wrong, and we have failed the very people we exist to protect. That is why African Risk Capacity is fully committed to becoming Africa’s centre of excellence for climate insurance data.”

**David Maslo | CEO | African Risk Capacity**

All 17 participating organisations rated high-quality insurance data as critical to their strategy. Not a single respondent chose a lower category. This unanimity is remarkable and underscores how pressing this problem is across the African insurance and reinsurance market.

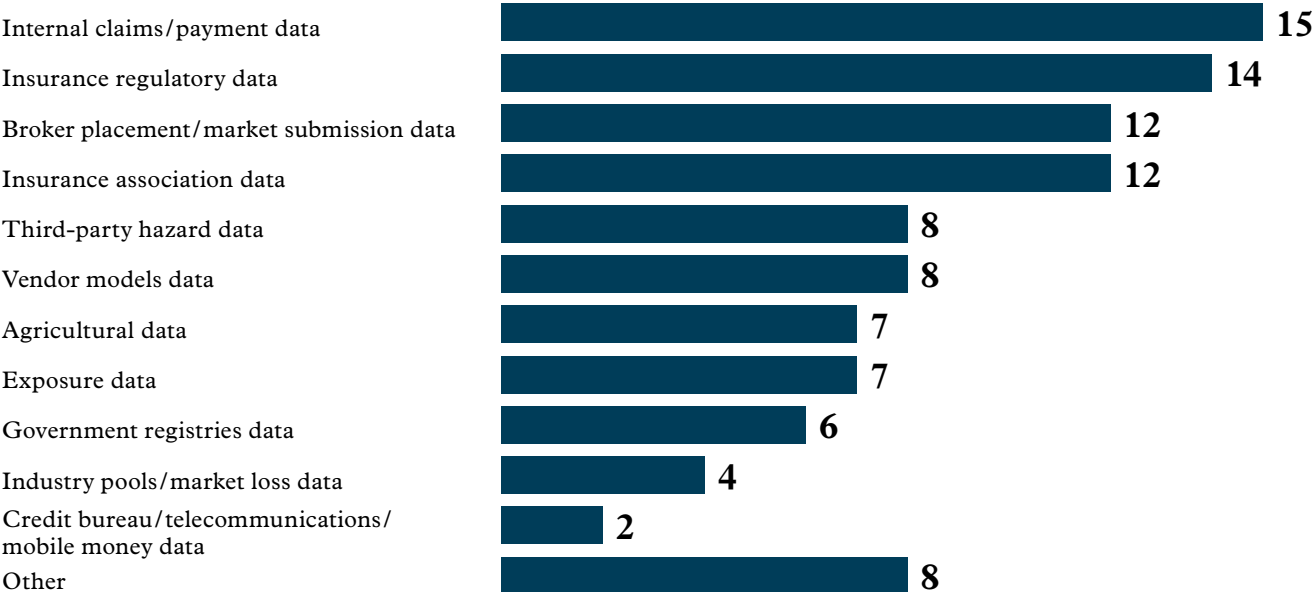
The respondents explained the critical importance of data through these main arguments:

1. **Operational necessity:** Data is at the centre of insurance. Without it, insurers cannot assess risk, price accurately, manage claims, detect fraud, or track performance. In other words, data underpins every core function.
2. **Quality over quantity:** Bad data can be worse than no data. Flawed inputs corrupt models, produce wrong payouts, and undermine credibility.
3. **Standardisation as governance imperative:** Individual data quality is insufficient. Without standardised definitions and metrics across companies, benchmarking is meaningless and regulators cannot assess systemic risk in their markets. This is a collective action problem requiring industry-wide comparability.
4. **Market maturity gap:** Some market players don't recognise the link between data quality and the importance for development. Without that awareness, technology and governance frameworks won't be adopted or sustained.
5. **Data-dependent innovation:** As markets develop new solutions, data quality becomes critical. Parametric insurance exemplifies this: being fundamentally model-driven, it is uniquely vulnerable to data flaws. As the market adopts more sophisticated instruments, this dependence intensifies.
6. **Competitive advantage:** Organisations with better data access (through proprietary sources, partnerships, or global networks) gain a strategic edge in pricing, risk control, capital allocation, and market anticipation. Data quality is a differentiator.

This unanimity across such a diverse group (different business models, geographies, and market sizes) makes this one of the survey's clearest findings: data quality is central to how these organisations want to function and compete.

A NARROW DATA DIET IN A DATA-HUNGRY INDUSTRY

Chart 6: What data sources do you currently use? (select all that apply)



## *Survey: Data practices and trends in African insurance and reinsurance*

Organisations interviewed for this survey overwhelmingly rely on their own proprietary data, followed by regulatory and market-wide sources, while third-party and alternative data sources are tapped into less frequently. This creates a narrow data diet dependent on internal resources and public sources.

Concretely, the most often listed data source is the internal claims and payment data, which is used by 15 of 17 organisations, confirming that proprietary data remains the primary foundation for risk assessment and pricing. Organisations trust this data most because they collected it themselves. One organisation exemplifies this approach: building models on decades of fully digitised operational and claims data, then strengthening this with external sources to manage risk, ensure compliance, drive innovation, and reduce errors. It is worth noting that whilst the survey did not explicitly explore internal data quality, several participants indicated that completeness and accuracy of their own datasets remain challenging, with missing data, incorrect entries, and incomplete records hindering their ability to build robust models.

Beyond internal data, respondents rely on a second tier of sources. Regulatory data (14 organisations) offers a comprehensive, uniform view across an entire market, though it is structured around compliance rather than analytical use. Broker placement and market submission data (12) captures what gets transacted in the market, providing a practical lens on competitive dynamics and risk appetite. Insurance association data (12) provides aggregated industry statistics and trend indicators, useful for benchmarking but dependent on member reporting quality.

The problem is acute: some of these widely used external sources are precisely the ones flagged as unreliable or slow. One participant noted that regulatory and association data arrives too late to be actionable and is already moving towards generating real-time data independently.

Other external and alternative data sources are not yet widely adopted. Only 8 participants draw on third-party hazard or vendor models, and just 4 use industry loss databases. Other data such as credit bureau, telecoms, and mobile money data is used by 2 participants, despite mobile financial infrastructure being one of Africa's most developed data assets.

The "Other" category (8 responses) lists different sources used by our panel: retrocessionaires, central bank economic data, sector-specific sources such as oil and gas, satellite data for agriculture, and international references such as international reinsurers and rating agencies research.

The overall picture is a market that draws heavily on its own resources and, beyond those, relies on sources that are widely accessible but at times slow and poorly standardised.

### **Data curation as competitive strategy: How mature insurance markets integrate analytics and human expertise<sup>9</sup>**

Mature insurance markets recognise that the volume of data is only valuable if organisations have the capacity to distil actionable insights from it. Leading insurers combine vast proprietary datasets with carefully selected third-party sources, such as telematics, weather, health, property, social media, and geospatial information, to identify risk attributes not visible in standard underwriting submissions. These external sources help insurers assess risk more accurately, detect fraud, and improve customer experience, enabling faster decision-making and improved risk segmentation. Rather than grouping insureds together, insurers increasingly use predictive analytics to develop insured-specific pricing based on detailed risk profiles, a shift that intensifies competition as carriers seek proprietary data advantages over rivals.

Artificial Intelligence (AI) and advanced analytics are accelerating this transformation. Insurers integrating AI into their strategies can rapidly evaluate large datasets to inform underwriting and pricing decisions, while those who lag behind risk a competitive disadvantage. However, the human element remains critical: data is positioned as a tool to enhance underwriter judgement rather than replace it, allowing firms to layer objective data with professional expertise to reach final decisions. This balance between automation and human oversight reflects a mature approach to data governance absent in markets with less developed analytics infrastructure.

The key differentiator is organisational capacity to extract value from data complexity. Successful insurers develop comprehensive data strategies that align pricing and terms to specific risks, creating competitive advantages and stronger partnerships. This stands in sharp contrast to insurers relying primarily on internal records and slow, standardised public sources, a position that limits their ability to innovate or respond dynamically to market changes.

<sup>9</sup> Nationwide, Moving the needle: How data trends will drive innovation in the insurance industry 2024

*Survey: Data practices and trends in  
African insurance and reinsurance*

“The industry’s credibility depends on data quality. We must establish robust data security protocols and standardise data quality definitions across the industry so that measurements are comparable. Without comparability, neither insurers nor regulators can see what is actually happening in our markets.”

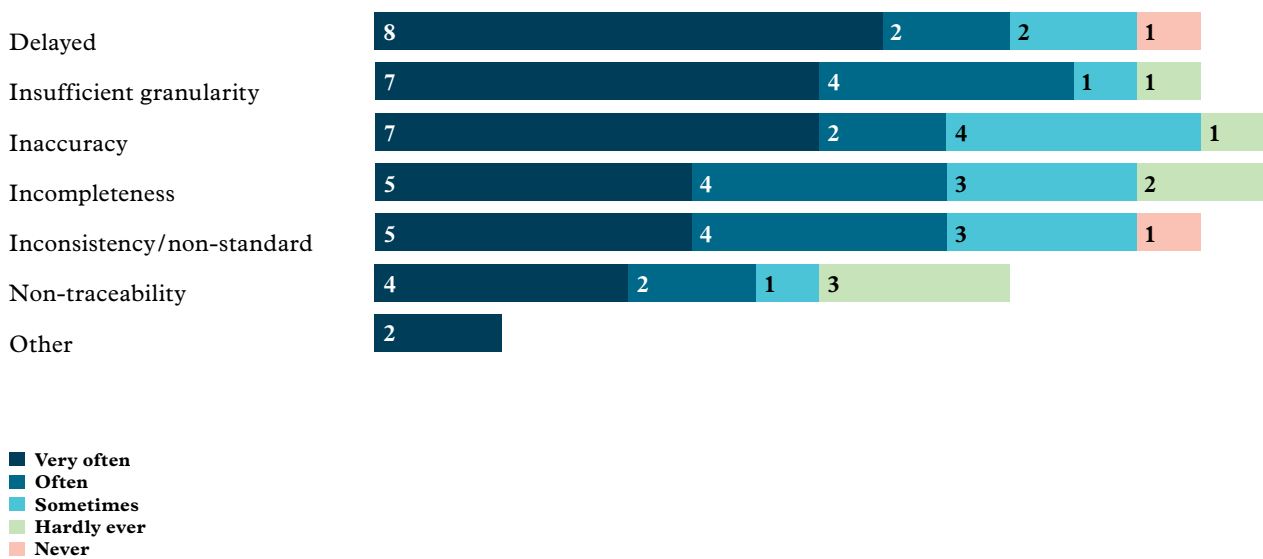
**Bachir Badou | CEO | Compagnie d’Assurance Transport**

“In an uncertain and highly competitive market, data quality is a strategic necessity. It enables us to manage our risks with precision, to optimise the allocation of our capital, and to build a sustainable strategy founded on reliable and up-to-date reality. This is how we anticipate market developments rather than be subject to them.”

**Abdallah Benseidi | CEO | CCR**

DATA INEFFICIENCIES ARE THE NORM, NOT THE EXCEPTION

**Chart 7: What data-related inefficiencies do you typically encounter in your market(s)? (1 = very often, 5 = never)**



The data inefficiencies question reveals not isolated gaps but a systemic problem spanning every dimension measured. When weighted by frequency, insufficient granularity and delayed data emerge as the two most persistent inefficiencies. Granularity is flagged as very frequent by 7 participants, with 4 more encountering it often, meaning 11 of 13 respondents deal with it regularly. Delays show the same pattern: 8 report them very frequently, underscoring that timeliness is as much a structural problem as a quality one.

Inaccuracy ranks closely behind, with 7 participants encountering it very frequently. Its impact is compounded by a wider spread across the “sometimes” category, suggesting it is less consistently severe but broadly present. One participant illustrated the consequence directly: inaccuracy forces organisations to supplement market data with their own research just to approximate the underlying risk. The example of South African mortality data being used as a proxy for Ghana exposes how far some markets are from locally grounded data.

## Survey: Data practices and trends in African insurance and reinsurance

Incompleteness and inconsistency or non-standardisation show near-identical profiles. Both are flagged as very frequent or frequent by 9 respondents, confirming these are market-wide conditions, not isolated incidents. Non-traceability is somewhat less frequent but still affects the majority, raising questions about audit trails and the ability to validate data at source.

Two respondents flag issues cutting across all categories: overall lack of data volume and reliability are so poor it calls the entire source into question. Both point to problems more fundamental than any single inefficiency on the list.

Taken together, these responses show that data problems are not the exception but the norm in these markets. Organisations work around them daily, with consequences for pricing, reserving, and risk assessment throughout the value chain.

“Inclusive insurance depends on our ability to understand risk at a granular level. Without reliable data, we either overprice and exclude people, or underprice and undermine sustainability.”

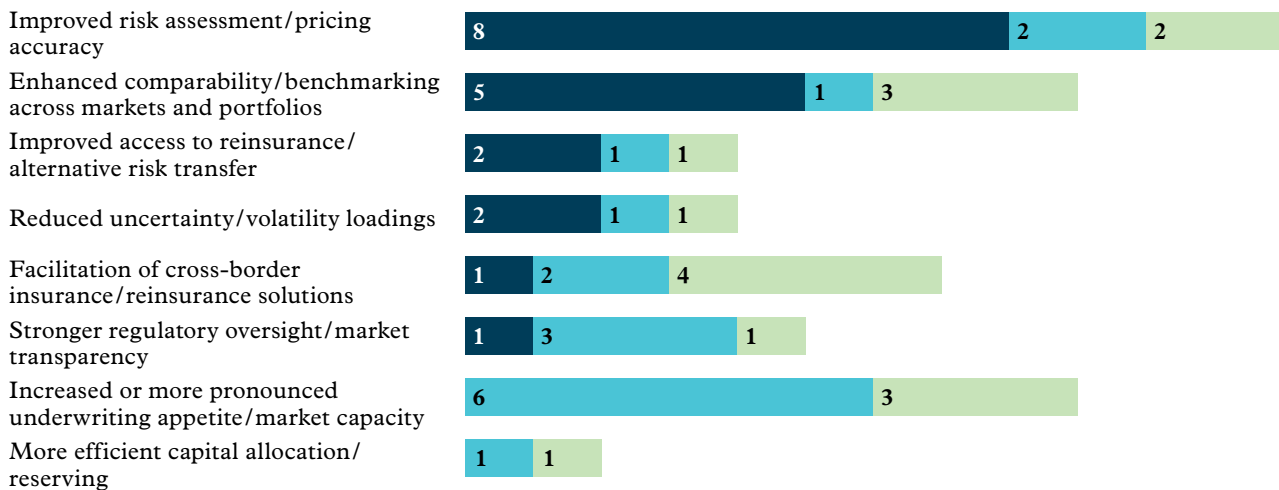
**Jean-Alain Francis | CEO | EIIGeo Re**

“Data is the new oil, and Africa’s scale in this domain is enormous. Currently, Africa communicates outward to the rest of the world but lacks internal communication and data-sharing within the continent. By building an intra-African data ecosystem, we can develop a better understanding of African risk, which will enable us to underwrite and price insurance more effectively across African markets and drive growth in the continental insurance industry.”

**Eng. Mário Mota Lemos | CEO | ENSA**

THE MARKET SEES DATA HARMONISATION AS A PREREQUISITE FOR EXPANSION

**Chart 8: What would be the strategic value of cross-country data standardisation/harmonisation across Africa?**  
(Please rank your top 3; 1 = highest)



■ 1st (highest)  
■ 2nd  
■ 3rd

“Improving the availability and uses of data in Africa goes to the very core of the ability to develop commensurate solutions, thus assisting the industry to improve insurability and to close the protection gap.”

**Fikru Tsegaye | Executive Officer, Strategy and Business Development | Ethiopian Re**

“Improved risk assessment and pricing accuracy” dominates with 8 first-place rankings, the highest of any category by a wide margin. This is not surprising: it sits at the heart of what insurers and reinsurers do. Without harmonised data, comparing risks across markets is guesswork, and pricing reflects uncertainty rather than evidence. For respondents, standardisation is primarily a need for doing the core job better.

“Enhanced comparability and benchmarking” ranks a clear second with 5 first-place rankings. The African market operates across over 50 regulatory environments with inconsistent reporting standards. The inability to measure performance across markets is a genuine strategic blind spot.

“Increased underwriting appetite and market capacity” produces a striking result: 6 responses overall, but zero first-place rankings. It is consistently chosen as a secondary benefit, never a primary driver. The market acknowledges that better data would attract more capacity and broaden the underwriting base, but treats this as a downstream consequence of fixing the fundamentals, not a goal to pursue directly at this point in time.

“Facilitation of cross-border insurance and reinsurance solutions” ranks lowest with only one first-place mention, but with mostly third-place choices. Its potential is recognised, but seen as a long-term structural benefit that follows from operational improvements already made. Regulatory oversight, reinsurance access, and volatility reduction each attract modest and scattered rankings. They are present but not priorities for the majority of interviewees.

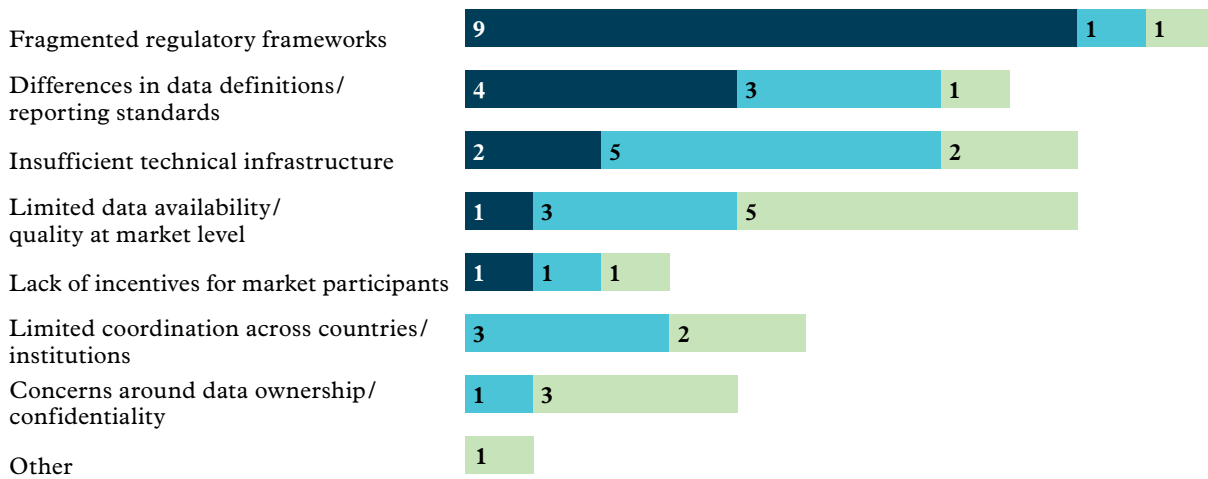
The hierarchy is consistent and coherent: fix pricing, enable benchmarking, then let market development follow. The interviewed group is not thinking about standardisation as a vision for the entire continent yet. It is thinking about it as a practical instrument to improve the underwriting of risks today.

“The lack in data affects us in multiple ways. Obviously, it impedes our ability to assess and map risks adequately, causes mispricing, limits our risk appetite and reduces our profitability. It also impacts our business strategies and consequently limits us in our expansion and defines the type of business we are able to write confidently. It also reduces our efficient use of our capital somewhat as our reinsurers are less willing to write business with inconclusive data; and it also hinders us in tapping the capital market for alternative risk transactions. Finally, even in marketing and sales, when we want to understand our customer lifecycle or customer experience, we struggle to provide the perfect fit product, because we have to content with data that is often lacking in granularity and accuracy.”

**Aretha Duku | Managing Director | Ghana Union Assurance**

FRAGMENTED REGULATORY FRAMEWORKS: THE PRIMARY BARRIER TO DATA HARMONISATION

**Chart 9: Main obstacles to achieving insurance data standardisation/ harmonisation across Africa? (Please rank your top 3; 1 = highest)**



■ 1st (highest)  
■ 2nd  
■ 3rd

## *Survey: Data practices and trends in African insurance and reinsurance*

Fragmented regulatory frameworks are the dominant obstacle for a greater harmonisation of data, with 9 first-place rankings out of 11 mentions in this category. No other barrier comes close. Across Africa's more than 50 countries, insurance regulation remains largely national, with no harmonised supervisory framework to anchor common data standards. Respondents call for regulators to define the type and quality of data required, and to ensure it is sourced, tracked, analysed consistently and timely.

Differences in data definitions and reporting standards rank second, with 4 first-place and 3 second-place rankings. The absence of a unified reporting framework is not merely inconvenient. One participant argues it directly inflates the cost of African insurance by leaving global reinsurers with insufficient knowledge of African risk, forcing them to apply conservative premiums that local markets must absorb. A common risk database, in this view, is a strategic instrument for reducing external dependency.

Insufficient technical infrastructure is consistently ranked third. It is seen as real but addressable. One comment adds nuance: technology advancement is slower than expected and perceived as too costly, which suppresses investment even where the need is acknowledged. Yet one participant offers a more optimistic counterpoint: if a credible platform or standard is put in place, markets will use it.

Limited data availability and quality draws mostly third-place rankings, reinforcing this group's view that thin data is a symptom of structural failures. Human bias in data collection undermines quality at source, granularity remains insufficient, and the underwriting process itself lacks incentives to demand better data. One solution provided by a respondent: offer premium discounts to clients who provide better data.

Concerns around data ownership and confidentiality remain a consistent thread. Fraud tracing is cited as one of the few incentives strong enough to make data sharing attractive to competitive market participants.

The path to standardisation runs through regulation, ownership and incentives - in that order. The panel is not waiting for a technological solution. What is missing is someone willing to take responsibility for building the infrastructure and a framework that makes contributing to it worthwhile.

## Insurance regulation harmonisation efforts across the African continent

### AfCFTA's emerging role

The African Continental Free Trade Area (AfCFTA) encompasses over 50 African nations with a 2024 market population of 1.2 billion people and combined GDP of USD 3 trillion, but faces significant hurdles from regulatory fragmentation across African insurance markets. This fragmentation is Africa's primary constraint on cross-border insurance operations.

Regulators are working toward harmonised licensing standards, capital benchmarks, and coordinated supervision of multinational insurance groups under AfCFTA, though this alignment increases compliance complexity for insurers operating in multiple jurisdictions.<sup>10</sup> However, progress has been slow. The pace of AfCFTA implementation, particularly in customs, logistics, and regulatory harmonisation, has been slower than expected.<sup>11</sup>

### Regional harmonisation models

Three distinct harmonisation models operate within Africa, each reflecting different governance approaches.

#### 1. CIMA (Centralised Approach)

CIMA (Conférence Interafricaine des Marchés d'Assurances) was established in 1992 to harmonise insurance regulation for 14 mainly francophone countries in sub-Saharan Africa, establishing a dedicated insurance code that brings virtually all insurance supervisory, legislative and regulatory powers under unified rules, though each member state retains its own regulator.<sup>12</sup>

#### 2. EAC (Mutual Recognition Approach)

The East African Community (EAC) adopts a cooperative regulatory model that prioritises mutual recognition agreements among its member states, allowing insurers to operate across borders while respecting national regulatory jurisdictions. This approach allows for a degree of harmonisation without requiring full regulatory uniformity, which is beneficial given the differing economic conditions of EAC members.<sup>13</sup>

#### 3. SADC (Flexible Integration Approach)

SADC (Southern African Development Community) represents a third regional initiative, though with less formalised harmonisation structures than CIMA or EAC. Research examining regional models suggests that AfCFTA could benefit from a framework that combines central oversight with local adaptability, akin to the EU model but nuanced for the African context.<sup>14</sup>

### Industry Calls for Action

The African insurance sector is optimistic about AfCFTA's potential but wishes to see integration and harmonisation of insurance regulations, enabling geographic expansion to build scale identified as the top priority for insurers and reinsurers seeking to diversify portfolios across fragmented markets.<sup>15</sup>

<sup>10</sup> Indepth Research Institute, The Ultimate Guide: Africa's Insurance Regulatory Changes in 2026, February 2026

<sup>11</sup> Africa's Development Crossroads: Progress, Challenges, and Opportunities in 2025, April 2025

<sup>12</sup> AXA XL, Regulatory harmonisation: The benefits for global programmes in the CIMA zone, June 2021

<sup>13</sup> Agripah Marangwanda and Mpundu Mubanga, Reimagining Africa's Insurance Landscape: How Regulatory Compliance Fuels AfCFTA's Promise, 2025

<sup>14</sup> Ibid.

<sup>15</sup> Business Day Nigeria, Insurers want regulatory integration to optimize benefits of AfCFTA, September 2021

## Survey: Data practices and trends in African insurance and reinsurance

“Data is at a stage in Africa which is fast evolving – but is being slowed down by the lack of integrated systems and technology eco-system perspective. Organisations are slowly realising the value in harnessing data and are deploying efforts in accuracy at the point of capture. For those that are not clients of Guy Carpenter, we do expect this to be a higher-than-normal load on the operational side for the next few years.”

**Lukas Müller | Chairman Middle East & Africa | Guy Carpenter**

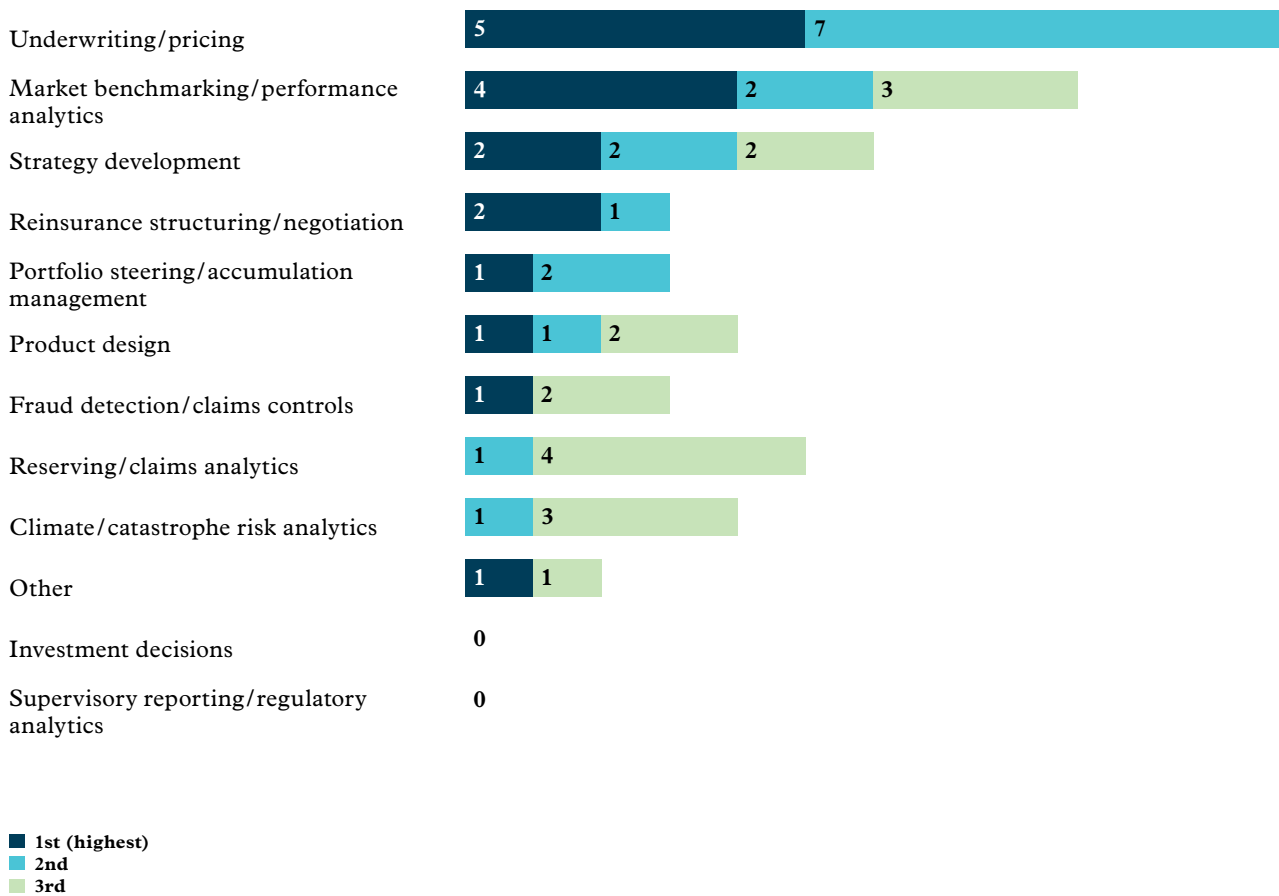
“Across many African markets, the limited availability of reliable data continues to influence how insurers price risk and set aside reserves for future claims. In response, some industry practitioners have adopted a prudent approach amid uncertainty.

As data quality and accessibility improve, there is a significant opportunity for insurers to enhance pricing accuracy, optimise capital deployment, and ultimately deliver greater value to both customers and shareholders.”

**Gboyega Lesi | Managing Director | Leadway Assurance**

PRIORITY USE CASES: UNDERWRITING AND PRICING FIRST

**Chart 10: What would be your priority use cases for standardised/ harmonised data? (Please rank your top 3, with 1 = highest)**



“At Mulemba Re, we recognise that substantial improvement in data quality and risk management competency are essential pillars for strengthening Angola’s insurance sector. Through close collaboration with over twenty local insurers and our strategic investment in education and capacity development, we are committed to advancing the market’s maturity and resilience.”

**Paulo Bracons | CEO | Mulemba Re**

“Across most African countries, we still operate in silos. When data isn’t shared, its value isn’t fully understood. The real opportunity is to shift from managing individual businesses in isolation to leveraging shared insights that can unlock growth for the entire market.”

**Rudolph Humavindu | Namib Re | General Manager Reinsurance**

## *Survey: Data practices and trends in African insurance and reinsurance*

When asked to rank their top three priority usages for standardised data, respondents overwhelmingly chose underwriting and pricing. With ten total mentions, five ranked it first and none ranked it third, whoever mentioned it, ranked it high.

Market benchmarking came second, but with a different pattern. It got strong first-place votes but also frequently appeared as a third choice. This suggests the group values it broadly without anyone treating it as their most urgent need.

Strategy development rounds out the consistent top three. It collected six mentions spread evenly across all ranking positions, no urgency signal, but steady agreement that it matters.

Beyond the top three, the picture changes. Reserving and claims analytics received five mentions, but four were third-placed rankings. Respondents acknowledge this need but defer it for more immediate priorities.

Climate and catastrophe analytics barely registers, only two mentions, zero first-place votes, despite respondents' significant climate exposure. This likely reflects reality: cat modelling is outsourced to modelling vendor, brokers or global reinsurers, and the quality of local data is insufficient to serve as a basis for cat modelling.

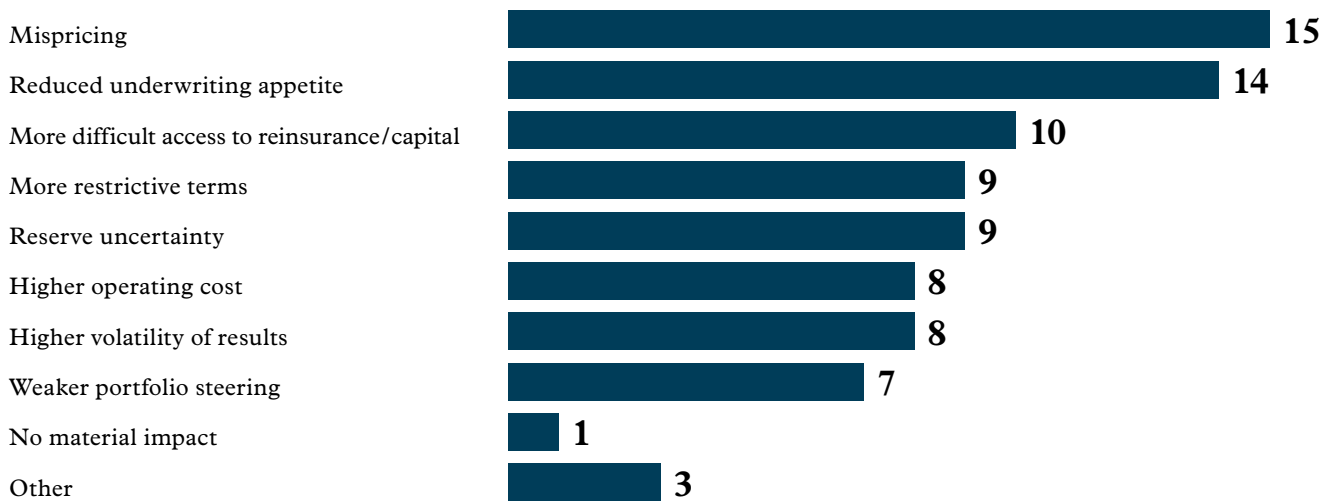
The low ranking probably signals a capability gap, not absent risk.

Supervisory and regulatory reporting got no mentions, unsurprisingly, since compliance requirements are mandatory, not chosen.

Underwriting and pricing emerges as the urgent, non-negotiable operational priority, the foundation that must be addressed first, while other use cases remain deferred until that foundational capability is in place.

IMPACT ON AFRICAN INSURANCE MARKETS — THE HIGH PRICE OF POOR DATA: MISPRICING, SHRINKING APPETITE AND LOCKED-OUT CAPITAL

**Chart 11: How have data issues affected insurance market development? (select all that apply)**



The consequences of poor data are broad and mutually reinforcing. Mispricing tops the list with 15 out of 17 possible mentions. The asymmetry is unforgiving: underprice and claims destroy the book; overprice and customers walk away. Either outcome compounds the market’s underlying fragility.

Reduced underwriting appetite follows at 14 mentions, confirming that data deficiency does not only affect how risk is priced. It determines whether risk is written at all.

Difficult access to reinsurance and capital markets (10 mentions) and increasingly restrictive terms (9 mentions) amplify losses. Reduced reinsurance capacity limits insurers’ ability to grow. One participant tried to tap capital markets via alternative risk transfer but did not succeed due to a lack of credible data; without reliable risk intelligence, capital markets will not invest. The net effect is forced reliance on reinsurance with conservative terms and a resulting pricing disadvantage.

## Survey: Data practices and trends in African insurance and reinsurance

Reserve uncertainty (9), higher operating costs (8), higher volatility of results (8) and weaker portfolio steering (7) complete a picture of an industry operating under permanent friction. Each decision carries uncertainty; each outcome is hard to anticipate or explain.

Only one participant reported no material impact, explaining that “we do things in silos in Africa”, data does not flow because organisations do not connect.

Three respondents used the other option to flag consequences: inability to build proper business strategy, conservative capital allocation that erodes profitability, and broader erosion of consumer confidence in the industry itself.

Poor data does not just make insurance harder to price. It makes markets harder to develop, capital harder to access, and trust harder to build. The consequences are clear growth constraints affecting the entire continental market.

“High-quality data is not optional; it is fundamental to strategy. At SAA, we build our models on decades of history, including more than 25 years of fully digitised operational and claims data, which we then strengthen with external sources to better manage risk, ensure compliance, drive innovation, and reduce errors across the organisation.”

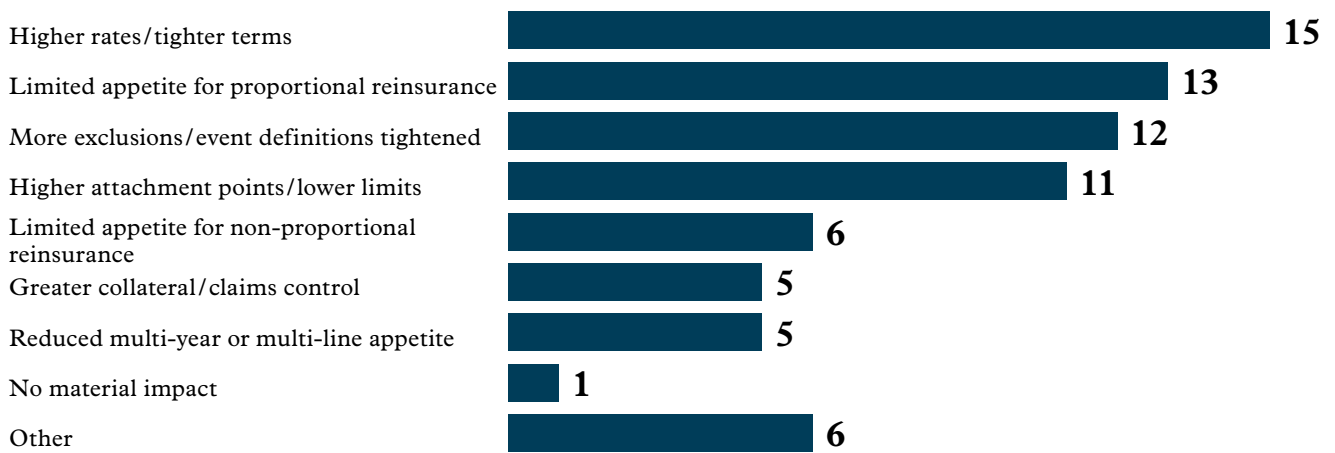
**Youcef Benmicia | CEO | SAA**

“Insufficient data prevents insurers from reaching their full potential. Consider cyber insurance, there is clear demand in our Nigerian market, but we cannot confidently underwrite these products without the right data infrastructure. If we are serious about scaling our business and competing effectively, we must prioritise data collection and analytics. Data is fundamental to our ability to innovate, penetrate new markets, and make the strategic decisions that drive sustainable growth.”

**Tope Smart | Group Chairman | NEM**

IMPACT ON AFRICAN REINSURANCE MARKETS — NO DATA, NO COVER:  
HOW INFORMATION GAPS ARE PRICING AFRICAN MARKETS OUT  
OF REINSURANCE

**Chart 12: How have data issues affected reinsurance solutions?  
(select all that apply)**



“In-depth understanding of the insurance and reinsurance market’s needs, combined with efficient capitalisation on operational experience, constitutes an essential lever for designing high-performing, innovative and sustainable reinsurance solutions. These solutions must be tailored to the specific features of risks, strengthen the resilience of stakeholders, and support enduring growth, founded on reliable data and proven field expertise.”

**Lamia Ben Mahmoud | CEO | Tunis Re**

“The limited quality and availability of insurance data across Africa has not only constrained innovation, but has also eroded trust, leaving both consumers and policymakers uncertain about the true value of insurance.”

**Jephita Gwatipedza | Group Deputy Chief Executive & Chief Operating Officer | Zep Re**

## *Survey: Data practices and trends in African insurance and reinsurance*

The impact of the lack of data on reinsurance is pervasive and hits across every dimension of the cedant/reinsurer relationship. Higher rates and tighter terms top the list at 15 out of 17 possible mentions, almost universal. Limited appetite for proportional reinsurance (13), more exclusions and tightened event definitions (12), and higher attachment points with lower limits (11) follow in close succession. Taken together, these four responses describe a market where reinsurance is simultaneously more expensive, more restricted, and less comprehensive.

The comments reveal a two-sided perception gap. Mostly reinsurers claim that African insurers lack data quality to support credible risk submissions, while mainly primary insurers state that global reinsurers lack knowledge to assess African risk independently. However, this gap narrows where proximity and regulatory structure create accountability.

The practical consequences are immediate. One participant describes being forced to place risks on facultative cover because treaty terms became

untenable, a more expensive and less efficient solution driven by data absence. Another is blunt: if there is no data, reinsurers may walk away from the risk altogether.

Another comment adds that many insurance companies do not even publish basic financial information publicly. This signals how far the industry remains from treating data transparency as a competitive or strategic asset.

In conclusion, the data deficit creates a compounding disadvantage. African insurers pay a premium to reinsurers who are pricing uncertainty rather than risk. Better local data is not just an operational improvement; it is the lever for resetting the terms across the entire value chain.

## CALL TO ACTION: BUILDING AFRICA'S INSURANCE DATA INFRASTRUCTURE OF TOMORROW

Unlocking Africa's insurance markets through better data quality requires coordinated action by the insurance industry, governments and regulators.



### For the insurance industry

- Treat data as a strategic asset. Replace siloed, function-specific systems with enterprise-wide data ecosystems that include embedded analytics, and invest in data literacy and in actuarial, data-science and climate-science talent.
- Make standardisation a competitive necessity: it lowers reinsurance costs, unlocks capacity and improves access to capital markets, and is not merely a regulatory chore.
- Adopt strong data governance and ethical standards: document models, monitor for bias, maintain human oversight for consequential decisions, protect policyholder data, and engage proactively with supervisors as standards evolve.
- Enrich proprietary data with alternative sources (satellite imagery, mobile data, agricultural indicators, etc.) to design new products that better serve the needs of existing customers and reach new customer segments. This approach enables more relevant coverage and pricing, supporting inclusive insurance growth across the continent.



### For reinsurers, brokers, investors

- Signal appetite for African data and reward improvements concretely. The current pattern, where uncertain data drives higher rates, tighter terms, more exclusions, higher attachment points and reduced proportional capacity, is a structural penalty that limits the potential to provide broader, better risk protection. Communicate clearly which data improvements would translate into better terms and follow through when cedants deliver.
- Reward strong data quality and depth with greater risk appetite and clearer pricing. Cedants that invest in robust underwriting, exposure and claims data should see tangible benefits through increased reinsurance capacity, broader coverage support and more transparent pricing methodologies. This creates a stronger incentive for sustained investment in data governance and analytics across African markets.
- Invest in on-continent expertise rather than assessing African risk from a distance. Sustained local presence, technical exchange, training and the development of African catastrophe models will reduce blind spots and help in scaling the market.



#### **For governments and regulators**

- Actively support the establishment of a continental data standards framework that defines minimum underwriting, exposure and claims data requirements, with harmonised definitions, reporting formats and submission frequencies across African markets.
- Create regulatory incentives that elevate data quality to a board-level priority: penalise late submissions and persistent inaccuracy or incompleteness. Recognise high-quality insurance data as critical financial infrastructure that supports prudential supervision.
- Continuously evolve continental data standards to reflect new findings, emerging risks and supervisory experience, to further stabilise the insurance sector and protect policyholders. Draw on regional or international good practice, including the Insurance Core Principles of the International Association of Insurance Supervisors (IAIS), while calibrating standards to African market realities.
- Strengthen public data foundations that insurance markets rely on and apply proportionate regulation that enables digital identity, electronic policies and mobile distribution.
- Set clear, balanced supervisory expectations for parametric products, alternative data and AI in underwriting and claims, ensuring innovation is matched by transparency, fairness and robust consumer protection.

#### **The immediate path forward**

Regulatory fragmentation is a key constraint. Technology and goodwill alone will not overcome it.

What is needed:

1. Regulatory leadership to mandate standardisation and create legal frameworks
2. Industry commitment of resources and data to shared infrastructure
3. Institutional stewardship to operate the custodian and enforce standards
4. Sustained funding to build and maintain systems

Without decisive action, African insurers will continue to bear a structural penalty for information gaps that can be addressed. The resulting costs are ultimately passed on to customers, constraining market growth, limiting risk protection and slowing broader economic development.

