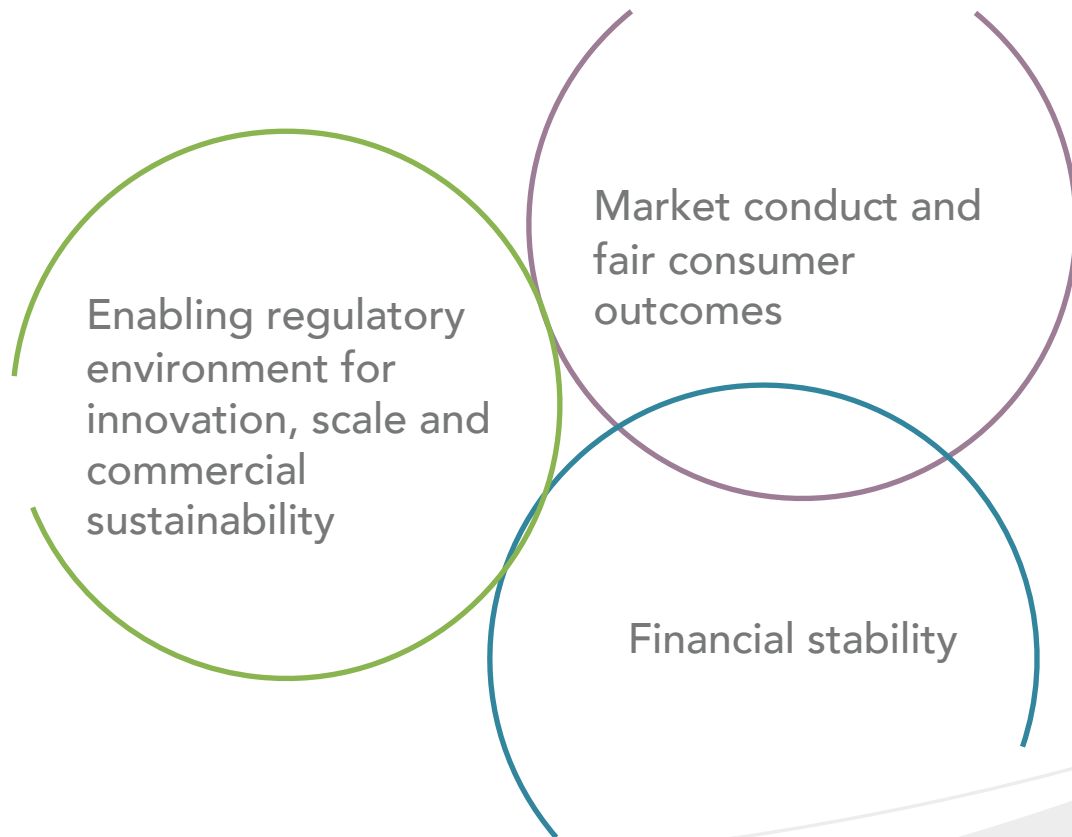


Session 2 – “Developing and regulating inclusive insurance markets”

Inclusive Insurance Business Models for Africa

Janina Voss | 14 July 2022

Supervisory mandates



Key features of inclusive insurance frameworks



Licensing



Product approval



Distribution

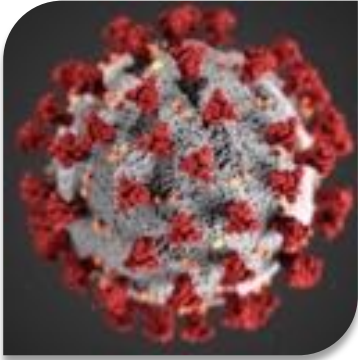


Disclosure



Claims

Global trends and challenges



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IMPLEMENTED

ASIA-PACIFIC

Cambodia
China
Chinese Taipei
India
Indonesia
Malaysia
Mongolia
Nepal
Pakistan
Philippines
Thailand

LATIN AMERICA & CARIBBEAN

Argentina
Belize
Brazil
Costa Rica
Mexico
Nicaragua
Peru
Venezuela

MIDDLE EAST & NORTH AFRICA

Egypt

SUB-SAHARAN AFRICA

CIMA*
Eswatini
Ethiopia
Ghana
Madagascar
Malawi
Mozambique
Nigeria
Rwanda
South Africa
Tanzania
Zimbabwe

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UNDER DEVELOPMENT

ASIA-PACIFIC

Bangladesh
Fiji
Papua New Guinea
Sri Lanka
Vietnam

LATIN AMERICA & CARIBBEAN

Bolivia
Chile
Colombia
El Salvador
Guatemala
Honduras
Jamaica
Paraguay

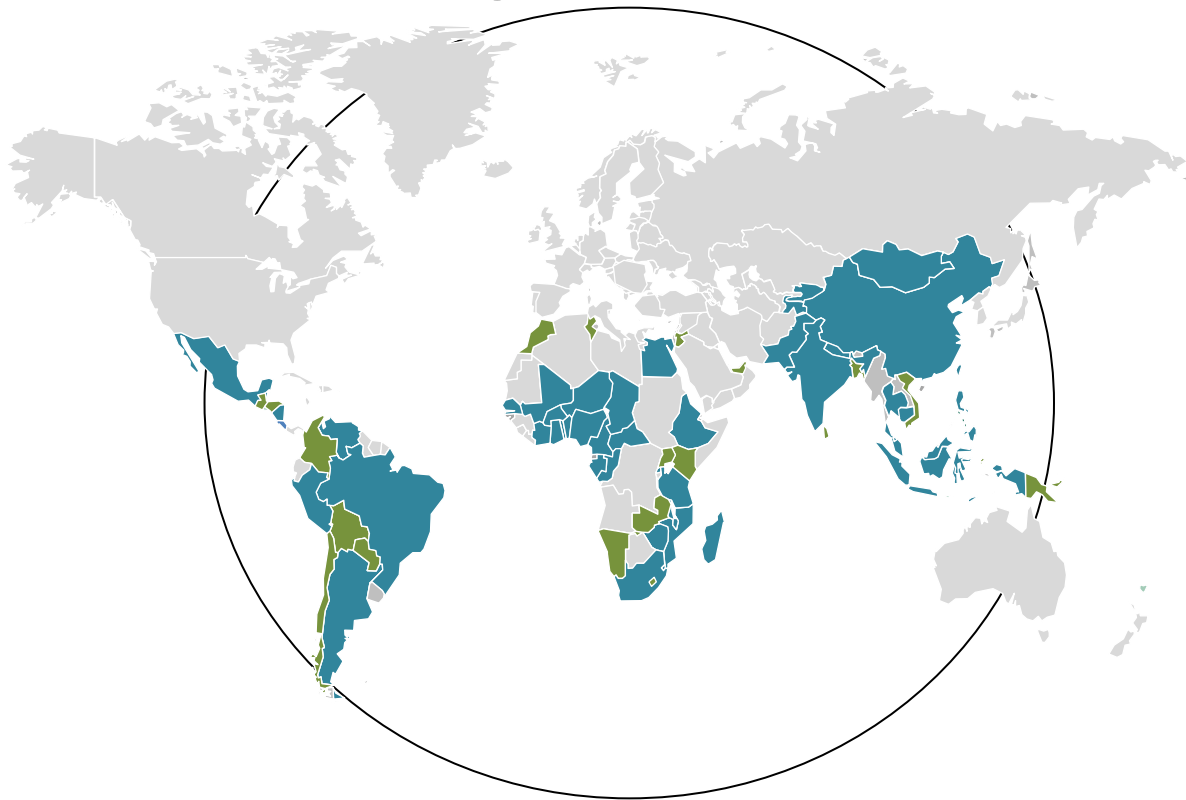
MIDDLE EAST & NORTH AFRICA

Jordan
Morocco
Tunisia

SUB-SAHARAN AFRICA

Kenya
Lesotho
Namibia
Uganda
Zambia

Inclusive insurance regulation in 2022



* CIMA is counted as one jurisdiction (Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal, and Togo)

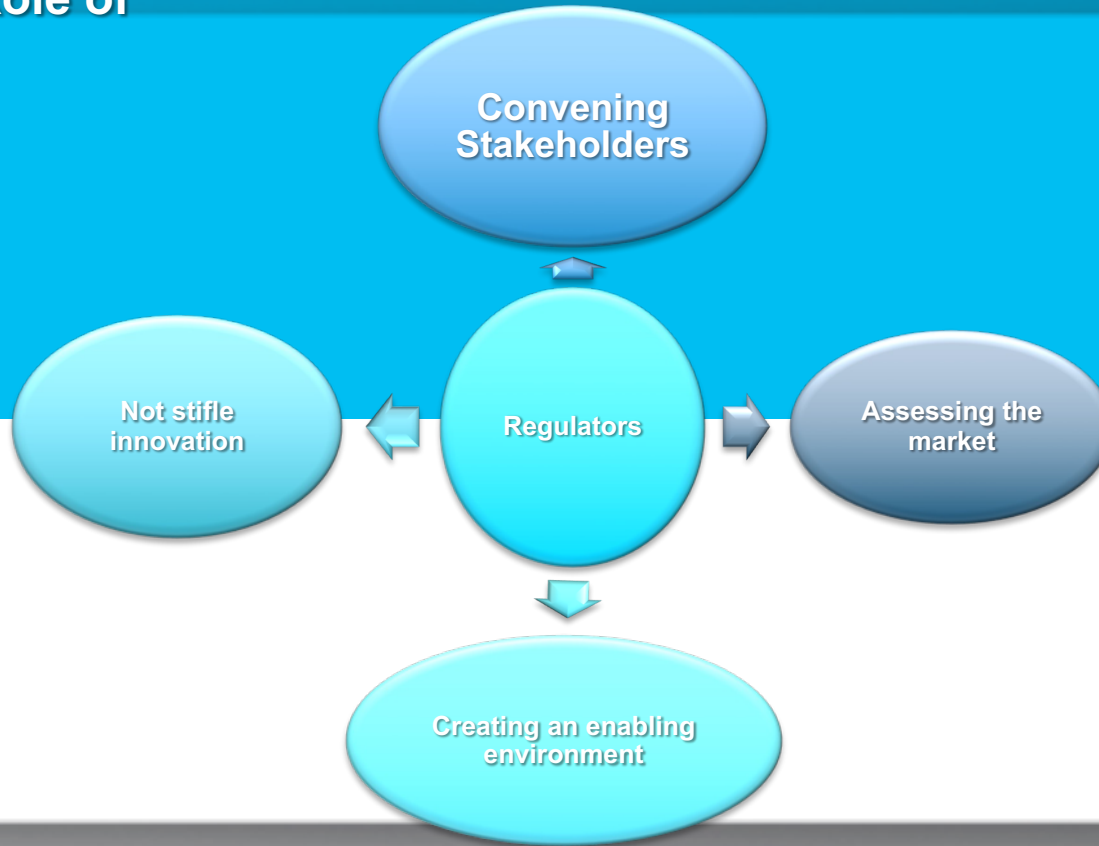
Session 2 – “Developing and Regulating inclusive insurance markets”

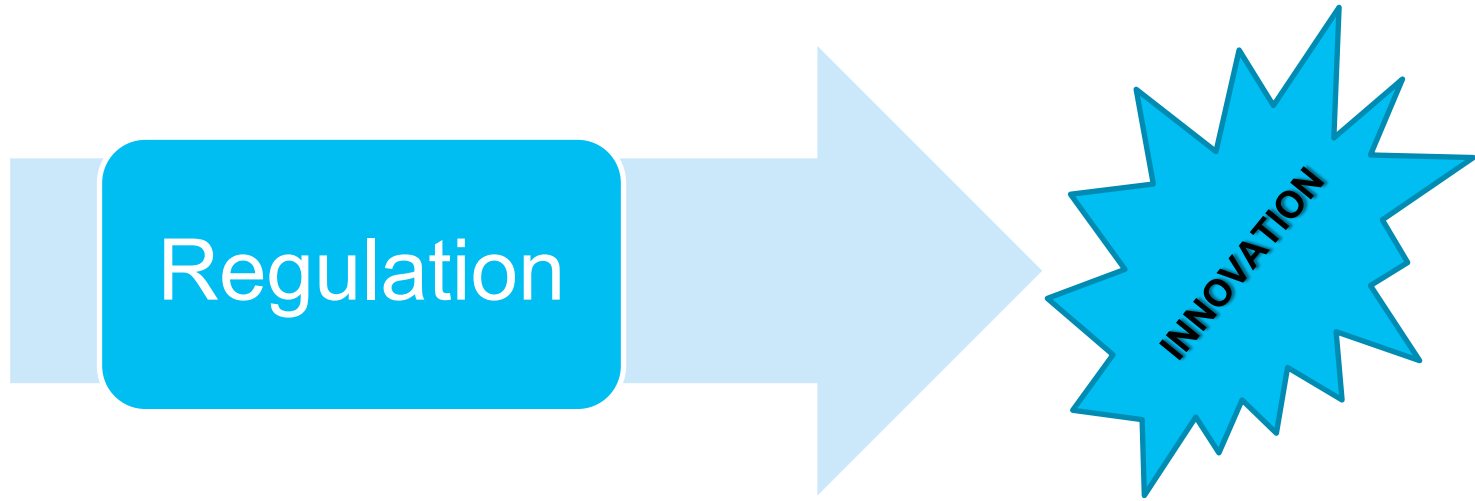
Inclusive Insurance Business Models for Africa

Ms. Yizaso Musonda
Insurance Supervision



What is the Role of Regulators







Ministry of Finance Tanzania



Member of



Insurance & Risk Consultants

LONG TERM SYNERGIES

From Decade to Century



Developing and Regulating
inclusive insurance markets

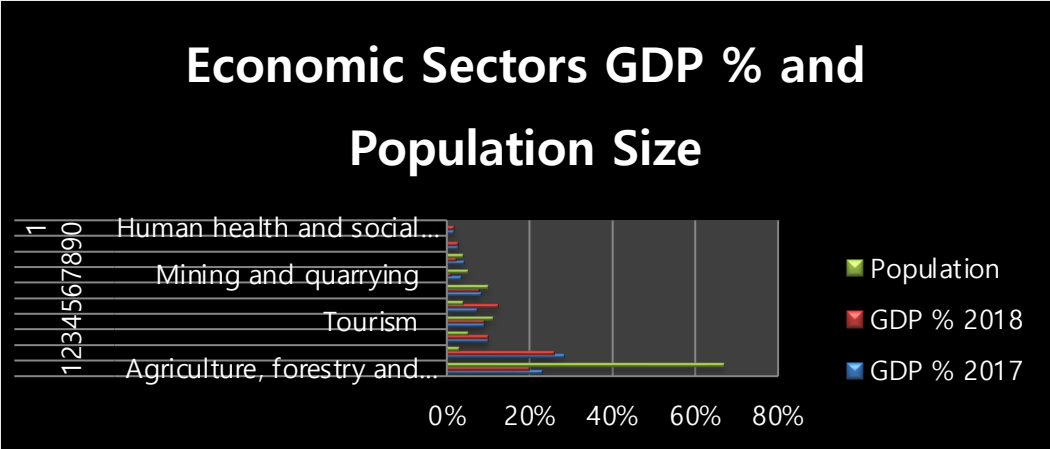
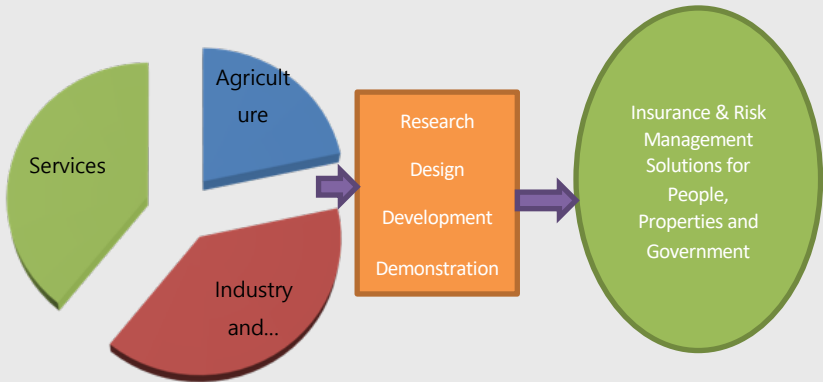
Regional Microinsurance Conference - 2022



Ancellmi Anselmi

14th July, 2022 Livingstone, Zambia

NATIONAL INCLUSIVE INSURANCE STRATEGY 2020 - 2030



Real Economic Sectors & SDGs Approach

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Economic Sector	Agriculture	Construction	Trade	Tourism	Transport	Manufacturing	Mining	Admin	Education	Health	M&E
SDGs	1, 2, 13, 14	9,11, 13	2,9,13	1, 14, 15	9,11, 14,15	1,5,10	14, 13,12		4,5,10, 1	3,5, 1	16

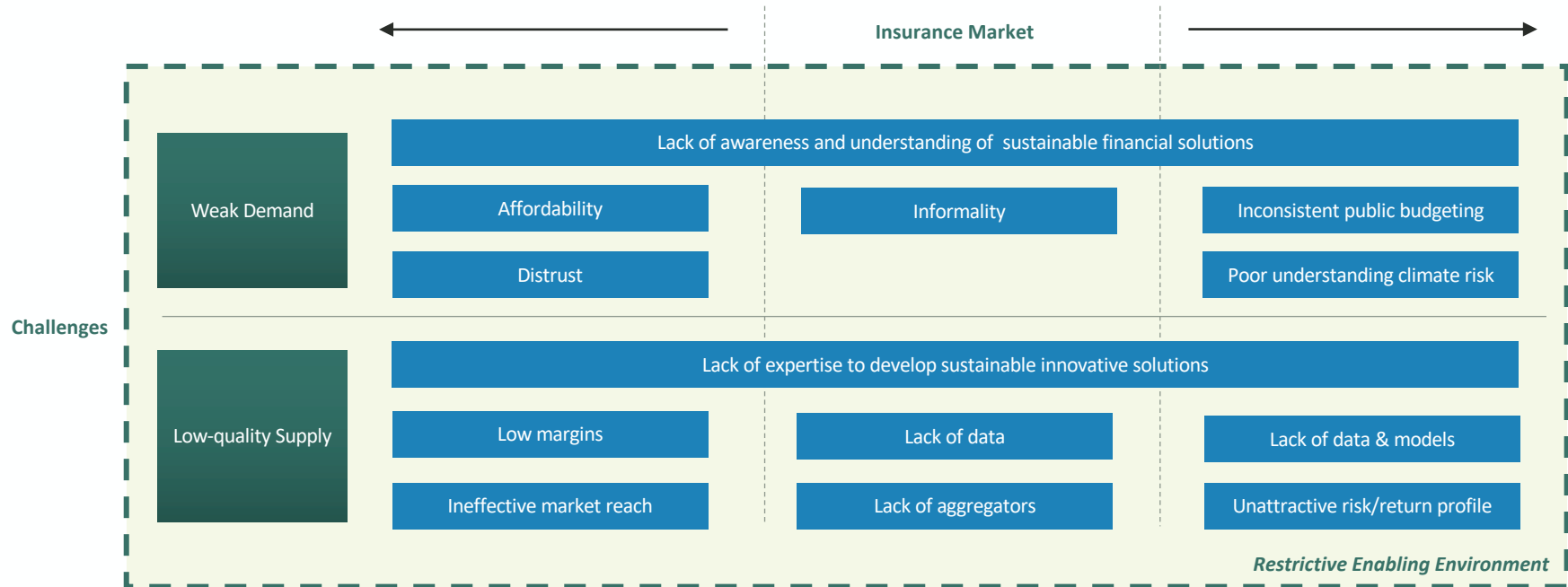
Developing and regulating inclusive insurance markets

Elias Omondi

Senior Manager – Risk Regulations

Challenges in the Insurance Market

Low resilience of households, businesses and governments due to weak demand for and low-quality supply of risk solutions, plus restrictive enabling environments that impact across risk markets



The Missing Middle

Innovation vs Regulation

- Insurtech for innovative products, improved customer journeys, access to data and scalable distribution
- Enabling environment for market growth and innovation

From Fragmented & Underdeveloped Insurance Markets in 2019

- Insurance penetration remains low – below 3% across SSA
- Insurance sector covers only 2% of disaster-induced/ climate related losses through pay-outs
- Challenges across demand and supply of instruments – from ‘micro’ - affordability/low margins issues, to ‘macro’ - political will & low capabilities

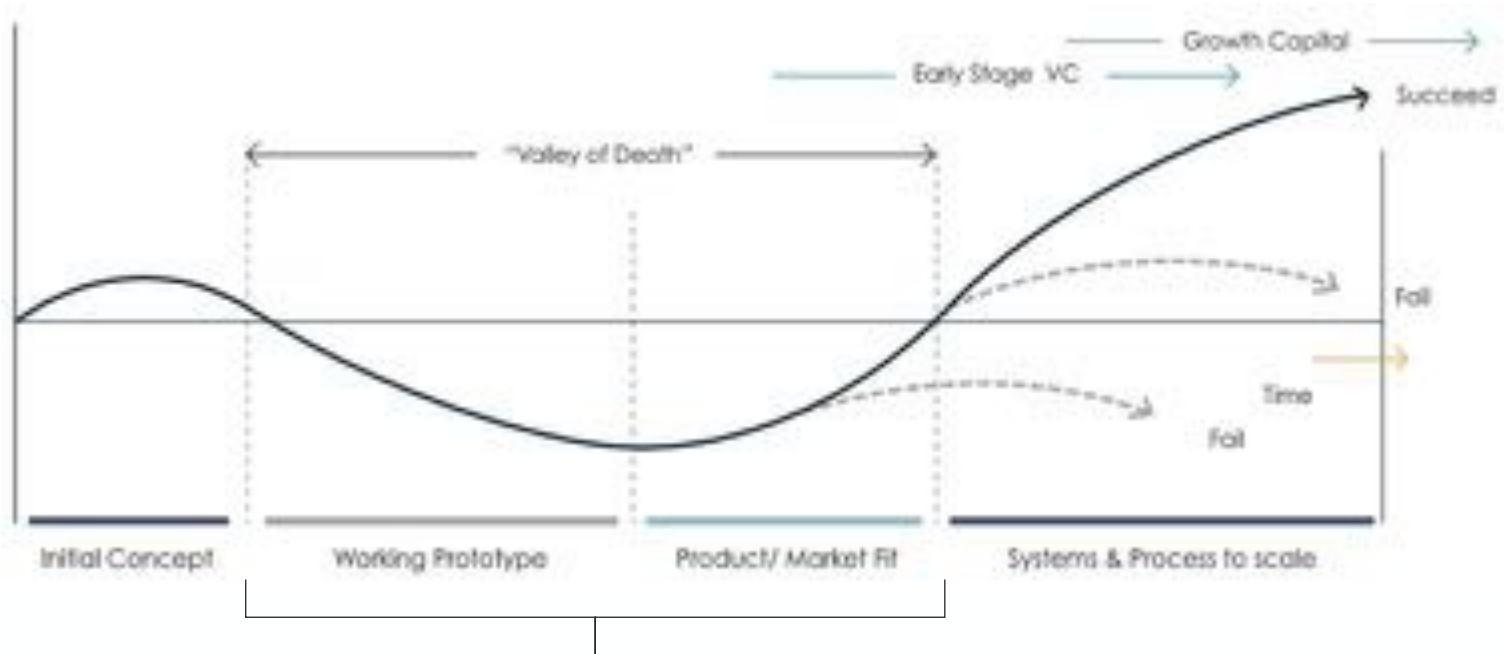


Apply leverage!

Towards Integrated and Maturing Insurance Markets in 2024

- Increased insurance penetration in SSA seeing development of pockets of insurance innovation that increase access
- Provide innovators with an enabling regulatory environment
- Increased coverage of catastrophic climate/disaster risk through both public and private sector
- Increased cohesion between demand and supply of instruments at micro, meso and macro levels

Critical gaps in the innovation ecosystem



Funding Gap, Technical Skills Gap, Regulatory Clarity Gap



Our mission is to support building of innovative insurtech solutions for the Africa's underserved



2. Low uptake!

S N	AREAS	WEAKNESSES	
1.	Supply of Insurance Services	<ol style="list-style-type: none"> 1. Death of entrepreneurial spirit (i.e short term investment ~ scale for sustainability) 2. Limited underwriting capacity: technical & financial 3. Absence of market research & data analysis: (Agriculture – 30-40% of Africa GDP ~\$720-960bn ~ GWP \$48bn); ILS market \$94bn: Mortality tables = live as an African, die as a European. 4. Non demand driven products: Africa youngest population 19years median age, 1.4bn, health per cap. \$ 50 ~ GWP \$ 70bn. 5. Un-optimized distribution: Vodacom 150k agents, CRDB Bank 20k agents, insurance industry 1k agents???!!!! Narrow marketing budgets (lunch & dinners) 6. Disjointed efforts – restriction, duplication, no synergies, no economies of scale. 	<p>Legacy systems and lack of supporting infrastructure</p> <p>Product pricing and achieving scale for sustainability</p> <p>Distribution channels – selling vs buying</p>
2.	Regulatory	<ol style="list-style-type: none"> 1. Restricted skills and exposure of regulators 2. Limited resources to implement inclusive insurance strategies 	Profitability Vs inclusivity
3.	Demand for Insurance Services	<ol style="list-style-type: none"> 1. Low levels of insurance literacy & trust 2. Informal saving culture (farms, animals, etc) 3. Limited customer loyalty/informal risk management options 	De-risking the downside

Moderate, Cooperate, Coordinate.....

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- » **Regulators need to walk with industry and understand innovation before considering necessary regulation**
- » **Regulation tends to be slow ; consider alternatives – Sandboxes, Pilot products**
- » **Maintain a balance with consumer protection**



3. TIRA INITIATIVES



4. ROAD AHEAD

Solutions Across Value Chain

Recommendations to Development Entities

1. Shift from data to strategy

2. Partnerships across the Continent – AIO/AU/AfCFTA

3. Continental strategy & sharing of resources

4. Capacity Building – Agents, Loss assessors/adjustors, brokers

5. Sustainable interventions

Recommendations for Business

1. Collaborate across businesses and functions

2. Support nimble tech-oriented start-ups

3. Create an innovation strategy and fund it

4. Simplicity, accessibility and value

5. Product bundling to increase accessibility

Promotion

Premium
collection

Value
added
services

Claims
assessment

Enrolment

Education

Claims
reporting

Claims
payment

The supervisors' role in inclusive insurance

Key messages

1. Moderate, coordinate, cooperate
2. Envision and plan
3. 'Unlearn and relearn'

Thank you.

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