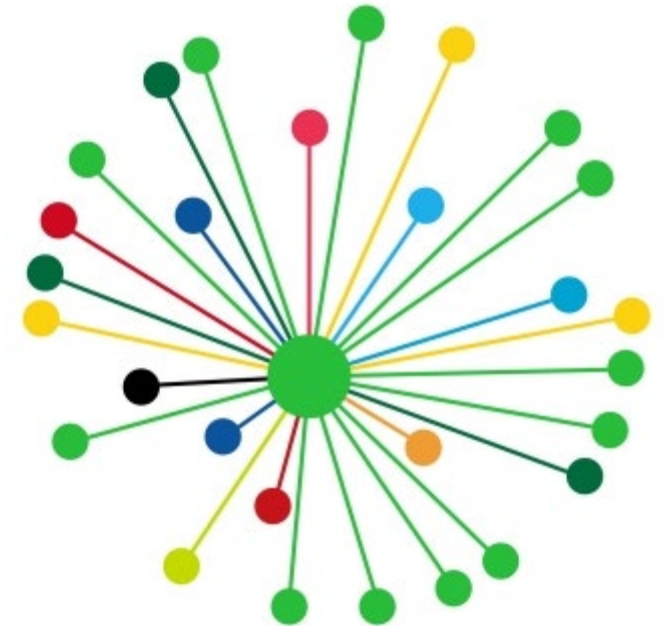


**Developing business models for
inclusive insurance: Experience and
lessons learnt**
Experience from Egypt

Dr. Tarek Seif *FCII*

Secretary General

Insurance Federation of Egypt (IFE)



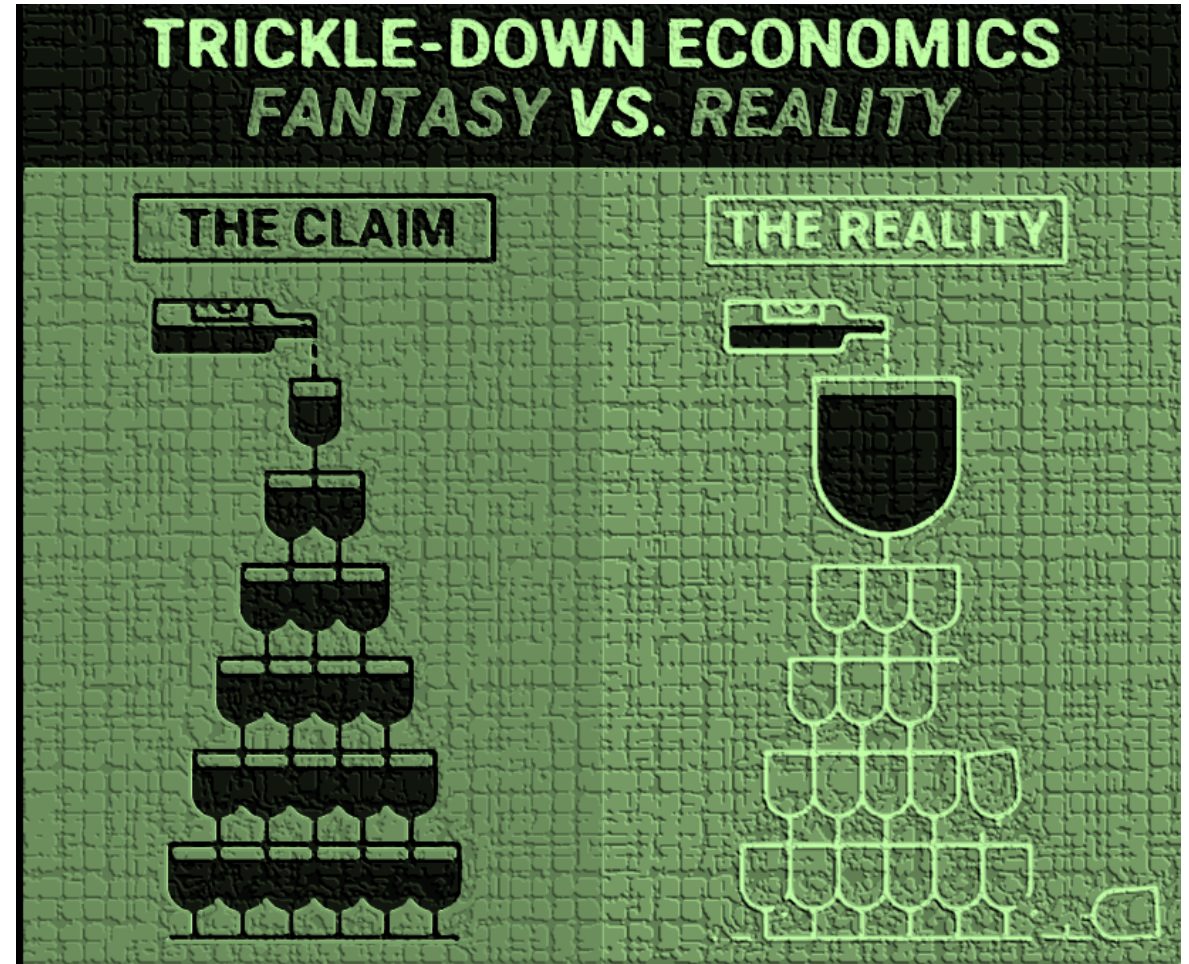
ICI 2023

23–27 October 2023
Accra, Ghana

FAILED

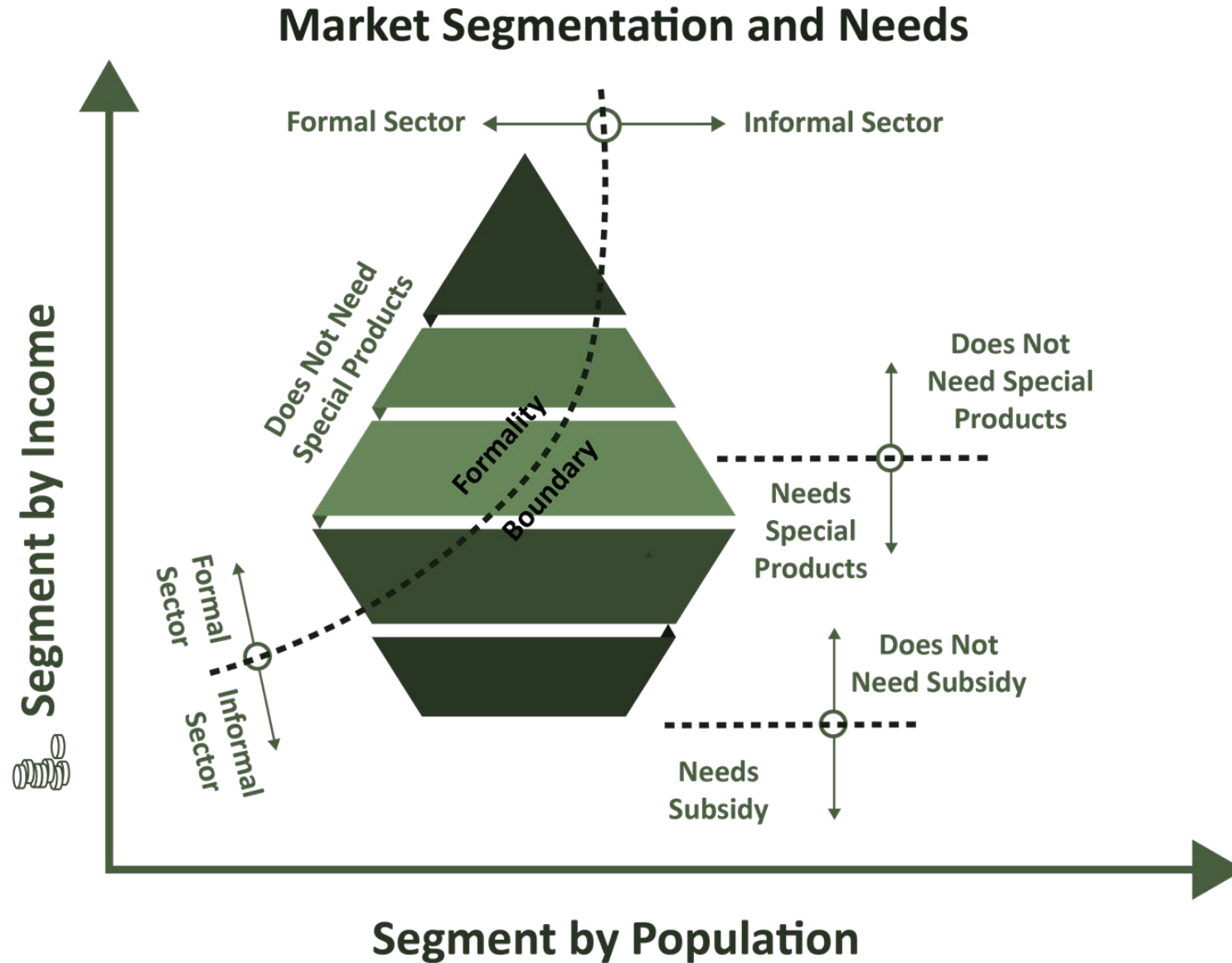
Trickle-down economics 1981 (never happened)

- Trickle – down economies (by Ronald Reagan) : policy in which wealthy people and corporations receive tax cuts, stimulus, or deregulation in an effort to boost growth for the entire economy.
- The fruits of economic development trickle down **–automatically!–** to lower classes (poor people) by creating jobs.



Challenges

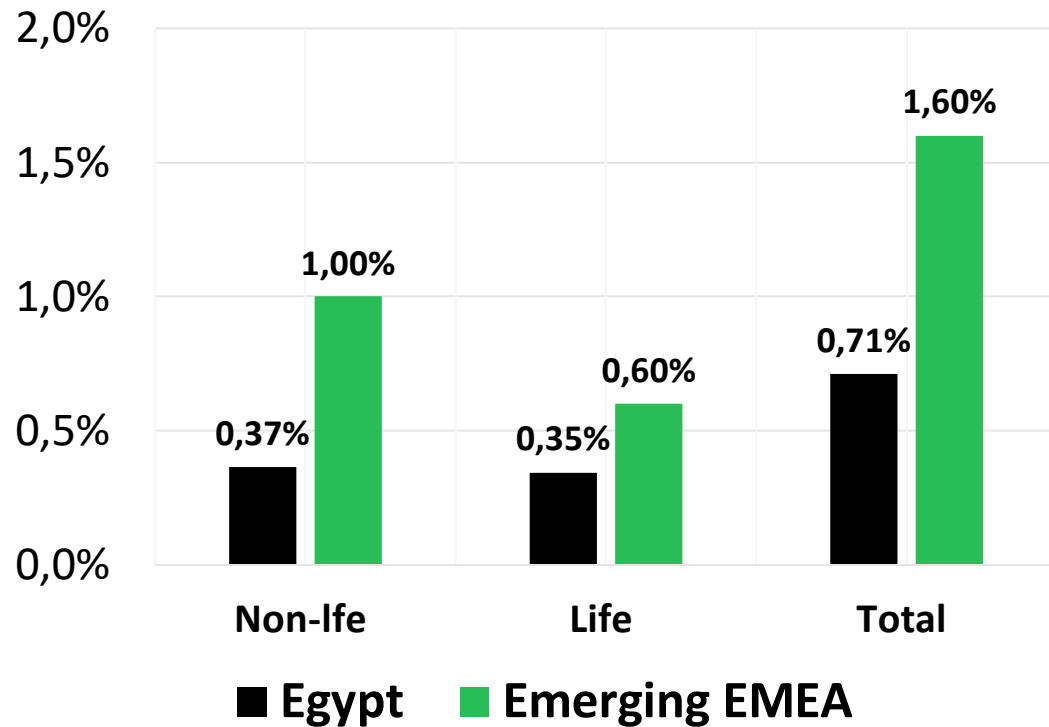
Financial services and insurance, in particular, still focusing on the top of the pyramid.



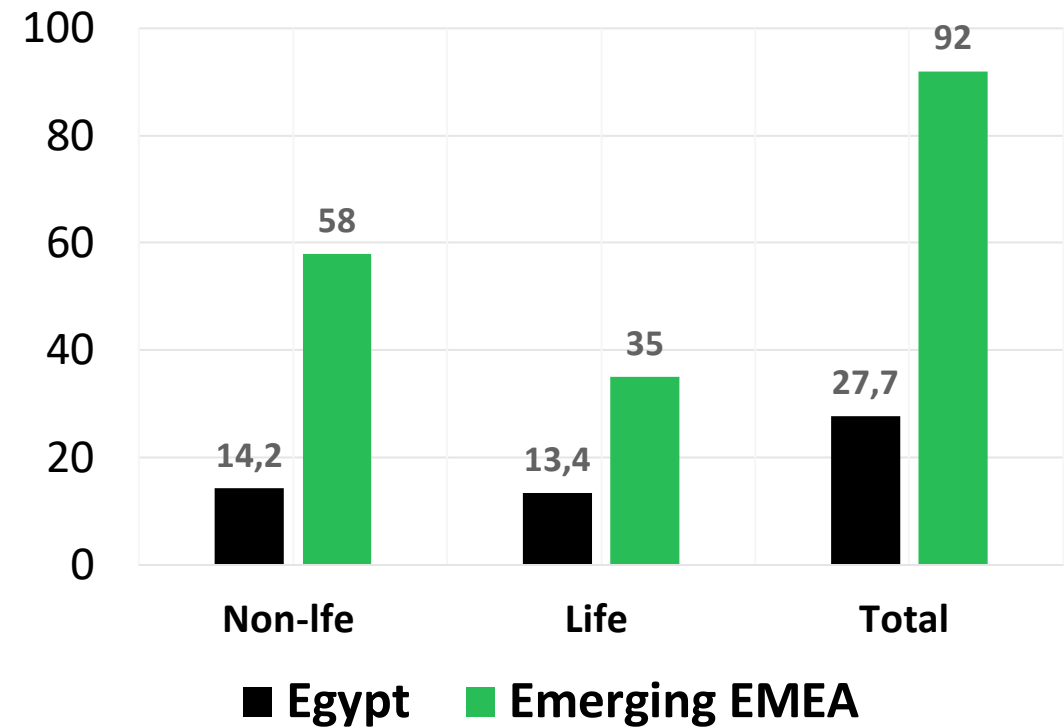
*The market segmentation and needs model : Refaat Asr, *Micro Insurance In Egypt Challenges and Opportunities*

Figures to be counted (Insurance gap = USD 2.8 =100%)

Insurance penetration % (GPW/GDP)
Egypt vs Emerging EMEA 2022



Insurance density USD (GPW per capita)
Egypt vs Emerging EMEA 2022



EMEA: Europe, Middle East and Africa. (The benchmark)

Figures to be counted

Insurance penetration and density (Egypt vs African markets)



Countries and territories	Insurance density: premiums per capita in USD in 2021			Insurance penetration: permiums1 in % of GDP in 2021		
	Total business	Life business	Non-life business	Total business	Life business	Non-life business
Morocco	143	66	77	4	1.8	2.2
Tunisia	83	20	63	2	0.5	1.6
Kenya	44	20	24	2.2	1	1.2
Côte d'Ivoire	31	13	18	1.1	0.5	0.7
Egypt	27	2	15	0.6	0.3	0.4
Ghana	26	12	13	1.1	0.5	0.6
Algeria	24	2	22	0.7	0.1	0.6
Nigeria	7	4	3	0.4	0.2	0.2
Emerging EMEA (average)	92	35	58	1.6	0.6	1



Above average



Below average



Considerably below average

Macroeconomic strategy – Financial inclusion

Egypt's 2030 Vision

SDS objective: “Competitive and Diversified Economy”

Alleviating poverty, inclusive and sustainable economic growth, reduced inequalities, and gender equality and women’s economic empowerment

National strategy

Financial sector strategies

- **The Financial Regulatory Authority (FRA)** (2023-2027) use of financial technology and accelerating digital transformation, achieving financial inclusion and deepening levels of sustainability (= FI related objectives)
- **New Unified Insurance Law** (to be ratified by the parliament shortly) which provides a separate composite license + Decree to authorize using mobile networks and electronic stores to distribute MI.
- Three investors are waiting the new law to enter the MI market (so far) (Aman (money remittance company) , AXA and GIG).
- **Central Bank of Egypt (CBE):** The FI Strategy (2022 – 2025)
- **Egypt Post:** inclusivity, affordability, and digital empowerment objectives . 25 million saving accounts (19.2% of accounts are held by women) and 4300 post offices across Egypt & Yalla App in addition to a postassurance with AXA Egypt.

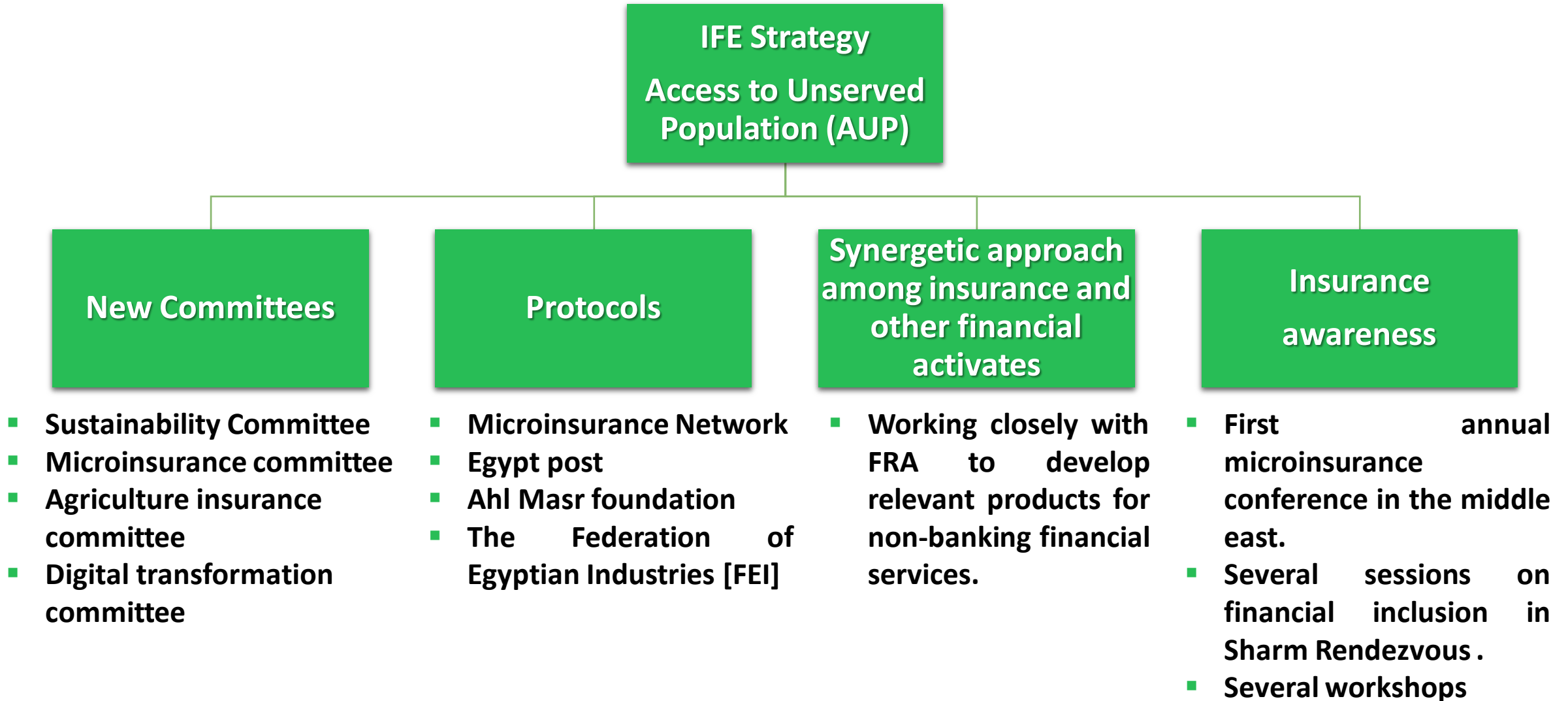
Microinsurance definition

The definition of microinsurance (2023)

Microinsurance insurance is an insurance service targeting low -income people, in the property and life insurance sector as defined in article 2 of this decree to protect them from potential risks against premiums according to the nature of the insured risk. The risk value covered such an insurance policy shall not exceed L.E 220,000.

- Source : *Michael J. McCord, IFE Egypt October Workshop – Microinsurance as a Vehicle for Economic Growth*, Unofficial translation . Resolution No. 902 of 2016 dated 02/11/2016 in Micro – insurance definition as amended. Article 1. (as amended in 2023).

IFE role In supporting financial inclusion



Market plyers: GIG (Non-life)

- **First company** to approve microinsurance policy web application from the regulator in 2017.
- **Products** : Accident & health , micro property cover, cancer insurance, home insurance , funeral insurance, livestock (for small farmers), gadget insurance (for brand new devices) and medical insurance.
- **Number of policies** : 2.5 million +
- **Process**: collect underwriting data through email or API integration and electronic payment of micro claims via Fawry* across the country.
- **Distribution channel**: B2B2C (affinity groups) as MFIs , NGOs, Fintech's.

* Fawry is an e-payments and digital finance solutions in Egypt.

Market plyers: GIG (MILS)

- **Cover** : Emergency slaughter and / or death on grounds of necessity on the advice of a qualified veterinary , accidents , illness , disease or epidemics.
- Cover is available for individual animals : **cows & buffaloes of 3 - 10 years old.**
- Electronic policy issuance with digital signature.
- **Claims** are payable within one week of documents submission and delivered in same MFI outlet .
- GIG is using the latest version of **ear tags** and Applicators which proven great success in the Asian markets



Market plyers: AXA (Life & Cash hospital)



- Since 2017 AXA & Lead Foundation are collaborating in Hemayet Lead insurance.
- Lead Foundation now has 130K customers, 85% are Females.
- In 2019 the insurance coverage has been extended to Include the families (children + Spouse) and now covering around 270K of family members.
- Since 2017 till now more than 42K claims were paid of approx. EGP 180M.

Benefits	Sum Insured	Coverage Objective
Life Insurance	Pays 3 times of the loan amount to the legal heirs	To empower the family to overcome the economic shock of losing the breadwinner and to manage to meet the immediate financial obligations
Hospital Cash	Pays 300 starting from 1 st night of hospitalization up to 40 nights / year	To compensate for loss of income due incapacity to work and pays for the post hospitalization expenses

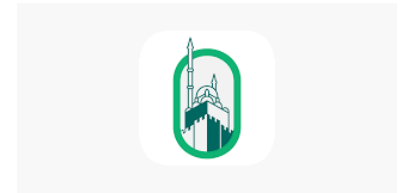
Market plyers: CIS (Credit insurance)

Cooperative Insurance Society (CIS)- Credit insurance



- **Cover** : credit insurance , personal accidents and property.
- Special focus on micro-credit insurance products.
- Electronic collection though Fawry.
- Working on the electronic issuance.
- **Distribution channel**: MFIs

Misr Life assurance Saving for



- **Cover**: term life assurance bundled with saving certificate (in cooperation with 4 banks).
- **Insured person** : Irregular and “as needed” employees.
- **Premium**: minimum L.E 4 / day
- **No medical exam required**

Thanks a lot