

8TH Eastern & Southern Africa Regional Conference on Inclusive Insurance

SESSION 1

The Landscape of Microinsurance in Kenya Key Findings with a focus on Eastern & Southern Africa

Anne Kamau
Director
AB Consultants, Kenya

PROUDLY HOSTED BY:



CO-HOSTED BY:



SUPPORTED BY:



About AB Consultants

Who we are

AB Consultants is an independent market driver seeking to make financial services accessible to those who need it most informed by data

What we do

AB was registered in Kenya in 2014 to promote microinsurance and inclusive insurance as a risk mitigation tool that will contribute towards breaking the vicious cycle of poverty. AB partners with private microfinance institutions and insurance Companies, NGOs and development partners to develop meaningful and differentiated solutions to address identified needs. AB Consultants has been instrumental in development of microinsurance, inclusive insurance, digital financial services and go-to-market strategies for financial services across sub Saharan Africa.

How we do it

1. AB Consultants builds capacity in the industry through market research, strategy development, product development, actuarial support and training.
2. We bring the end-users face to every product and board room, reminding financial services providers that there are real people behind every number crunched and every revenue collected. Every product that we design begins with a connection with the people who need the solution and a co-creation with them follows.
3. AB is using technology, data science and analytics, artificial intelligence and machine learning to make financial services accessible and fun.

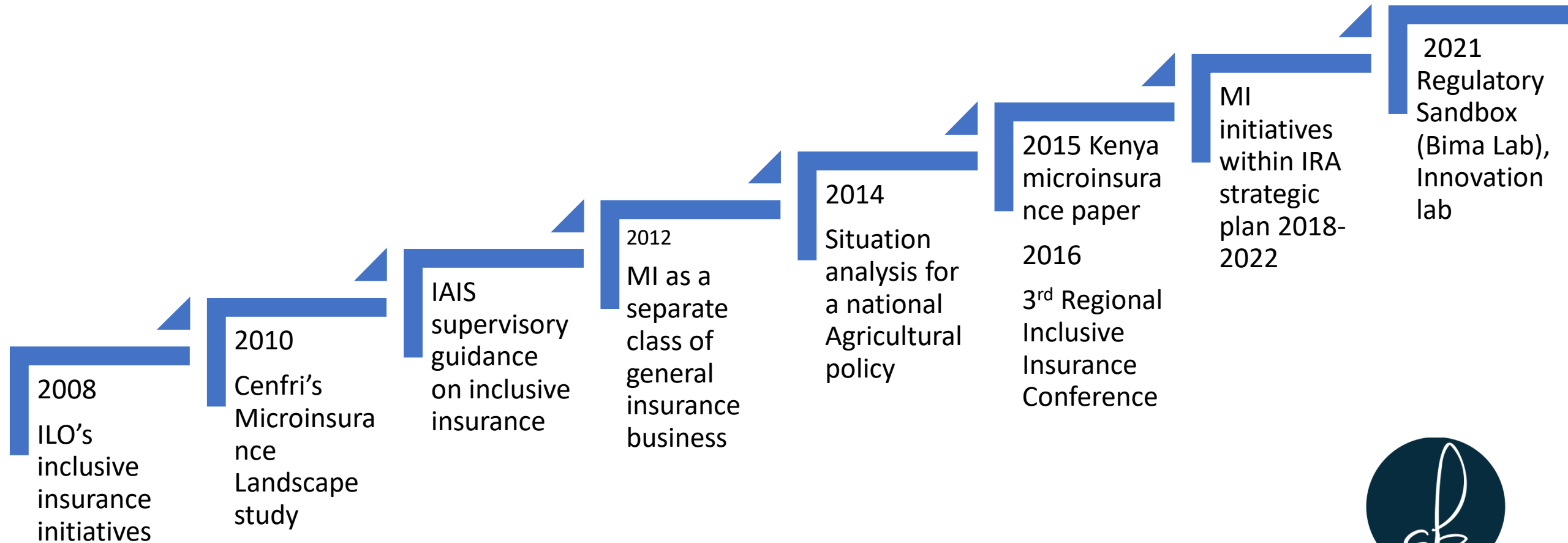


consultants

"We dream of Africa where people are resilient against risks, have access to financial services and are thriving."



Kenya's journey towards inclusive insurance



consultants

The Microinsurance Regulations, 2020

- Separate licence for MI business
- Transition 3 years
- Minimum Capital of KES 50m, RBC
- Daily premium \leq KES 40, Sums insured \leq KES 500k
- Approval of MI products by the Authority
- Payment of claims within 10 days
- Complaint resolution within 7 days
- Board and mgt sharing between parent and subsidiary
- Appointment of MI intermediary, no registration requirements

Challenges & lessons learnt

Insurance literacy

Negative perception

Market development
(products, distribution,
capacity etc)

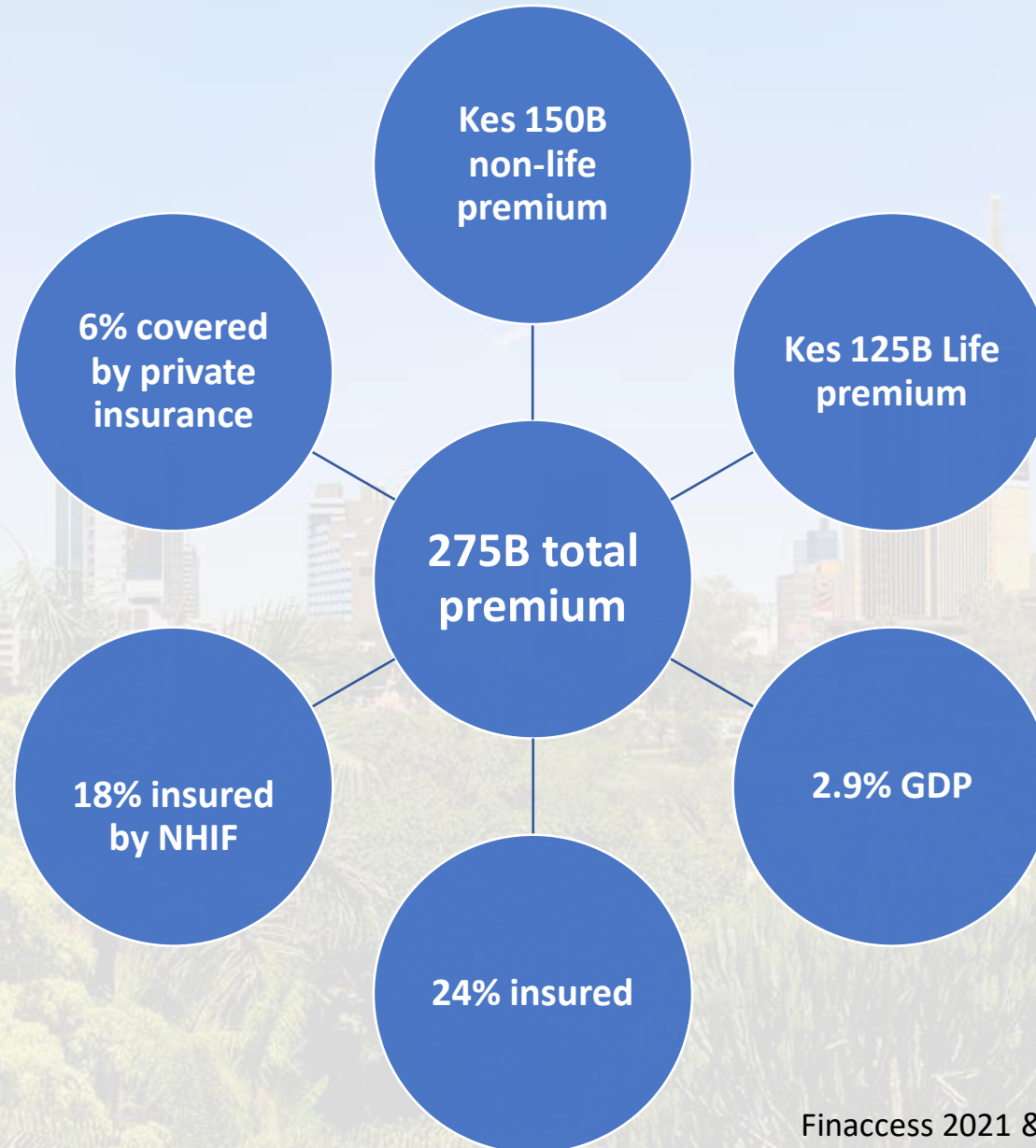
- Adoption of technology
- Client centricity for better offer of value
- Leverage existing social structures



A large, modern industrial building with a prominent glass facade and a corrugated metal roof. The building is viewed from a low angle, emphasizing its height. The sky is overcast with soft, grey clouds. The foreground is a flat, paved area, likely a parking lot or loading dock. The text "Industry snapshot" is overlaid in the center of the image.

Industry snapshot

Industry Performance ... 2021



Population by income generating activities

Agriculture
5.1M

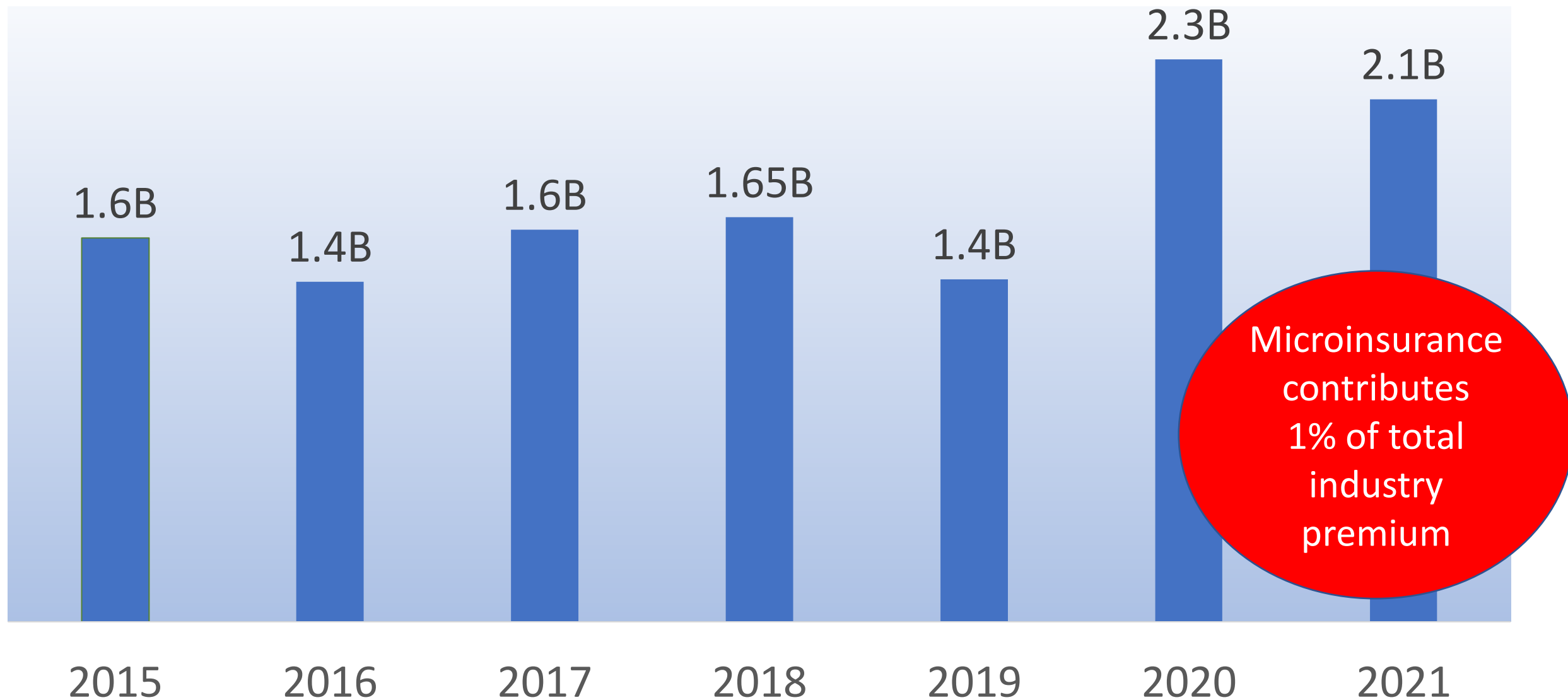
Casual
workers 8.5M

Business
owners 3.9M

Formal
employment
3.1M

Dependent
8.6M

Micro Insurance Performance since 2015



Kenyan Microinsurance Business in 2021

10 companies

Total
Premium: KES
2.1 Billion

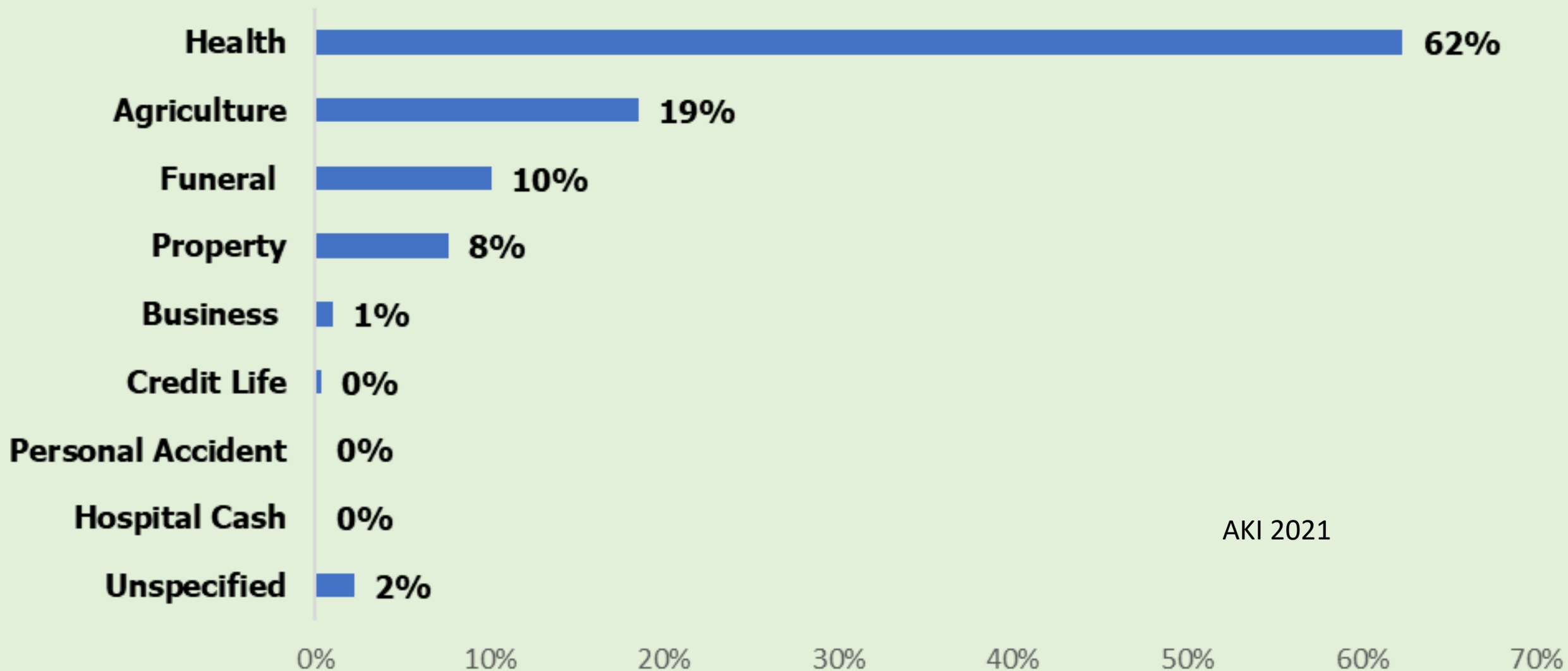
Total Claims :
KES 1.1Billion

AKI 2021



consultants

Microinsurance: Premium Distribution Per Product Type, 2021



Factors Associated to the Low Uptake

Low-income levels

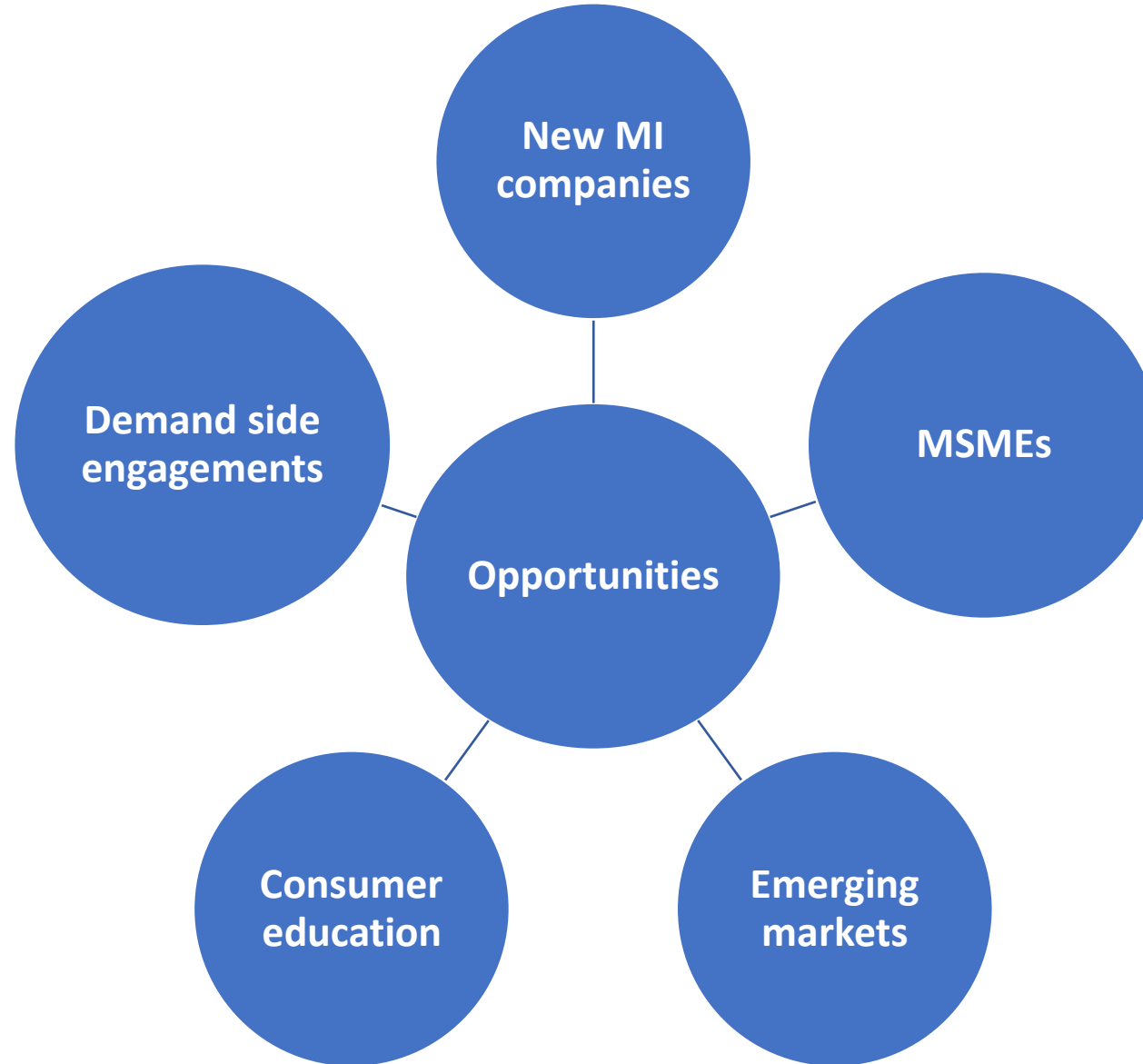
Substitutes to risk mitigation – Communal responsibility

Negative perception (Mistrust) towards insurers due to mis-selling, poor claims settlement and poor communication across the customer journey.

Low understanding and appreciation of insurance products

Distribution challenges

Where are the opportunities



8TH Eastern & Southern Africa Regional Conference on Inclusive Insurance

Thank you!

PROUDLY HOSTED BY:



Insurance
Regulatory
Authority
Uthua Thua Kwa Taifa

CO-HOSTED BY:



Munich Re
Foundation
From Knowledge
to Action



SUPPORTED BY:



Insurance
Development
Forum



OLD MUTUAL

Britam
With you every step of the way

