

# 8<sup>TH</sup> Eastern & Southern Africa Regional Conference on Inclusive Insurance

## SESSION 1

### The Landscape of Microinsurance 2023: Key Findings with a focus on Eastern & Southern Africa

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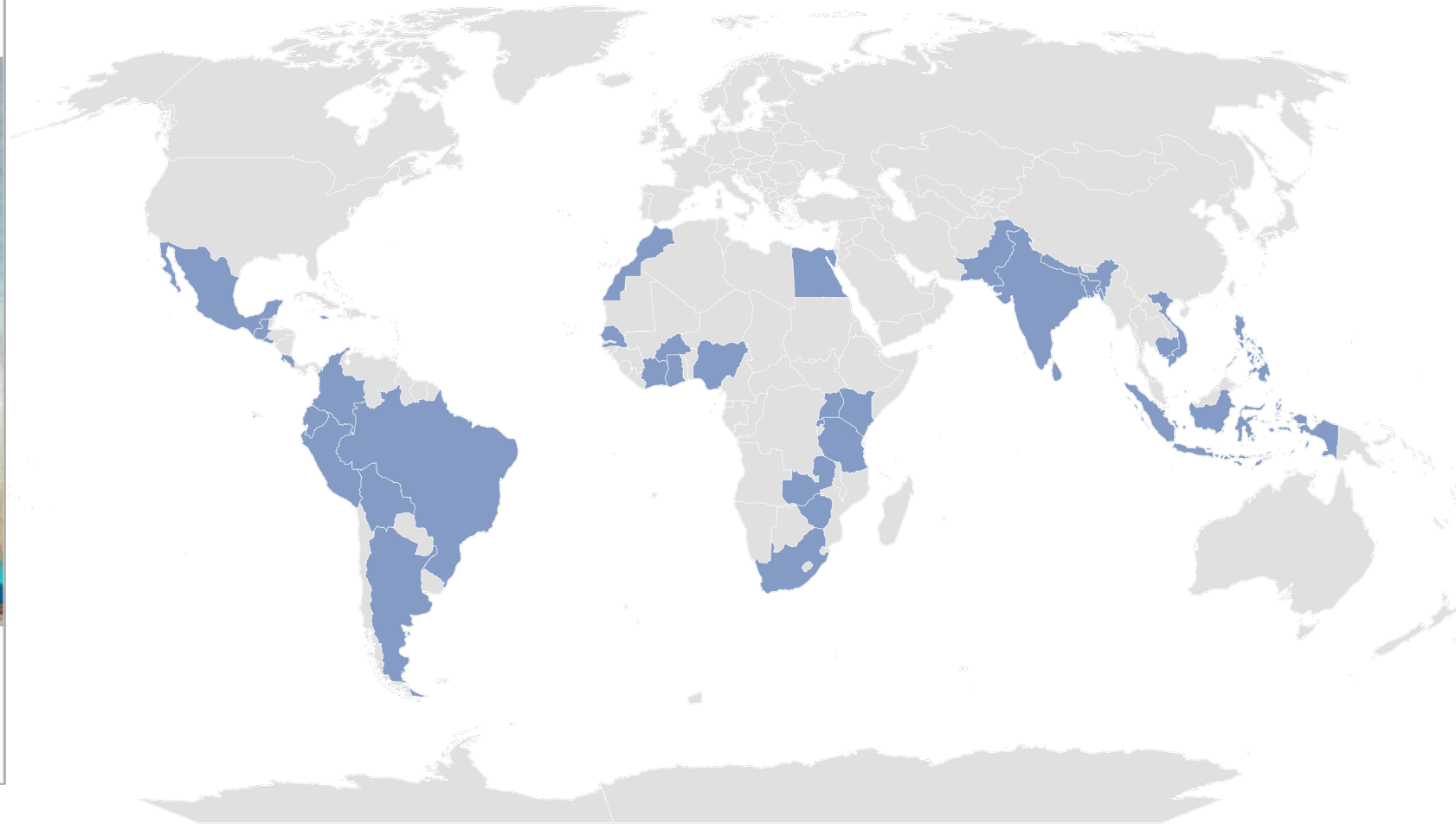
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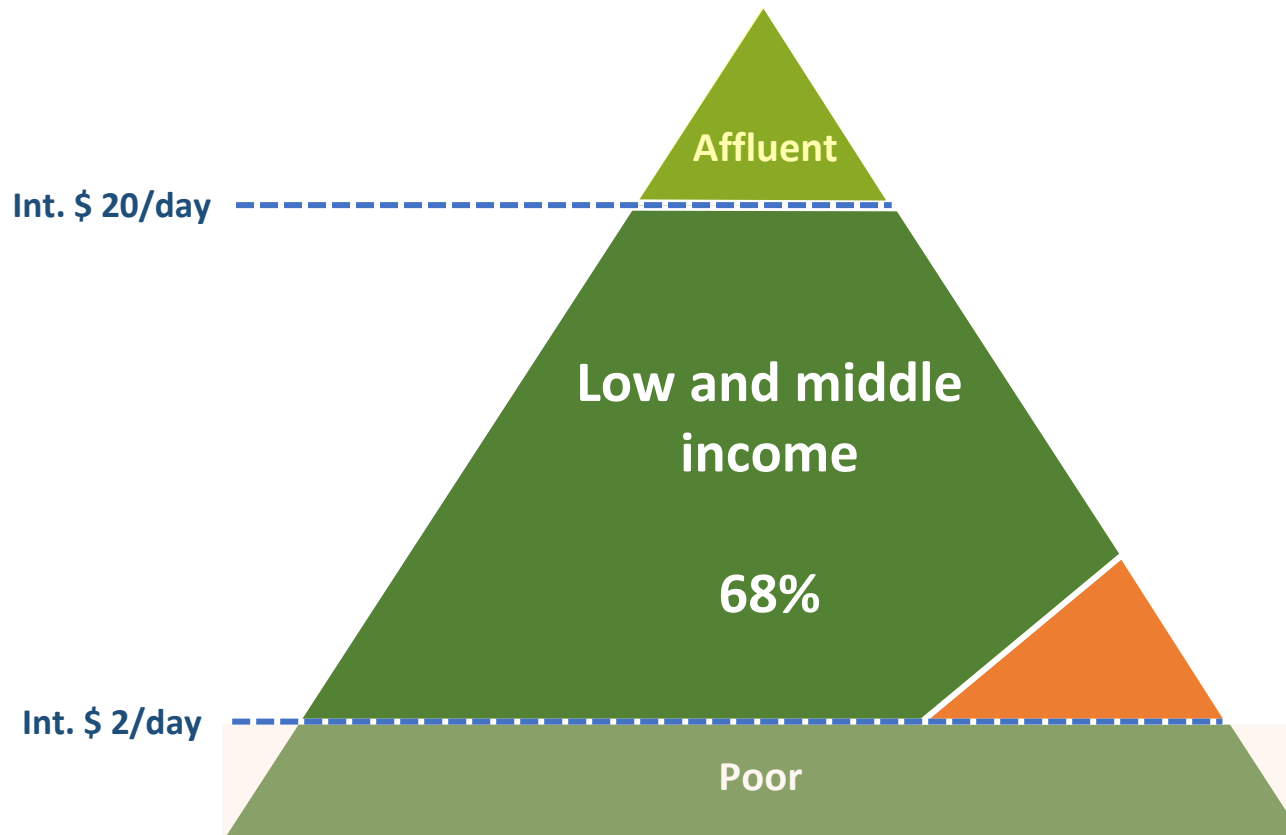
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# What *is* this “Landscape”?

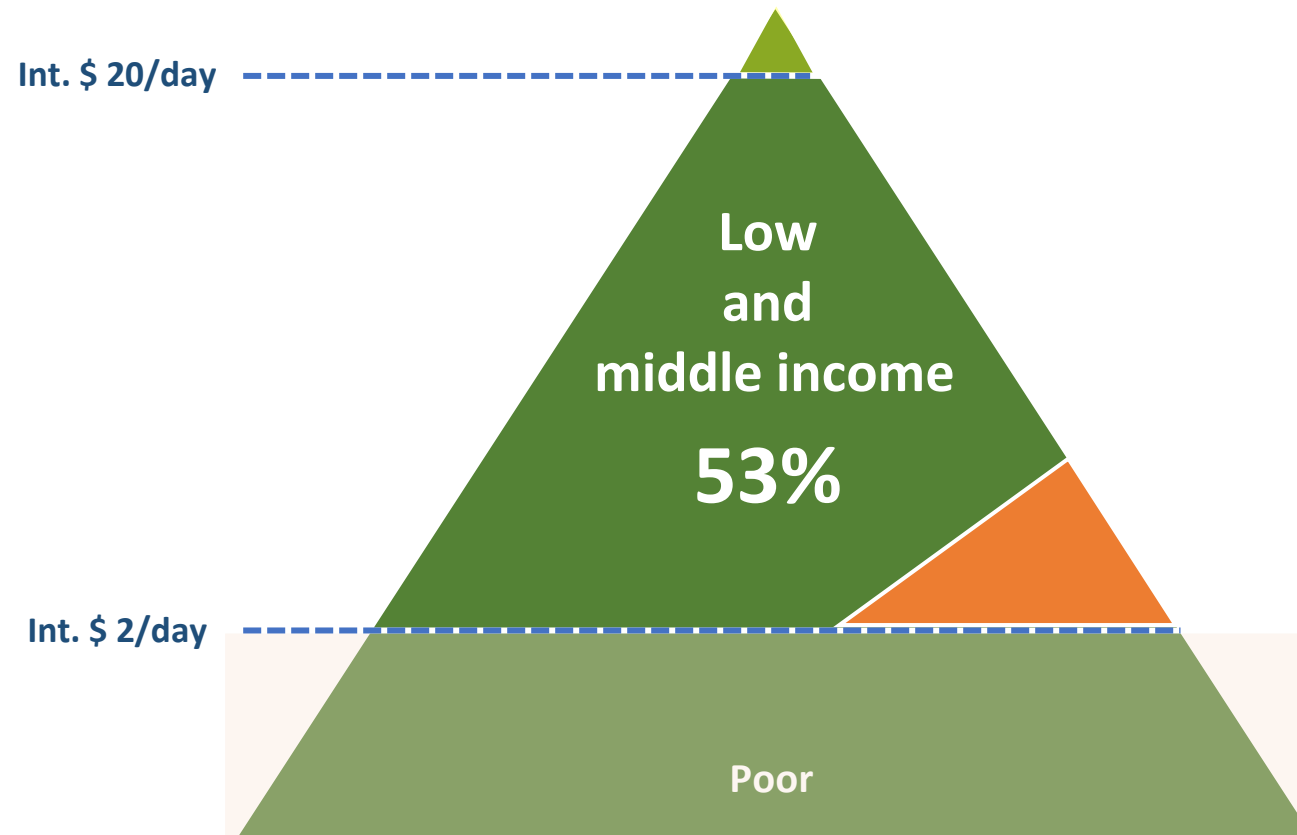


# The people protection gap



Based on data from the 34 countries covered in the 2022 Landscape research, **only up to 8%** of emerging consumers had any form of insurance cover.

# Regional income demographics



Data from the **seven** Eastern & Southern African countries covered in the 2022 Landscape research, indicated that **up to 10%** of emerging consumers had some form of insurance cover.



# Being inclusive: about microinsurance

- ❖ Premium levels are **proportionate** to the risks insured.
- ❖ We use the term **interchangeably** with ‘**inclusive insurance**’.
- ❖ Insurance that is developed **specifically** to serve the **needs of emerging consumers**.



For the purposes of this study, the term microinsurance covers all products that fit within this definition and may therefore include products that are not considered as microinsurance by a national insurance supervisor, given that such definitions vary from one country to another.

## ESTIMATED SHARE OF THE POPULATION AND MARKET VALUE CAPTURED IN THE COUNTRIES COVERED

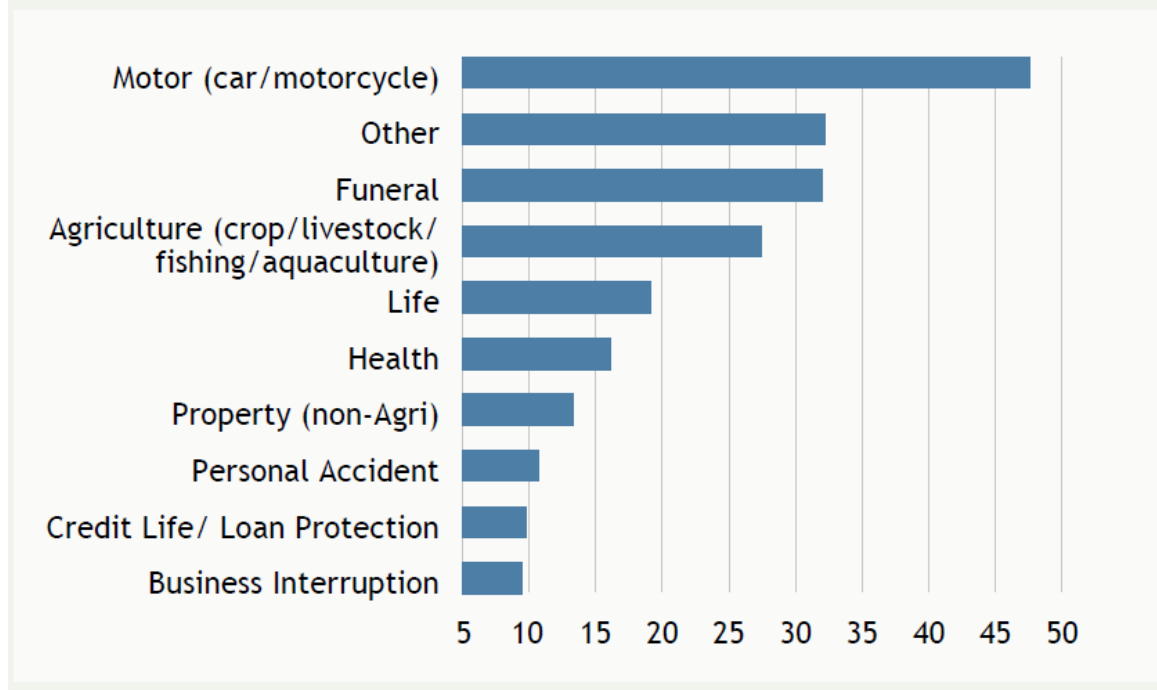
Where	# people reached	% emerging consumers reached	Value of premiums	% estimated market value captured
14 African countries	Up to 34.3 million	Up to 8%	US\$ 9.1 bn	11%
9 Asian countries	Up to 134.6 million	Up to 7%	US\$ 15.9 bn	2%
11 LAC countries	Up to 53.8 million	Up to 13%	US\$ 5.8 bn	14%
34 countries overall	Up to 222.7 million	Up to 8%	US\$ 30.9 bn	7%



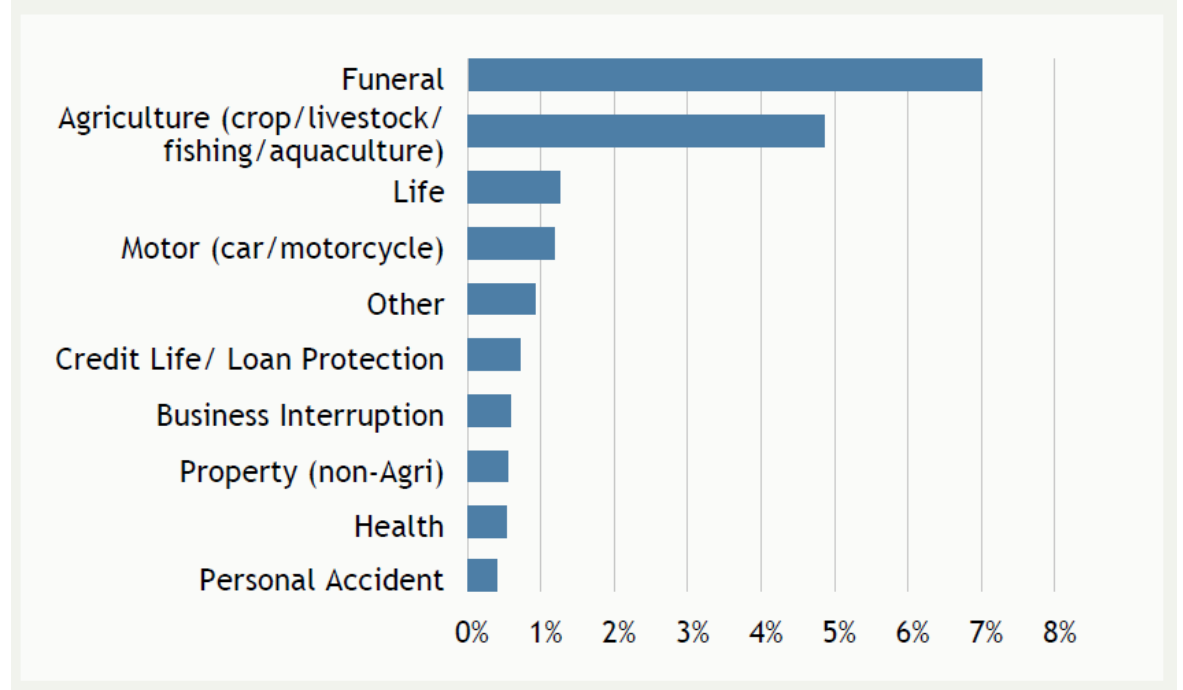
These markets are far from saturated, representing a business opportunity and a development necessity

# Premiums: value for money

MEDIAN PREMIUM PER PERSON COVERED (USD) BY PRODUCT LINE



MEDIAN RATIO OF PREMIUM TO SUM INSURED BY PRODUCT LINE



- ❖ Ratio of premiums to sum insured in African countries was 3%, compared to 1.1% in Asia and 0.8% in LAC
- ❖ **Across four countries in the S&E region, the average ratio was 6%**

## Share of gross premiums in US dollars by product line (based on reported data)

	Kenya	Rwanda	South Africa	Tanzania	Uganda	Zambia	Zimbabwe
Health	62%		0.1%	36%			1%
Life	13%	7%	0.1%	64%	99%		
Funeral	8%	37%	91.1%		0.7%	75%	66%
Credit Life/ Loan Protection		12%	8.1%			23%	6%
Personal Accident			0.6%				5%
Property (non-Agri)	6%		0.0%				
Other	0.5%					1%	0%
Investment/ Savings							1%
Agriculture (crop/livestock/ fishing/aquaculture)	10%	45%			0.3%	1%	20%



# What is driving the product mix?

## Share by people covered per product line

	Kenya	Rwanda	South Africa	Tanzania	Uganda	Zambia	Zimbabwe
Health	77%			50%			4%
Life		1%	0%	49%	5%		0%
Funeral	1%	57%	96%		1%	95.9%	82%
Credit Life/ Loan Protection		12%	4%			3.9%	1%
Personal Accident							13%
Property (non-Agri)	11%		0%				
Other						0%	0%
Agriculture (crop/livestock/ fishing/aquaculture)	11%	29%		1%	94%	0.2%	

# Scale: generally up, but not fully recovered

## HEALTH

- ❖ Scale per product up by 9.8%
- ❖ Cover for medical expenses or surgery now more frequent than hospital cash
- ❖ Innovation: sharing premium costs along value chain (Burkina Faso)

## LIFE & ACCIDENT

- ❖ Two thirds of all products reported
- ❖ 73% of people identified as covered
- ❖ 4% increase in scale masks drop of 21% credit life and 43% life insurance (people covered)
- ❖ Emergence of climate-related cover

## AGRI, AQUACULTURE & LIVESTOCK

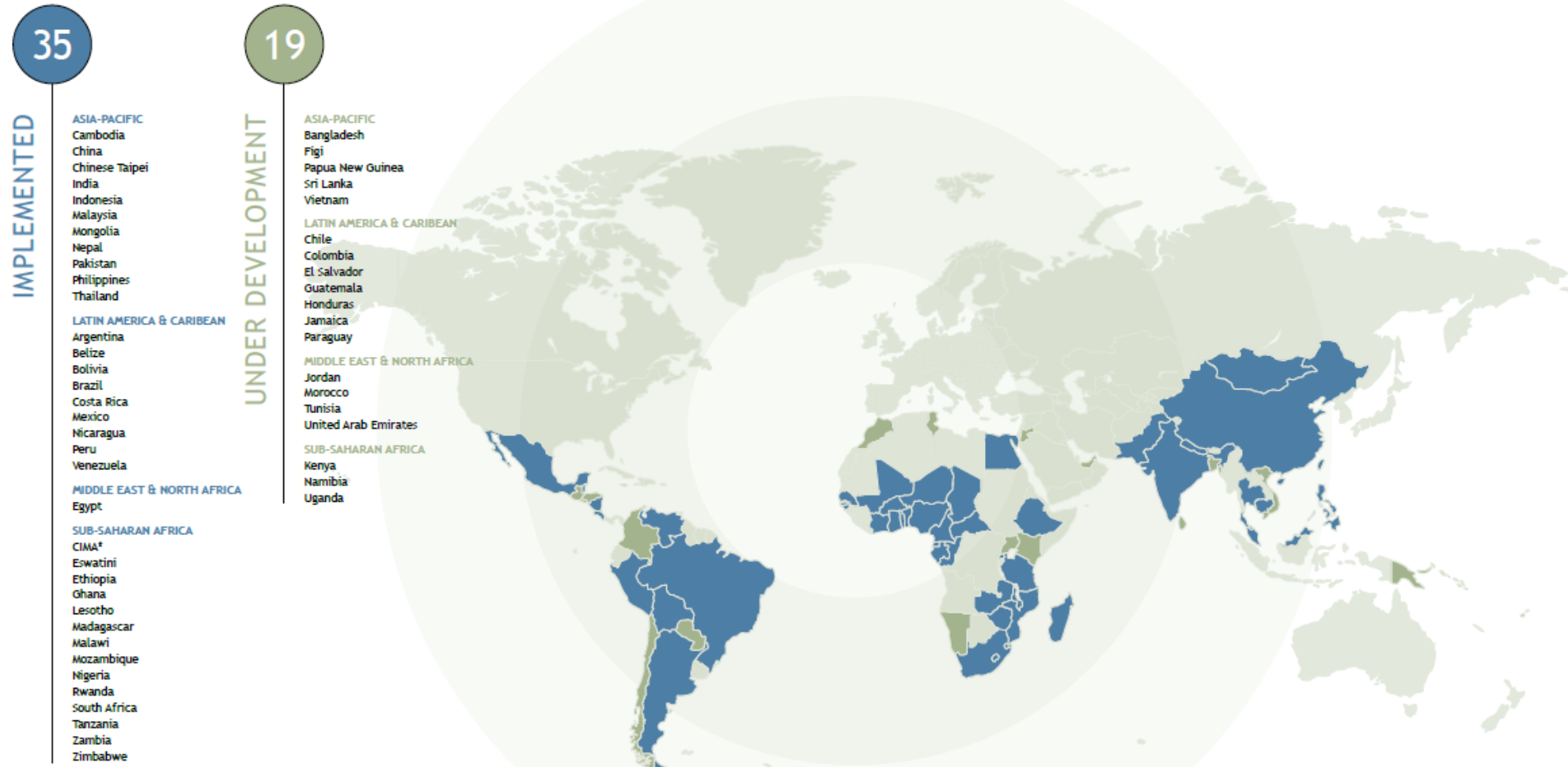
- ❖ Premiums often subsidized – but not always!
- ❖ Five out of eight new products index-based
- ❖ People covered up by 49% but only 36% are women

## PROPERTY & INCOME

- ❖ New “kid” on the block
- ❖ Cash not the primary payment method
- ❖ Women are 60% of people covered
- ❖ Emerging cover for climate risk
- ❖ Motorbikes



## WORLD MAP OF INCLUSIVE INSURANCE REGULATION IN 2022 – Access to Insurance Initiative (A2ii)



\* 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).



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Thank you!

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