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USD 756m MICROINSURANCE WRITTEN PREMIUMS ACROSS AFRICA

Says 2015 Landscape of Microinsurance Africa study launched today

The [Microinsurance Network](#) and [Munich Re Foundation](#) are delighted to announce the release of the [Landscape of Microinsurance Africa 2015 full report](#), launched today at the Microinsurance Network annual member meeting in Königstein.

The study provides an in depth analysis of the **evolution of microinsurance in the African region** in terms of products, delivery channels, regulations and profitability indicators to the industry, building upon the data released in the African landscape Briefing Note in November last year.

The landscape measured a **63% premium growth**, on an aggregate comparative basisⁱ, since the last landscape study in 2011, with **61.8 m peopleⁱ covered** by at least one microinsurance policy by the end of 2014, compared to 44.4 m people in 2011. A **total coverage ratio of 5.4%** of the total population was measured across the African region, up from 4.4% in 2011. This is comparable to the coverage ratio in Asia and Oceania at 4.3% (2012), though still below that in the Latin America and Caribbean region at 7.9% (2013), as shown in the [World Map of Microinsurance](#) (WMM) which incorporated data from the Africa landscape and previous studies.

“It is great to see indications of a maturing African market with an increasingly diversified coverage”, says Michael J. McCord, chair of the Microinsurance Network. “Whilst life and credit life products are still widely spread on the market, new types of bundled covers especially in health and personal accident are being developed. Looking at the subset of products for which claims, administrative expenses and commission ratios were reported, **the study showed clear profitability for many productsⁱⁱ**, with more than half of products with combined ratios below 75%.”

The total identified **microinsurance written premiums** in the region amount to almost **USD 756 m**, up from USD 387 m in 2011ⁱⁱⁱ, and represent **1.1% of the total USD 69 billion premiums** generated by the insurance industry across the region. **South Africa** continues to dominate in terms of microinsurance premiums but several other countries, such as **Burkina Faso, Ethiopia, Tanzania and Zambia**, wrote premiums that account for a significant share of their respective insurance markets. The landscape reveals a steady growth of microinsurance markets in **Ghana, Kenya and South Africa**, with **Nigeria** looking well poised to expand outreach in the coming years. The landscape indicates that **Mobile Network Operators** have had an important impact on reaching high volumes of clients and creating an insurance culture in countries where it has been lacking, with improved regulations in several countries as another important factor.

“We were pleased to see that data from the WMM was used in the preparation of the 2015 G7 decision to provide an additional 400 million poor people with insurance against the risks of climate change by 2020. This is an unprecedented opportunity, but a lot of challenges still lie ahead”, highlights **Dirk Reinhard**, vice chairman at the **Munich Re Foundation**. “This Landscape Study on Africa provides important new information on opportunities for and challenges faced by microinsurance in the region. We are convinced that reliable data on microinsurance markets is essential to the development of inclusive insurance markets and thus leads to better protection of the poor against risks.”

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About the Microinsurance Network

The Microinsurance Network is the international multi-stakeholder platform for microinsurance experts to work together and focus on key areas of development in the sector. Its mission is to promote the development and delivery of effective insurance services for low-income people by encouraging shared learning and facilitating knowledge generation and dissemination.

www.microinsurancenetwork.org   

About the Munich Re Foundation

The Munich Re Foundation seeks to provide answers to overarching questions from a variety of perspectives in order to find sustainable solutions in the area of risk prevention. Questions concerning development are linked to risk management and poverty reduction.

www.munichre-foundation.org

About the World Map of Microinsurance

The World Map of Microinsurance (WMM) is an interactive map that enables insurers and microinsurance practitioners to gain a birds-eye view on the landscape of microinsurance worldwide, and to search and extract sector-specific data by region to gain insights into trends in microinsurance, fostering better decision-making at an operational and policy level. A series of tri-annual regional landscape studies, including the current 2015 Landscape of microinsurance in Africa, provide the data underpinning the map. worldmapofmicroinsurance.org

About the Microinsurance Network June Member Meeting

The June Member Meeting (JMM) is the annual exclusive Microinsurance Network event where members come together around specific issues, exchange knowledge and expertise in a relaxed and friendly professional environment, and connect and develop personal relationships with important players in the field. The meeting brings together multi-stakeholder microinsurance experts to facilitate open dialogue, generate and exchange market knowledge and best practices, and foster ongoing in-depth research on emerging topics, whilst providing the space in which seekers and providers of insurance solutions can engage to ensure the long term sustainability of the sector.

ⁱ Comparable growth rates were calculated using adjustments for exchange rate fluctuations from 2011 to 2014, and are based on data only from those companies that reported data in both periods, plus new market entrants.

ⁱⁱ All of the KPIs necessary to calculate combined ratio were provided for 135 products (50%), accounting for USD 238 in premium (32% of the total identified microinsurance premiums). Combined ratios were calculated by summing the claims ratios, expense ratios, and commission rates for each product. More information regarding methodology can be found in Appendix B of the 2015 Landscape of Microinsurance in Africa report.

ⁱⁱⁱ Written premiums were identified at USD 548 million in the 2012 study (based on 2011 data). To facilitate comparability, premiums were adjusted to 2014 dollars to account for exchange rate fluctuations. Not all providers provided premium data in both periods.