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## 30% GROWTH IN AFRICAN MICROINSURANCE MARKETS

### 61.9 million people reached and a diversified coverage across the region

The 11<sup>th</sup> International Microinsurance Conference on “**Driving growth and sustainability – A business case for microinsurance**”, taking place November 3-5 in Casablanca, Morocco, will bring together over 400 experts from around 50 countries, representing industry, government and development organisations, to exchange experiences and insights for providing diversified and effective insurance coverage to the world’s low-income people. The conference is organised by the Munich Re Foundation and the Microinsurance Network, in partnership with the Moroccan Federation of Insurance and Reinsurance Associations (FMSAR) and the Centre Mohammed VI de Soutien à la Microfinance Solidaire (CMS).

The first day of the conference will see the launch of the preliminary briefing note of the 2015 Landscape of Microinsurance in Africa (2014 data). The study unveils a **30% growth<sup>1</sup>** of the microinsurance sector across the African region over a three-year period, with **61.9 m people<sup>2</sup> covered** by at least one microinsurance policy by the end of 2014, compared to 44.4 m people in 2011. The total identified **microinsurance written premiums** in the region amount to almost **USD 647 m**, up from USD 387 m in 2011<sup>3</sup>, representing a 31% comparable increase. 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 4.33% (2012), though still below that in the Latin America and Caribbean region at 7.9%<sup>4</sup> (2013).

“**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. Growth was measured across all product lines, with health, property and agriculture covers growing at a higher rate than life covers. The growth in health covers can be attributed to a few programmes offering hospital cash or hospitalisation covers via Mobile Network Operators (MNOs), reaching some half a million clients. In terms of costs of distribution, the median commissions across channels were just 10% with a weighted average of 17%, with little evidence of the excessive fees seen in Latin America.

CIMA, the regulatory body of 15 West African countries, has been especially active in facilitating market development through enabling microinsurance regulation, with several countries in the region achieving significant coverage ratios, such as Comoros at 8.5%, Togo at 3.5%, Burkina Faso at 2.8%, and Benin at 2.1%. “**We are keen to discuss and learn from CIMA’s experience during this year’s conference, taking place in West Africa for the second time**”, underlines Dirk Reinhard, chairman of the Conference Steering Committee and vice chairman at the Munich Re Foundation. “Being a financial hub and an entry point to the region, we believe that Morocco can play an important role in market development in the years to come”, he adds.

**Several microinsurance markets in Africa experienced significant growth** over the 2011-2014 period including Ghana, Zambia, and Morocco where coverage ratios reached 29.6%, 22.2% and 1.3% respectively. In the first two, MNOs played an important role in fostering this growth, whilst in the latter, MFIs helped reach the low-income market. Mr Mohamed Hassan Bensalah, president of the FMSAR says “**We are proud to host the International Microinsurance Conference in Morocco this year and look forward to exchanging experiences with peers to further support the proliferation of the African microinsurance markets**”.

<sup>1</sup> To ensure comparable data, growth rates were calculated only for institutions who reported data for both the 2012 and 2015 landscape studies. This comparable data set accounted for 90% of the identified lives covered.

<sup>2</sup> The landscape study reports what could be identified as microinsurance, given the data provided on a volunteer basis. As some providers declined participation, the data does not represent an absolute measure of microinsurance products and clients in Africa. However the data set was large enough to provide an accurate picture of the market and its components.

<sup>3</sup> 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.

<sup>4</sup> See [www.worldmapofmicroinsurance.org](http://www.worldmapofmicroinsurance.org). Please note the 2014 African landscape data will be incorporated by April 2016.

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**Press conference:**

A press conference will be held on the first day of the **11th International Microinsurance Conference**, Tuesday **November 3**, at **11am**, at the Hyatt Regency Casablanca (room: Forum 1), Place des Nations Unies, Casablanca, Morocco, 20000. To attend, journalists need to be registered to the conference and receive press accreditation at [www.microinsuranceconference.org/2015](http://www.microinsuranceconference.org/2015).

Registration is free of charge for journalists with Press ID.

**About the International Microinsurance Conference**

Initiated and organised by the Munich Re Foundation in collaboration with the Microinsurance Network, the conference is the world's largest international platform where experts share information, knowledge and experience in microinsurance in order to overcome existing challenges. The Moroccan Federation of Insurance and Reinsurance Associations (MFSAR) and the Centre Mohammed VI de Soutien à la Microfinance Solidaire (CMS) are official co-organising partners of the 2015 conference. [www.microinsuranceconference.org](http://www.microinsuranceconference.org); #11thIMC

**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](http://www.munichre-foundation.org)

**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](http://www.microinsurancenetwork.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 provide the data underpinning the map. The data relating to Africa is from 2011 and comes from [The Landscape of Microinsurance in Africa 2012 study](#). The new data for Africa reported in this press release will be incorporated into the map by April 2016, together with the release of the full report „The Landscape of Microinsurance in Africa 2015“. [worldmapofmicroinsurance.org](http://worldmapofmicroinsurance.org)

**About FMSAR**

The Moroccan Federation of Insurance and Reinsurance Associations (MFSAR) is the insurance association of Morocco, representing the interests of the insurance industry within the public and private spheres, as well as with third parties, and playing a coordinator role for the activities of its affiliated members. <http://www.fmsar.org.ma/index.php>

**About CMS**

The Centre Mohammed VI de Soutien à la Microfinance Solidaire (CMS) places sustainable development at the heart of its strategy. Through its three intervention approaches (education, support to marketing and an observatory), it ensures necessary support to microfinance actors in terms of capacity building and thriving of their beneficiaries. Its work, aimed at integrating low income people into the local economy, includes programmes to promote microcredit and microinsurance, providing an effective tool for financial inclusion and poverty alleviation.

<http://www.cm6-microfinance.ma/en/index.aspx>