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MICROINSURANCE IN AFRICA GROWS BY 200% BENEFITTING OVER 40 MILLION LOW-INCOME PEOPLE

Munich, 30 October 2012 – A new study of African microinsurance markets, published by Making Finance Work For Africa (MFW4A) and Munich Re Foundation, finds that the number of low-income households benefitting from insurance services has grown by over 200% in 3 years to in excess of 44 million people. “This is a tremendous achievement. The expansion of quality insurance services to large numbers of low-income households can have a significant role in achieving the Millennium Development Goals,” said the ILO’s Craig Churchill, Chair of the Microinsurance Network. With Munich Re Foundation and the Tanzanian Insurance Regulatory Authority (TIRA), the Network is co-hosting the 8th International Microinsurance Conference in Dar es Salaam, Tanzania, between 6 – 8 November 2012, where the study will officially be launched.

The conference will bring together over 500 experts from about 60 countries to discuss the challenges and opportunities in microinsurance, while also focusing on how to build upon the aforementioned growth. “One striking issue highlighted in the study is that the vast majority of Africans with insurance coverage, that is to say, close to 40 million people, are covered by life insurance. Other insurance products, related to health, agriculture, accident and property, are not as developed on the continent, which is inconsistent with the demand, especially for health insurance. This finding should drive the relevant stakeholders to take steps to address this shortcoming,” said Stefan Nalletamby, Partnership Coordinator of MFW4A.

Furthermore in geographical terms, the study noted that over 38 million of the insured people are concentrated in Southern and Eastern Africa, with South Africa alone covering 27 million. In Tanzania, the microinsurance sector is developing at a steady pace. “With 3.3 million people covered by microinsurance, which represents a growth of around 7% in three years, the Tanzanian regulatory authority has been focusing its efforts on raising the awareness and benefits of insurance amongst the poor, as well as working together with Access to Insurance Initiative (A2I1) to stimulate the market through new regulations,” said Israel Kamuzora, Insurance Commissioner, TIRA.

From a global perspective, the microinsurance sector is moving forward at considerable speed. In Latin America and the Caribbean, another recent study identified over 40 million low-income people covered by microinsurance, and the publication of the second edition of the Microinsurance Compendium should continue to fuel additional interest in the sector. “With nearly 220 organisations providing microinsurance in Africa, the study clearly shows the rising interest in insuring the low-income market. This is underlined by the fact that the conference will welcome insurance regulatory and supervisory authorities from over 20 countries who will pave the way for increasing outreach and improving client value,” said Dirk Reinhard, Vice Chairman of Munich Re Foundation and Board member of the Microinsurance Network.

About the International Microinsurance Conference (www.microinsuranceconference.org)

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.

About "The 2012 Landscape of Microinsurance in Africa" (www.mfw4a.org)

The study is published by Making Finance Work for Africa and the Munich Re Foundation with the support of the African Development Bank, the ILO's Microinsurance Innovation Facility and the Microinsurance Network. It is an updated version of a study completed by the ILO in 2009.

About the Microinsurance Network (www.microinsurancenetworg.org)

The Network's mission is to promote the development and delivery of effective insurance services for low-income people by encouraging shared learning, facilitating knowledge generation and dissemination, and providing a multi-stakeholder platform.

About Munich Re Foundation (www.munichre-foundation.org)

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.

About Making Finance Work For Africa (MFW4A) (www.mfw4a.org)

The MFW4A partnership is an initiative to coordinate financial sector development interventions across the continent, avoid duplication and maximise developmental impact by providing a dialogue platform for African governments, regulatory authorities, the private sector, and development partners.

About the Tanzanian Insurance Regulatory Authority (TIRA) (www.tira.go.tz)

TIRA's mission is to develop, promote and maintain an efficient, fair, safe and stable insurance market in Tanzania for the benefit and protection of policy holders. Their vision is of a skilled, efficient and credible insurance industry.

About "Protecting the poor: A microinsurance compendium - Volume II" (www.microinsurancecompendium.org)

This second volume is a unique collection of recent practices and emerging ideas in microinsurance, and covers numerous innovations that have emerged in recent years to meet the challenges of providing insurance to low-income people.

About the Access to Insurance Initiative (Initiative) (www.access-to-insurance.org)

The Initiative is a global programme to strengthen the capacity and understanding of insurance supervisors, regulators and policymakers, as well as support the implementation of sound policy, regulatory and supervisory frameworks consistent with international standards.

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