

# 7th Eastern and Southern Africa Regional Conference on Inclusive Insurance Summary

Dirk Reinhard – Vice Chair – Munich Re Foundation  
15 July 2022



# Quotes



Minister of Finance: “Where there is no growth, people are just concerned about the most immediate requirements to survive.”

“We need to understand the needs of our clients – do not develop from the boardroom”

“Digital is the future and the future is now”

“Balance regulation and consumer protection”

Minister of Finance: “Where there is no growth, people are just concerned about the most immediate requirements to survive.”

“We need to understand the needs of our clients – do not develop from the boardroom”

“Digital is the future and the future is now”

“Balance regulation and consumer protection”

# Takeaways from the sessions



# Opening and Session 1 – The Landscape of Inclusive Insurance in Zambia

2018 2.4 million covered by microinsurance

2020: 3.3 million

- 6.3% of the population is financially included according to Finscope data 2020 – other African countries were around 10%.
- 11 out of 30 companies are active in this space
- Agricultural insurance cover accounts for over 30% of cover

Reason for not buying insurance

1. Never heard (88% in 2015, 41% in 2020)
2. Does not know how it works
3. Does not know how to get it

# Opening and Session 1 – The Landscape of Inclusive Insurance in Zambia

Minister of Finance:

- Growing economies in Africa is important so that incomes increase
- Agenda to grow the economy is to reduce the burden of access to products
- When taxes are reduced, companies should put their profit back into business
- Agrees 100% that regulatory activities should be coordinated
- We want business to make profits. Business that is not making profits is useless.
- Your challenge is to make yourself relevant. How can people understand that insurance is good for them.

**-> Asked TAG to send him your suggestions, concepts and proposals**



### Mandate for supervisor

1. Enabling regulatory environment for innovation scale and commercial stability
2. Market conduct and fair consumer outcomes
3. Financial stability

### Approaches:

- Specific licenses
- Specific product features
- Distribution requirements
- Claims



### Challenges

- Innovation vs. Consumer protection
  - Catalyze innovation enablers
  - Are we providing the right products: Case of farmers – maybe school fees is of a higher concern?
  - In the absence of a regulatory sandbox -> close monitoring of the clients which are the most vulnerable
- Consider the business case of the insurers
- Education, few experts / actuaries
- Long term strategy
- Lack of data: We live as Africans and die like Europeans
- Coordination among regulators: PIA vs. Bank of Zambia
- Cyber security and data protection

What is the problem that we are trying to solve?

- No products for target market
  - Illiteracy
  - Trust in insurance
  - Lack of cost-effective solutions (distribution and payments)
  - Growth of mobile money is a game changer
- 
- Have a fully digital process – But have other options available
  - Connect with partners
  - Quality of infrastructure is a problem
  - Clients may have concerns regarding data protection

## Session 4 – MSME Insurance

„The future of our economy lies with MSMEs“ – over 90% of business and 50% of the employment

### Challenges

- Sustainability of MSMEs, high exposure to severe events, access to capital
- Insurers do not really see MSMEs as potential customers – very heterogenous market?
- MSMEs are not aware of insurance
- Lack of data

### Type of MSMEs/Risks

1. Agriculture – crop, livestock
2. Manufacturing – fire, damage BU
3. Wholesale and retail – Property damage, floods, theft
4. Services – Health related to the health of their employees, funeral

### 4 Steps to product development

1. Segment MSMEs
2. Evaluate value of aggregators to reach MSMEs
3. Identify key risks and needs of MSMEs
4. Identify holistic resilience solutions

### Lessons learnt

- Need to responds to the need, do market research
- Understand demand, develop an assistance, not an indemnity
- Be there in time of needs
- Design products with high claims frequency, positive customer experience
- Appropriate distribution channels – share same values
- Bundle insurance
- Be customer centric (do not develop from the boardroom)

## Session 5 – Health Insurance

- Political will and commitment is key
- Share costs (employer/employee)
- Have an enabling legislation
- Develop innovative financing models
- Extensive pro-poor exemptions policy
- Decentralized approach to implement the scheme
- Get people to register – have an easy customer journey
- Embed products e.g. in life
- Efficient claims management
- Effective stakeholder involvement
- Digital processes
- Get feedback from your customers - share good experience from clients

1. Develop financing systems based on the four key ingredients outlined by WHO (?)
2. Strengthen the existing scheme and raise revenues to finance healthcare in fiscally sustainable ways
3. Develop innovative, cost-effective ways to deliver consumer-centric, technology enabled smart healthcare solutions
4. Actively engage civil society in all stages of policy-making, implementation, and monitoring
5. Monitor the existing scheme in terms of equity, universality (reach), performance and efficiency
6. Insurers need to extend their role to make the society more resilient

**What comes next?**





# International Conference on Inclusive Insurance 2022

24 – 28 October 2022  
Kingston, Jamaica  
#ICII2022

## Save the date!

[www.inclusiveinsurance.org](http://www.inclusiveinsurance.org)



**Munich Re  
Foundation**  
From Knowledge  
to Action



# Thank you!

**Dirk Reinhard**  
**Vice Chair**  
**Munich Re Foundation**

[dreinhard@munichre-foundation.org](mailto:dreinhard@munichre-foundation.org)

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

[www.inclusiveinsurance.org](http://www.inclusiveinsurance.org)



**Munich Re  
Foundation**  
From Knowledge  
to Action