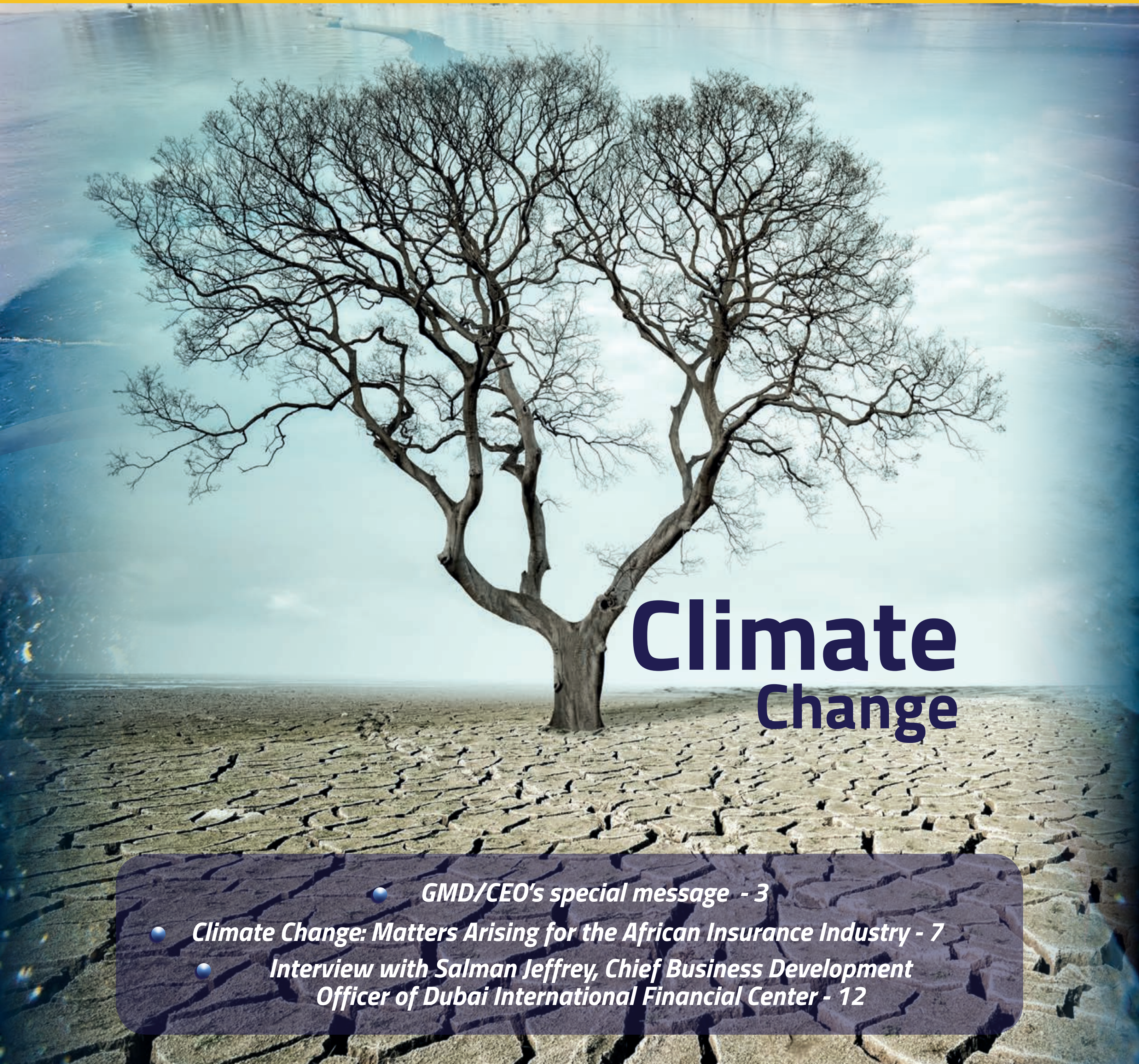
Africa Re News

26th Edition June 2022 English



Climate Change

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Africa Re

▪ *Established in 1976* ▪ *42 African Member States*

Strength ▪ Proximity ▪ Possibilities ▪ Client protection

GMD/CEO's Message

Dr. Corneille Karekezi

Climate change is, no doubt, becoming the most urgent challenge facing humanity today. The rising temperature of our planet with its consequences such as increasing bush fires, high frequency of floods and droughts are posing more threats to lives and livelihoods.

Dear Esteemed Readers,

The global economy is at crossroads largely driven by the slowing Covid-19 pandemic recovery compounded by the impact of the Russian invasion of Ukraine earlier this year. There is also elevated inflation with central governments responding with tightening fiscal and monetary policies. As a continent, Africa has also been hit by the depreciation of currencies induced by a growing deficit of their balance of payment, and this has been worsened by debt sustainability and food security concerns.

The African insurance industry has remained resilient during these challenging times with the swift adoption of digital technologies, the right blend of regulatory interventions and corporate strategic reorientation. With heightened macroeconomic shocks, the insurance industry needs to continue playing its role as a partner that promotes resilience for individuals, businesses and governments.

Climate change is, no doubt, becoming the most urgent challenge facing humanity today. The rising temperature of our planet with its consequences such as increasing bush fires, high frequency of floods and droughts are posing more threats to lives and livelihoods. In Africa Re, we can never be indifferent to climate-related matters because we see them as part and parcel of our mission. That is the drive behind the ongoing sustainability project. The scope of the project includes reviewing existing sustainability provisions to strengthen our commitment to best practices by embedding sustainability recommendations, especially climate-related considerations into our underwriting

processes, investment decisions, procurement guidelines and general operations.

For (re)insurers, there is an increasing compliance cost with companies at different stages of completion for the IFRS 9 & 17 project which is due for adoption with effect from January 1, 2023. The change from IFRS 4 to IFRS 17 is significant for the insurance industry. There is also a renewed commitment to data privacy with guidelines from different national governments on the continent.

> ***The focus of the 26th Edition of our newsletter is on climate change in alignment with the theme of the 48th African Insurance Organisation (AIO) conference to be held in Nairobi (Kenya).***

The continued compliance of Africa Re with these best practices in our business strengthens the confidence of our clients and partners in our proudly African brand of international standards. In all, our clients remain our topmost priority.

The focus of the 26th Edition of our newsletter is on climate change in alignment with the theme of the 48th African Insurance Organisation (AIO) conference to be held in Nairobi (Kenya). The lead article titled "Climate Change: Matters Arising for the African Insurance Industry", recognizes the need for the insurance industry to be part of this public discourse. The dilemma of the continent that has the least historical greenhouse gas emissions at an average of about 3% of global emissions between 1965 and 2020 has been identified as the least resilient and one of the most vulnerable regions of the world. It is also pertinent for the African governments to continue engagement with the rest of the world as this is a collective journey despite the feeling of unfairness. There are ongoing financing commitments with Africa expected to have earned about US$ 4.84 trillion by 2050. This represents a funding gap of US$ 108 billion between 2022 and 2023 when compared with the average annual funding received of US$ 18.3 billion between 2016 and 2019.

The study explored the impact of climate change by comparing the 2019 cyclones Idai and Kenneth in Southern Africa with the 2011 Thai floods to illustrate the potential exposures of the insurance industry from such extreme weather events including deaths, displacements and damages. The cyclones were estimated at US$ 2.36 billion with over 90% of recovery costs borne by humanitarian agencies and governments. The Thai floods on the other hand constituted an earnings and capital event that significantly impacted the insurance industry in Thailand coupled with regulatory actions, rating downgrades and market exits. The African insurance industry needs to address the issue of protection and existing interventions seem to be ineffective. On the other hand, the industry intervention should be developed through climate consciousness, consideration of climate-focused insurance pools, continuous collaborative actions including the Nairobi Declaration for sustainable insurance, potential public-private partnerships with governments and the development of innovative products. Furthermore, the industry needs a clear roadmap to be driven by insurance regulators. The matter is now beyond business. It is rather a call on us to be responsible insurers in the face of an unprecedented threat to humanity.

The change from IFRS 4 to IFRS 17 is significant for the insurance industry. There is also a renewed commitment to data privacy with guidelines from different national governments on the continent. The continued compliance of Africa Re with these best practices in our business strengthens the confidence of our clients and partners in our proudly African brand of international standards.

This edition featured an exclusive interview with Mr. Salman Jeffery, the Chief Business Development Officer of the Dubai International Financial Centre (DIFC). He highlighted the commitment of the financial hub to Africa, their comparative advantage and plans for the next 10 years. I wish to seize this opportunity to thank him for the interview and his support during the process of the establishment of the Africa Re Underwriting Agency Limited operating in the DIFC.

The concluding parts of the articles "Life Insurance: Revolutionizing the Penetration Agenda in Africa" and "Takaful Business: Reflection on the Fundamentals" published in the 25th Edition were also covered in this edition. On life insurance, this continued with the likely causes of low life assurance penetration with recommendations for all stakeholders. The Takaful section described the business models of the Sharia compliant (re) insurance product.

Since the pandemic began, Africa Re deployed its Business Continuity Plan with a fully remote work policy across all business locations. In recent

Mozambique: Cyclone Kenneth aftermath in pictures

> *Also relating to HR management, this edition covered the celebration of International Women's Day in one of our business locations.*

times, the Corporation has adjusted to the new normal with flexible and hybrid work policies. The lessons we have learned on this journey and how it affects the future of work have been highlighted. It is clear from our findings and comparative studies that the role of the HR function has indeed evolved. We all face a choice between returning to an enhanced version of yesterday or building one that is a sustainable version of tomorrow, especially for talent management. Also relating to HR management, this edition covered the celebration of International Women's Day in one of our business locations. Africa Re is an equal opportunities employer that strives for gender balance and maintains equal pay for equal work.

The Corporation continued its technical assistance and training programmes covering traditional products and specialty risks with a focus on political violence & terrorism, kidnap & ransom and cyber risks. We will continue to promote learning opportunities for our clients to explore and grow their portfolios. Africa Re was represented at the 46th Annual General Assembly of the Federation of African National Insurance Companies (FANAF) conference under the theme, "Systemic Risks: Insurance and Resilience" held in Dakar (Senegal). We also had a delegation at the 33rd General Arab Insurance Federation (GAIF) conference under the theme, "The New Economic and Social Context and its Impact on the Insurance Industry: Challenges and Opportunities for the Arab Insurance Market?", in Oran (Algeria). Some of the highlights from these events will be reported in the next edition of this newsletter.

Before I end this message, I would like to pay a deserved tribute to our pioneer Deputy Managing Director, Mr. James Reynolds Abban, whom we lost on February 4, 2022. The entire Africa Re family paid him a deserved tribute in the newsletter. Africa Re remains grateful to all its present and past heroes that have all contributed to the success story of the Corporation.

Have a pleasant reading.

Dr. Corneille Karekezi
Group MD/CEO

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Climate Change: Matters Arising for the African Insurance Industry

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A. Introduction

The 2022 report of the Intergovernmental Panel on Climate Change (IPCC) warns that the impact of climate change is already more pervasive and severe than widely thought. The African continent has become vulnerable to disproportionate exposure to climate-related risks, such as cyclones, floods and wildfires, with substantial largely adverse impact on the insurance sector. One of the major factors contributing to these events that has been on the rise in recent times is the high sea surface temperatures. A significant proportion of these losses are borne by individuals, governments and humanitarian organisations. This is further compounded by the very low insurance penetration rates in most African countries.

The discussions on sustainability wrapped around environmental, social and governance issues are gaining significant momentum and there has been visible action in response from both the governments and the business community in recent times. Many governments have started developing and releasing National Climate Action Plans, for example. It is however important to mention that the laws, policies and regulations on climate risk and the resultant public and private sector initiatives have been rather slow to take off and to be enforced to any noticeable impact. In the business community, climate risk is gradually being reflected in corporate strategic initiatives and general operations. Other industry stakeholders are also proposing guidelines with the insurance industry not being an exception.

This is not the time for Africa to demonstrate any apathy to the global discourse on this important risk factor as it is a journey that needs the collaborative participation of all stakeholders. It is an opportunity for the continent to be at the heart of the solutions in the global fight against global warming. According to the African Economic Outlook, the continent is the second most vulnerable region of the world to climate change. The continent has also been rated to show the least climate readiness making it the least climate-resilient region of the world.

> ***The African continent has become vulnerable to disproportionate exposure to climate-related risks, such as cyclones, floods and wildfires, with substantial largely adverse impact on the insurance sector.***

One of the ways to measure greenhouse emissions is by evaluating the energy consumption by sources. Table I shows the analysis of energy consumption by sources across selected regions and countries from British Petroleum.

Table I: Analysis of Energy Consumption by Source for Selected Countries and Regions

Entity	Year	Renewables	Natural Gas	Coal	Oil	Nuclear	Hydro	Total (TWh)
Africa	2000	0.09%	17.46%	30.20%	44.57%	1.13%	6.55%	3,189.56
Africa	2020	1.81%	29.70%	22.16%	38.76%	0.75%	6.83%	5,150.44
China	2000	0.04%	2.09%	69.66%	22.57%	0.39%	5.24%	11,788.03
China	2020	4.89%	8.22%	56.84%	19.69%	2.25%	8.11%	40,205.61
EU	2000	0.58%	20.16%	18.49%	41.79%	13.42%	5.56%	17,805.39
EU	2020	11.07%	24.94%	10.78%	36.53%	11.14%	5.54%	15,233.32
India	2000	0.16%	6.84%	51.52%	34.54%	1.18%	5.76%	3,709.79
India	2020	3.96%	6.74%	55.12%	28.36%	1.25%	4.57%	8,837.29
US	2000	0.46%	23.89%	23.90%	40.50%	8.38%	2.88%	26,307.33
US	2020	6.57%	34.28%	10.53%	37.24%	8.45%	2.93%	24,274.68
World	2000	0.37%	21.96%	25.10%	39.26%	6.56%	6.74%	109,244.60
World	2020	5.07%	24.89%	27.39%	31.42%	4.34%	6.90%	153,593.35

NB: TWh - This is terawatt-hour, a unit of energy equal to outputting one trillion watts for one hour
From Table I above, it is clear that the contribution of the continent to the global warming problem is relatively insignificant based on its energy consumption patterns. The coal consumption of Africa is significantly low compared with the rest of the world. African governments should continue negotiating with the rest of the world on its mitigation measures, adaptation efforts and financing needs.

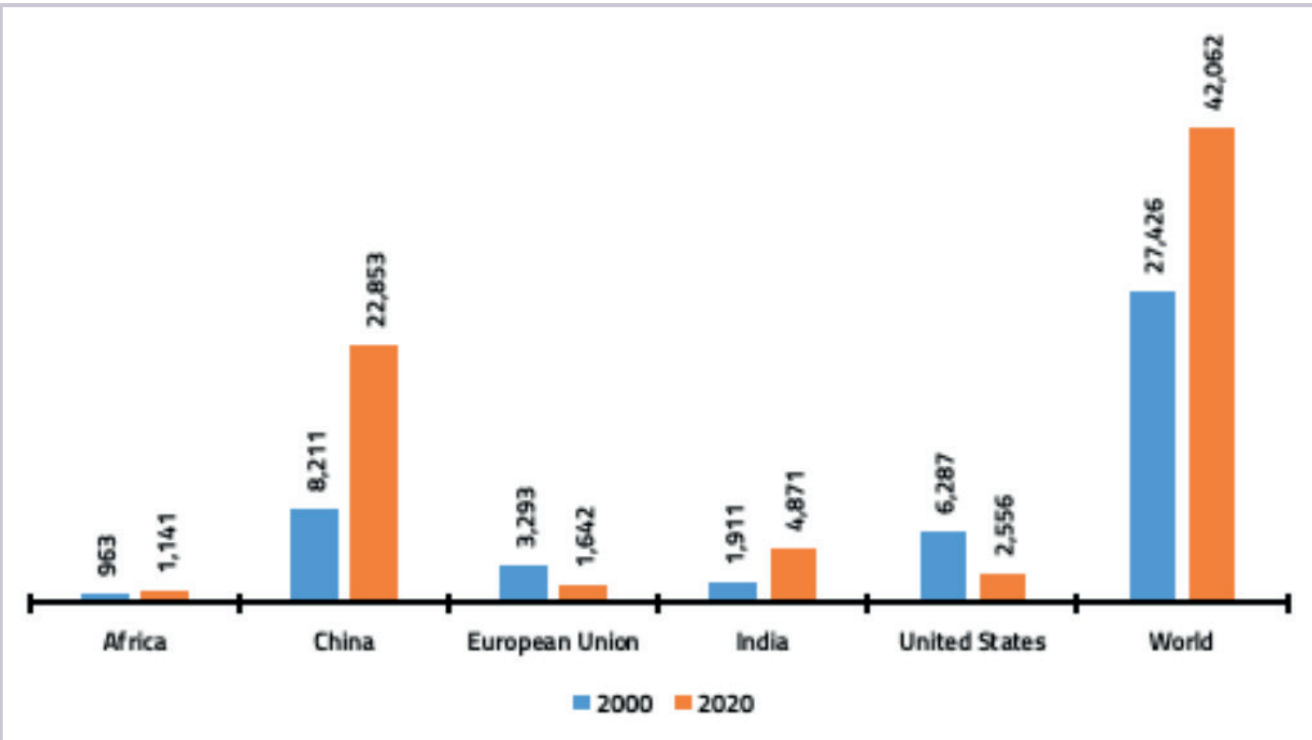

Figure I: Coal Energy Consumption in Tera-Watts Hour (TWh)

From Figure I above, we note that the coal energy consumption from Africa compared to the global consumption has reduced from 3.51% in 2000 to 2.71% in 2020 despite the significant portion coming from South Africa. This reflects the echoes of unfairness to the continent and policymakers are actively engaging the international community on incentivizing the African continent for the reckless greenhouse gas emissions of most advanced economies that is jeopardizing the sustainability of the entire global environment.

B. Climate Change in Africa

The impact of climate-related risks to human lives and property in Africa has become increasingly quite catastrophic. This includes pollution-related health risks and environmental damage from 'natural' disasters such as droughts, veld fires, frosts, flooding, hailstorms, and cyclones.

Despite having about 17% of the global population, Africa has accounted for negligible worldwide greenhouse gas emissions estimated at 3.88% in 2020 with an average of 3.13% from 1965 to 2020. However, climate change and extreme weather events are disproportionately affecting the continent with severe economic, social and environmental consequences for the African people. In recent times, Africa experienced and continues to face droughts, floods, declining agricultural productivity, deforestation, difficult access to water, rising sea levels, advancing deserts and rural exodus. These are some of the consequences of climate change on the continent.

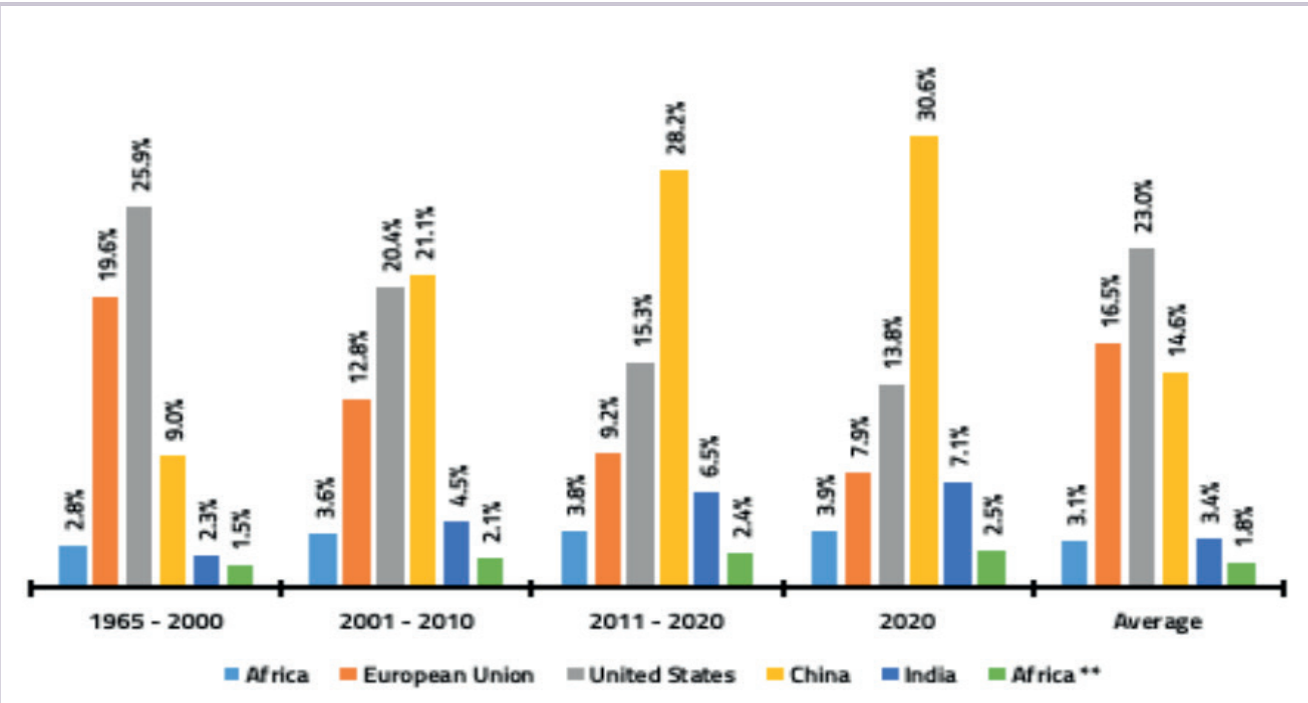

Figure II: Greenhouse Gas Emissions in Selected Countries and Regions
NB: Africa** - This is Africa excluding South Africa. South Africa has the highest volume of emissions on the continent.

Cyclone Idai aftermath

According to British Petroleum statistics, on the average from 1965 to 2020, Africa accounted for about 3.1% (2020: 3.9%) with India (2020: 7.1%), European Union (2020: 7.9%), United States (2020: 13.8%) and China (2020: 30.6%) responsible for 3.4%, 16.5%, 23.0% and 14.6%, respectively. This concern has been covered in the globally endorsed Paris Climate Accord as specified in Article 6 which allows countries that have contributed lesser emissions to be supported in their journey to transition to a more sustainable economy that contributes to achieving the set global target of reducing greenhouse gas emissions to about 1.5 degrees Celsius by 2100. With the persistently low historical emissions of the continent, Africa's carbon credit calculated at the current social cost could reach up to US$ 4.8 trillion by 2050 representing an annual carbon credit of US$ 173.0 billion from 2022 to 2050. This is 10 times higher than the US$ 18.3 billion per year in global climate finance that Africa received from 2016 to 2019 leading to an estimated annual financing gap of about US$ 108.0 billion. This is the focus of the climate justice advocates. It has also been estimated that Africa has lost between 5% and 15% of its GDP per capita growth due to climate change coupled with socioeconomic problems like rising mortality, climate-induced conflicts and human displacements.

> ***According to the African Economic Outlook, the continent is the second most vulnerable region of the world to climate change. The continent has also been rated to show the least climate readiness making it the least climate-resilient region of the world.***

C. Climate Change and the Insurance Industry

The increasing frequency and magnitude of these emerging environmental crises, coupled with their unpredictability, have brought about new and increased climate-related risks and uncertainties, which directly impact the insurance industry and the financial system at large and have also influenced insurance considerations for clients. Such risks pose both liability and business opportunities for the insurance sector. The insurance industry is not insulated from the impact of climate change as it puts the balance sheet at risk with significant pressure on capital requirements and investment portfolios. This further increases pressure from industry regulators and rating agencies. Some historically-stable premium and profit pools can shrink and even disappear in places and industries that are exposed to climate risks while other assets may be difficult to insure coupled with damage to the industry's reputation. The recent push by global environmentalists against the East African Crude Oil Pipeline (EACOP) due to its large-scale displacement of communities and wildlife illustrates another dimension to the climate change agenda as leading financial institutions are withdrawing their support, thereby delaying construction and harming finance availability.

Below are some scenarios in the insurance industry that explain the potential impact of climate change in Africa. This study covers cyclones Idai and Kenneth as well as the Thai floods.

In March and April 2019, Southern Africa was hit by two consecutive cyclones that left a trail of death, damage and destruction in their path across the economies of the largely impacted countries. The cyclones caused extensive damage to private housing and public infrastructure including the disruption of economic activity. It also significantly impacted livelihoods as crops and livestock were destroyed threatening food security in the region. There were also significant healthcare risks including the outbreak of cholera, malaria and typhoid fever.

Table II: Summary of the Casualties from Cyclones Idai and Kenneth in Southern Africa

Country	Total Deaths	Total Injured	Total Displaced	Total Affected
Comoros	8	180	345,131	345,311
Mozambique	603	1,500	1,500,000	1,501,500
Madagascar	3	-	1,100	1,100
Mozambique	45	94	400,000	400,094
Zimbabwe	628	186	270,000	270,186
United Republic of Tanzania,	-	-	2,000,000	2,000,000
Total	**1,287**	**1,960**	**4,516,231**	**4,518,191**

According to the International Disaster Database, the economic cost of the two events was estimated at US$ 2.36 billion with US$ 2.12 billion of it attributed to cyclone Idai alone. Out of these total losses, only about US$ 158.98 million was insured representing a protection gap of 93.28%. This is a reflection of the massive protection gap and the abysmally low level of insurance penetration existing on the continent. Indeed, in absolute monetary terms, the French reinsurer, Scor, estimates that the climate risk protection gap in Africa caused by extreme weather events over a decade at about US$ 1.7 trillion starting from 2010, has led to the mounting concern surrounding the impact of climate-risk protection gap and the widening divide between total economic losses and the insured losses, with particular concern for emerging economies due to the pre-existing low levels of insurance penetration.

Comparing the impact of the cyclones to the Thai floods, it could have been worse and this scenario gives insights into how the industry could have been impacted. The Thai floods were estimated to have caused economic losses of about US$ 48.19 billion with about US$ 12.05 billion of insured losses – representing a protection gap of about 75% with 813 deaths and over 9.5 million people affected. Almost 90% of the disaster effects were borne by the private sector. At the time, this put a strain on the local insurance industry even leading to the exit of some international players from the local market altogether. In consequence, there was a general review of policy wordings to exclude floods, storms and earthquakes from fire insurance policies. This event also led to an upward review of rates coupled with regulatory intervention introducing risk-based capital requirements with an upward review of capital adequacy ratio.

Figure III: Cyclone Idai and Kenneth (Credit - World Bank Emergency Recovery and Resilience Project)

According to Aon, following the Thai floods, reinsurers reduced their exposure to flood risks through various measures ranging from imposing event limits on pro-rata treaties to exclusion of natural catastrophe covers, and reducing their net share of these treaties. As an additional part of their response action, reinsurers further increased premium rates, increased emphasis on contingent business interruption as well as scrutiny of what constitutes a single event. The regional reinsurer, Asian Re, almost lost all its capital but did not escape a rating downgrade. As with most natural catastrophes, the government also had to intervene. In all, the Thai floods were both earnings and capital events.

D. Suggested Considerations for the African Insurance Industry

An extreme weather event may destroy property, cause business interruption, damage ecosystems and create a humanitarian crisis. Due to the interconnected, interrelated and interdependent nature of systems, there is a likelihood for these events to introduce significant volatility into regional, continental or global economies. The insurance

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to be continued on page 29

Interview
with Salman Jeffrey, Chief Business Development Officer of Dubai International Financial Center

Interview by **Adogbo Alfred** and **Mohamed Saad**

In Africa Re's journey looking for expansion outside Africa, we have seen the development happening in many international financial centers such as Singapore, Labuan, Matrious...etc. In your opinion, what is the comparative advantage of the DIFC compared to those other financial hubs?

Dubai and the UAE has always fostered a culture of innovation, collaboration, and cooperation across borders. We have seen these principles in action since the nation was founded and continue to emulate them in the DIFC to create and preserve value and wealth.

Our ecosystem currently generates approximately twelve percent of Dubai's GDP, and we are confident this will increase, particularly as we continue to enhance our operating environment, regulatory frameworks, and innovation initiatives.

In addition, shaping the future of finance is a top priority for us, and we have strengthened our reputation as a leading global centre for finance, FinTech and innovation. Furthermore, our leading legal and regulatory framework helps attract leading international organisations seeking to do business in the region.

Over the years, the UAE government has steadily been diversifying the economy away from oil and making significant efforts to improve the ease of doing business in the country whilst growing an innovation economy that will attract more global businesses to the Emirates and the wider region.

How would you rate DIFC's current involvement in the African continent?

We remain highly committed and focused on the African continent as it continues to be a key market for us in three ways:

First, we are a regional hub for Africa; large financial and non-financial firms cover Africa from the DIFC (Standard Chartered is one example). Second, we continue to encourage existing clients to seek new markets in Africa. Third, we continue to expand our financial and non-financial client base in different African markets. As a result, we continue to attract

> ***Our ecosystem currently generates approximately twelve percent of Dubai's GDP, and we are confident this will increase, particularly as we continue to enhance our operating environment, regulatory frameworks, and innovation initiatives.***

Mr. Salman Jeffrey, during his visit to Africa Re DIFC

African firms to the DIFC, of which Africa Re is the latest example.

Where do you see DIFC in the next 10 years and what is the DIFC's plans towards 2030 country plan announced by the UAE?

As a global hub for business, DIFC aims to significantly increase its contribution to the future of finance and innovation. Our strategy is to catalyse economic growth in line with the vision of HH Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice President & Prime Minister and Ruler of Dubai, with a focus on strengthening the FinTech sector and facilitating continued growth of the financial services sector. We will also continue to build strong regulatory and commercial frameworks, promote new technologies and test new business models that will strengthen Dubai's competitiveness.

DIFC will continue to attract and retain top talent and business as a global destination of choice for innovation. Further building on our reputation of being at the forefront of the sector. We will also continue to strengthen our credentials as a leading lifestyle destination in Dubai.

Any message to the leadership of the African Reinsurance Corporation after the establishment and inauguration of Africa Re – DIFC Office?

We remain committed to ensuring our clients thrive and grow. Our Africa Re colleagues can expect continued unwavering support in their growth and innovation plans. We will also continue to adjust and improve our rules and regulations to grow our institutional market which enjoyed a GWP of 1.8 billion in 2021.

We are confident that Africa Re will benefit from the increasing demand for capacity in the market, especially in Islamic Finance, and will use their expertise to shape the future of the sector.

As a result, we continue to attract African firms to the DIFC, of which Africa Re is the latest example.

By **Aggrey Mwesigwa,**
Senior Manager,
Department of Central Operation
and,special risks

Kidnap and Ransom Webinar

On May 6, 2022, Africa Re hosted a successful Kidnap & Ransom webinar. The session was organised in collaboration with our strategic partners AXA XL (Mr. Charlie Matheson) and specialist security services company, S-RM (Mr. Peter Doherty). 382 participants attended the event, hosted via Zoom. 76% of the participants were insurers, 15% reinsurers and 8% were intermediaries. Nigeria had the biggest representation, with 28% of the participants. Overall, 94% of the attendees were from African countries. Mr. Phocas Nyandwi, the Director of Central Operations and Special Risks at Africa Re gave a keynote address highlighting salient concerns around the rising security risk, and welcomed the participants. The corporation would like to appreciate all our clients for the attendance and positive feedback.

Serious threats to personal security are increasingly becoming a major cause of concern for public authorities, businesses and local communities in many African countries. The difficult economic environment in many countries, with high youth unemployment and inflation, does not help matters either. Therefore, the objective of this webinar was to put in the spotlight the prevailing security risk in various hot spots in Africa and around the world.

Incidents like kidnapping are difficult to predict, and when they occur, it is usually a tumultuous and heart-rending period for the affected family. Such events require a swift, well-coordinated, expert response and appropriate relief from the financial fallout. Therefore, the webinar further highlighted the role of insurance in providing financial relief to individual and corporate victims of extortion and kidnapping, for ransom. Africa Re offers reinsurance capacity for Kidnap and Ransom as well as specialist incident response services through our partners. The cover reimburses all associated costs incurred both during and after the event.

Lagos Regional Office

Agriculture Insurance Seminar for West Africa Market

by **Isaac Magina,**
Manager, Agriculture Underwriting and,Marketing, Lagos Regional office

On 29 and 30 March 2022, the West Africa Regional Office conducted a two-day virtual seminar on agriculture insurance for our clients in West Africa with strong focus on the Nigerian market. The event brought together agriculture insurance underwriters, managers, and business heads from insurance companies as well as institutions keen to develop agriculture insurance initiatives in the region. Indeed, the holding of this event was prompted by feedback from our partners about the need to upskill the market in agriculture insurance, as well as the demonstration and commitment of the Corporation to play a prominent role to support our esteemed partners in the development of agriculture insurance as a major class of business in their portfolio.
With the ever-increasing focus on Nigeria's economy and the need to increase investments in Agriculture mainly to promote food security and diversification, the Corporation is proud to take its leadership position in highlighting inherent risks along agriculture value chains and in response develop insurance solutions to cushion farmers against farming uncertainties. Though the Nigerian market already has some of the most innovative agriculture insurance programs like the Central Bank of Nigeria supported Anchor Borrowers Program, the Agriculture insurance landscape in Nigeria is still in its formative stages and the potential is largely untapped. However, to harness these opportunities,

it is paramount that insurance companies together with other relevant stakeholders invest in product training, capacity building and setting up the requisite infrastructure needed to implement agriculture insurance programs in a sustainable way. Furthermore, we strongly believe that with a good understanding of agricultural risks and dynamics involved in providing such insurance cover, our partners should be in a better position to make informed decisions before accepting agriculture risks in their books.

Therefore, it follows that the core objective of the seminar was to support our partners to build agriculture underwriting capabilities and understanding on how to properly adjust and settle agriculture claims. Day 1 of the seminar was dedicated to highlights about the evolution of Agriculture insurance, developing solid value proposition in the context of Nigeria as well as a deep dive in underwriting consideration for multi-peril and named peril crop insurance products. On Day 2 of the training, the team placed emphasis on what to consider when underwriting both weather-based index crop insurance and Area Yield Index insurance programs. A case study on poultry insurance was shared with intension to show case prudent underwriting practices for a subclass of agriculture insurance that is becoming important for the Nigerian market. The training was delivered by Isaac Magina, Erastus Ndege and Anozie Chiagozie. The WARO Regional Director Temitope Akinowa and Mr. Olayinka Dawodo gave the opening and closing remarks respectively.

The training sessions were highly engaging and generated a lot of interest in the market with a total of 91 participants and 72 participants on Day 1 and Day 2 respectively.

Oil & Energy Webinar- 15 to 17 February 2022

by **Hassina Andreatsimisetra**
Manager - Underwriting, Department of Central operation and Special,risks

In continuation of our technical assistance to provide training and building capacity within our markets and in line with our 2022 training program, Africa Re Nairobi Regional Office invited participants from across the continent for a training / Webinar course under the topic "Underwriting Oil & Gas" which was held over 3 days from Tuesday 15 to Thursday 17 February 2022.

The training was conducted via Zoom - video conferencing platform and provided the opportunity to reach out to a large number of participants from the insurance markets across East Africa and beyond. In fact, about 150 were present during the 3 days.

The topics that were addressed to a target audience of "Technical Operations and Underwriting Managers" from the insurance industry evolved around the main aspects of OIL & ENERGY INSURANCE activities such as UPSTREAM Operations, Risks associated to such critical economic activity and the response that risk management and risk transfer i.e. Insurance would bring. Also, the presenter gave a detailed presentation of the international Oil & Energy insurance market and the importance it represents for the different stakeholders in the process. Finally, Mr Hasina equipped the participants with a library and a large file containing videos, articles and other files that the participants might need for future references.

Nairobi Regional Office

by **Hassane Assoumana,**
Assistant Director,
Underwriting and Marketing

By **Omar Zarai,**
Senior Manager, Underwriting
and Marketing, Nairobi
Regional office

FIRE AND ENGINEERING INSURANCE TRAINING FOR THE ASSOCIATION OF KENYAN INSURERS (AKI): 3,9 AND 16 MARCH 2022

Africa Re Nairobi Regional Office organized a tailored training for the benefit of P&C underwriters in the Kenyan market. The training was organized online via ZOOM platform and was attended by over 80 participants from the member companies of AKI. It was designed to equip members with a better understanding of the Industrial All Risks (IAR) insurance cover, Machinery Breakdown and the Loss of Profit insurance covers available. The training evolved over 3 days and was facilitated by specialists and engineers in the fields.

The materials presented during this event gave description of the main features related to property and loss of profit risk management and underwriting along with considerations that underwriters need to address when writing these classes of business. Time constraint was a big challenge because the subjects presented were very heavy and rich. However, we managed to point out the most important lessons and equip the audience with necessary documentation, examples, excel templates and other reference that are useful for participants.

Risk Management and Survey Training – 3 March 2022

by **Mesfin Abebe,**
Assistant Director Underwriting
& Marketing

The in-house training was conducted for Fidelity Shield Insurance Company Ltd in their head office, Nairobi, Kenya per the company's request for capacity building in Risk Survey. A total of ten (10) participants attended the half day training from Underwriting, Claims and Reinsurance Departments. The aim was to enhance technical skills of the participants while doing simple risk survey and improve understanding of professional risk surveyor's report.

Cyber Risk Webinar

By **Aggrey Mwesigwa,**
Senior Manager,
Department of Central Operation and,special risks

On May 25, 2022, Africa Re hosted a successful Cyber Risk webinar. The session was organised in collaboration with CyberCube (Mr. William Altman) and our strategic partner, Allianz (Mr. Santho Mohapeloa, AGCS South Africa). 580 participants attended the event, hosted via Zoom. 71% of the participants were insurers, 12% reinsurers, 11% intermediaries, 3% risk assessors, 2% were policyholders, and 1% from UMAs. Nigeria had the biggest representation, with 26% of the participants. Overall, 78% of the attendees were from African countries while 14% were from the Middle East. Mr. Phocas Nyandwi, the Director of Central Operations and Special Risks at Africa Re gave a keynote address noting reinsurers' concern on the rising frequency of cyber-attacks, and welcomed the participants. The Corporation would like to appreciate all our clients for the attendance and positive feedback.

In sub-Saharan Africa and other developing countries, small and medium-sized enterprises, and even some large corporates, are still struggling to understand, assess and mitigate the full range of cyber exposures relevant to their business sector. More than 90% of African businesses are operating without the necessary cyber security protocols in place, according to CGTN . This is an intractable disincentive for insurers to provide cyber coverage. This webinar provided participants with insights into the African and global cyber threat landscape, highlighting the ominously sharp increase in ransomware attacks and the proliferation of Ransomware-as-a-Service (RaaS) since 2019. These attacks have driven up Cyber loss ratios from approx. 50% to 80% in the 2020/2021 insurance cycle. Premium rates have also spiked by 25% to 75% in the 2021/2022 cycle, according to CyberCube.

The webinar trained participants on key aspects of a cyber-insurance policy, including risk assessment, the available scope of coverage, and claims handling. Cyber insurance is a critical tool in providing financial relief and support services in the aftermath of a cyber-breach. Africa Re provides cyber reinsurance capacity to insurance companies to cover qualifying entities. The risks covered include first-party losses (e.g. business interruption, restoration, and crisis communications), and third-party losses (e.g. data breaches, network interruption, and notification expenses).

1. https://news.cgtn.com/news/2020-10-27/Unveiling-the-cost-of-cybercrime-in-Africa-UVhmu1PJeM/index.html

By **Chris SAIGBE,**
Director of Life Operations ,
Africa Re

REVOLUTIONIZING THE PENETRATION AGENDA IN AFRICA

PART 2

Likely Causes of Low Life Assurance Penetration Rate in African Countries

Low life assurance penetration rate in African countries is attributable to many causes. Some are fundamental to the business, inadequacies in business practices, cultural induced, and regulatory. The following paragraphs highlight some of the causes.

1. Lack of Understanding of Life Assurance as Personal Financial Planning Tool

The general belief is that life assurance's main use is provision of benefits on death. Consumers often resist marketing communication messages centered on death, especially in a cultural or religious setting where reliance is on the society and God as providers in times of critical financial needs. This poor marketing communication message is partly due to serious knowledge gap among insurance professionals educated on life assurance as a risk protection business.

The gap is traceable to professional and academic programs of insurance institutions in Africa that place less emphasis on life assurance education. A better approach in educating insurance professionals is to widen the scope of professional and academic education to create life assurance specialization, as was the case before most African countries started to offer insurance at their academic and professional institutions.

Life assurance education in USA, the number one life assurance country, is a profession on its own. Its scope covers not only life assurance as risk protection and savings business. It incorporates deep knowledge of financial markets products and practices. This enables life assurance practitioners (underwriters and marketers), to understand and sell life assurance savings products in the highly competitive financial markets. They are able to educate prospective buyers on the needs for and uses of life assurance from their sound knowledge of financial education. With their ability to impart the knowledge of life assurance as an effective financial planning tool, life assurance becomes commodities that people buy instead of an intangible product that life insurers must sell. It effectively increases the penetration rate.

2. Marketing of Life Assurance by Poorly Trained Sales Force

A common trait of life insurers in African countries with low penetration rate is selling through inadequately trained sales teams. For most life insurers, the training period is not more than a week with very low content. What type of marketing communication message of life assurance can such poorly equipped sales force deliver to prospective consumers?

Again, the US life assurance industry presents a good model for training and equipping agents. Agents must undergo very intensive training, pass prescribed examination, and certified by appropriate state government regulatory agencies before they can sell. There is obvious regulatory deficiency regarding this in almost all African countries with low penetration rate. The poorly trained agents mis-represent their principals, and create trust problems for the industry.

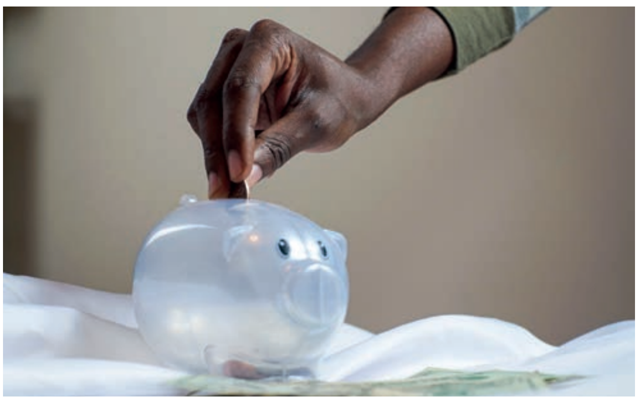
3. Obsolete Products

Many African life insurers still parade obsolete savings products like endowment assurance in inflation-infected countries. It does not take strong financial literacy background for consumers to realize potential financial loss they will experience when such policies mature in the future. It results in low persistency rate, poor premium growth rate, and low premium volume, all of which lead to low penetration rate. South Africa is an exception to the sale of obsolete products as that country pioneered unit-linked investment products that generate very high premium volume and strong penetration rate. Life insurers in other African countries can learn a lot from South African savings products model to increase their penetration rate.

4. Negative Price Competition among Life Insurers for Compulsory Insurance

In African countries where the law compels employers to provide death-in-service benefits for dependents of employees, life insurers focus mainly on that market segment and use price as competitive weapon to secure businesses. Apart from its negative effect on profitability, price war contributes substantially to very low penetration rate since it reduces the premium volume. Regulatory intervention of setting minimum rate may not be enough to curb the negative impact. Stiff regulatory sanctions like fine and suspension from transacting new business may be necessary to redirect the operators' mind to focus on non-compulsory savings products to generate higher premium volume and penetration rate.

5. Competition with Products of other Financial Institutions



The savings element of life assurance exposes the business to keen competition

to be continued on page 33

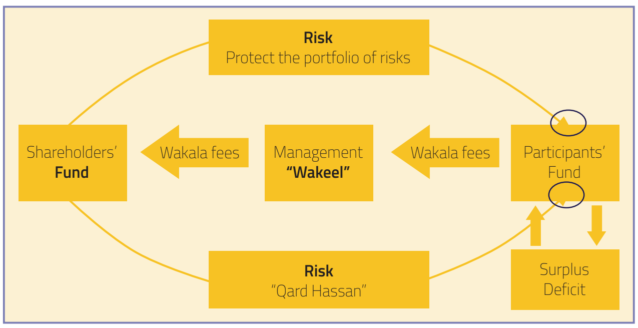
Takaful Model:
Reflexion on the Fundamentals Part 2

by **Mohamed Saad**
Senior Executive Officer, Africa Re DIFC

1. Types of the Shariaa compliant relationships that govern the mechanism of the Takaful model

The mechanism of the Takaful model can be concluded within a certain number of relationships that can be illustrated by the following graph as well as AAOIFI's definition of Islamic Insurance:-

1.1 Takaful model illustrating graph:



*The above graph has already been illustrated on point 1.3.2.

1.2 Definition of Islamic Insurance as per AAOIFI:

Islamic Insurance is a process of **agreement** among a group of persons to handle the injuries resulting from specific risks to which all of them are vulnerable. A process, thus initiated, involves payment of contributions as **donations**, and leads to the establishment of an insurance **fund** that enjoys the status of a legal entity and has independent financial liability. The resources of this fund are used to indemnify any participant who encounters injury, subject to a specific set of rules and a given process of documentation.

The fund is managed by either a selected group of policyholders, or a joint stock company that manages the insurance operations and invests the assets of the fund, against a specific **fee** (4).

From the definition and illustrating graph, we can conclude the following types of relationships:-

- Donation commitment at the stage of making contributions and indemnification commitment at the stage of providing compensation. This governs the relationship between the participants and the participants' fund.
- Partnership "Musharaka" which governs the relationship among shareholders who have formed the capital.
- Wakala relationship which governs the relationship between the shareholders' fund represented by the management and the participants' fund.

(4) Please refer to AAOIFI – standard No. 26 – Page No. 465 within the definition of "Reward".

- Ijara relationship which governs the relationship between the shareholders' fund and the management/stuff of the Takaful company.

  In addition to the above relationships, we also have to consider the following principles:-

- Qard Hassan.
- Surplus/Deficit distribution.

2. the main basis that governs the mechanism of the Takaful model

AAOIFI "Accounting and Auditing Organization for Islamic Financial Institutions" has specified 9 main Shariaa basis which should be explicitly mentioned in the memorandum of association or the rules book of all Takaful companies. (5)

From those 9 basis, I would spot the light on the following important elements:

(1) As part of the donation commitment, the participant **may undertake to bear any deficit that may occur in the participants' fund**.

(2) Two separate accounts have to be maintained, one for the company's own rights and liabilities, and the other for the rights and liabilities of the participants.

"Islamic Insurance is a process of agreement among a group of persons to handle the injuries resulting from specific risks to which all of them are vulnerable. A process, thus initiated, involves payment of contributions as donations, and leads to the establishment of an insurance fund that enjoys the status of a legal entity and has independent financial liability."

(3) The management appointed by the shareholders' fund should assume the role of the agent in managing the insurance account.

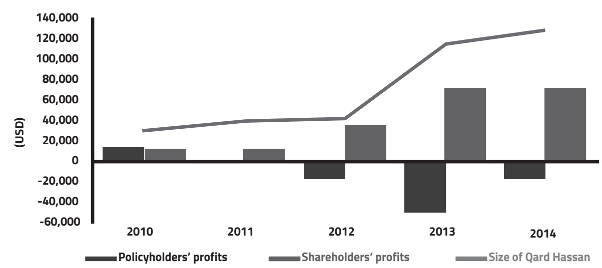
(4) The surplus can have a disposal in a way that serves the common interest of the participants, such as **accumulation of reserves**, reduction of the contribution, charitable donations and partial/full distribution of the surplus among the participants. The managing company is not entitled to any share of the surplus.

(5) Preference should be given to participants of the fund to participate in the management of the insurance operations to enable them to exercise their control rights and protect their interest. This could take a form of representation of the policyholders in the Board of Directors.

(6) The company should adhere to the rules and principles of Islamic Shariaa in all its activities.

With the above main 6 points in mind , we would see how different the applications in MENA markets are either by local regulations or by market practice or even by wrong understanding of the model from the Takaful practitioners as will be illustrated in section 4.

Middle East -Uneven Profit Distribution (2010 -14)



Source: AM. Best data and research

3. The difference between perceptions/ applications of the Takaful model compared to the principles and basis of Islamic insurance

3.1 **Donation** commitment/Indemnification commitment

The definition of "Donation" is obviously an inadequate definition taking into consideration the following:

- Islamic Shariaa has never seen or classified "Donation" as a contract and from such perspective, "Donation" has been used but without a clear definition.

(5) Please refer to AAOIFI – standard No. 26 –pages No. 466 & 467

- The only Shariaa reference for "Donation" is mentioned in the book of (Tahrir Al Kalam fe Masael Al Eltizam) written by Imam Al Malky AL Khattab which defined "Donation" as "A personal commitment to give something without waiting for any return" hence, Donations, gifts, contributions….etc all fall under the same understanding.[6]

- The application of such definition technically deprives the participants from requesting contribution (premium) returns/cancellation as it's simply accepted as a donation to the fund and claiming a donation back is non-Shariaa compliant.

- The clear incentive for participants to pay such donation to the participants' fund is to obtain an indemnification commitment in return which is contradicting the only definition referring to "Donations" in Shariaa. The simple proof of this fact could be as follows:-

1. The participants would never make a donation if the Takaful policy is not clearly mentioning the indemnification commitment.

2. The participants' ' fund would never offer any indemnification commitment to anyone who did not contribute to the fund.

3. All Takaful contracts would clearly state both the donation and indemnification commitments where you will never find a takaful contract stating only one commitment.

3.2 Qard Hassan

Most of the existing regulations and the Takaful market practice in MENA totally focused on Qard Hassan as if it's the only way of covering the deficit of the participants' fund and entirely ignored all other ways clearly mentioned by AAOIFI hence, the applications on the ground has turned into the following:-

1. The relationship is clarified in a way that any participants' fund deficit to be funded by "Qard Hassan" from the shareholders' fund is paid back from any future surplus. However, no rules stating what should be the case if the participants' fund did not show any surplus on the long run and the mechanism of settlement of Qard Hassan from the participants (policyholders) in case of long-term/repeated deficits.

2. In most of the times, minimal policies have been followed for accumulation of reserves for the purpose of facing any future deficit in the participants' fund in the Takaful MENA markets.

3. To overcome such "Qard Hassan" situation, the shareholders' fund has made sure to impose a highly inflated wakala fees to reserve for future "Qard Hassan" settlements which led to the fact that the combined ratio of the participants' fund would never be less than 100% hence, no surplus reserves or distribution could be built in the future. This would be illustrated in details in point no. 4.3.

4. Although all MENA Takaful markets are presuming that they are following AAOIFI rules, the following are clearly stated by AAOIFI itself:-

(6) Please refer to Donation commitment, profit/loss distribution in cooperative insurance – Dr. Ojail Jassim Al Nashmi – page 41.

to be continued on page 35

By **Guy B. FOKOU**
Director, Human Resource

THE FUTURE OF WORK AND AFRICA RE'S STANCE

Introduction/ Background

The health and economic shocks of 2020 till date have put economies into freefall, disrupted labour markets and fully revealed the inadequacies of our social contracts. Millions of individuals globally have been struggling with livelihoods and millions more are at risk due to economic recession, structural change to the economy and further automation. Additionally, the pandemic and the subsequent recession experienced in many quarters have impacted most countries which were already at a disadvantage.

The Future of Jobs Article by the HR Department provides the timely insights needed to orient Africa Re's leadership, its J and the labour markets towards opportunities today and in the future of work.

The COVID-19 pandemic-induced lockdowns and related global recession of 2020 have created a highly uncertain outlook for the labour market, shifted the way of working and accelerated the arrival of the future of work.

Key HR findings about the future of Jobs post COVID-19: (World Economic Forum, 2020)

Following the pandemic-related disruptions since 2020, contextualized within a longer history of economic cycles, the expected outlook for technology adoption, and high degree of uncertainty in jobs and skills , the future of work has indeed been accelerated and redefined.

The following represents some of the Key HR findings relating to the future of work :

The pace of technology adoption is expected to remain unabated and may accelerate in some areas. The adoption of cloud computing, big data and e-commerce remain high priorities for business leaders, following a trend established in previous years. However, there has also been a significant rise in interest for encryption, non-humanoid robots and artificial intelligence.

According to some HR Statistics, automation, in tandem with the COVID-19 recession, is creating a 'double-disruption' scenario for workers. In addition to the current disruption from the pandemic-induced lockdowns and economic contraction, technological adoption by companies will transform tasks, jobs and skills by 2025. Unlike before, COVID-19 has reinforced our conviction that human concerns are not separate from technological advances, but integral for organizations looking to capture the full value of the technologies they've put in place. The pandemic gave people a greater appreciation for the fact that humans and technology are more powerful together than either can be on their own. (Deloitte, 2022).

> ***The future of work has already arrived for a large majority of the online white-collar workforce. 84% of employers are set to rapidly digitalize working processes, including a significant expansion of remote work—with the potential to move 44% of their workforce to operate remotely.***

- Skills gaps continue to be high as in-demand skills across jobs change in the next five years. The top skills and skill groups which employers see as rising in prominence in the lead up to 2025 include groups such as critical thinking and analysis as well as problem-solving, and skills in self-management such as active learning, resilience, stress tolerance and flexibility.

The future of work has already arrived for a large majority of the online white-collar workforce. 84% of employers are set to rapidly digitalize working processes, including a significant expansion of remote work—with the potential to move 44% of their workforce to operate remotely. To address concerns about productivity and well-being, about one-third of all employers expect to also take steps to create a sense of community, connection and belonging among employees through digital tools, and to tackle the well-being challenges posed by the shift to remote work.

In the absence of proactive efforts, inequality is likely to be exacerbated by the dual impact of technology and the pandemic recession. Jobs held by lower wage workers, women and younger workers were more deeply impacted in the first phase of the economic contraction. Comparing the impact of the 2008 Global Financial Crisis on individuals with lower education levels to the impact of the COVID-19 crisis, the impact today is far more significant and more likely to deepen existing inequalities.

> ***The window of opportunity to reskill and upskill workers has become shorter in the newly constrained labour market. This applies to workers who are likely to stay in their roles as well as those who risk losing their roles due to rising recession-related unemployment and can no longer expect to retrain at work.***

- Online learning and training is on the rise but looks different for those in employment and those who are unemployed. There has been a four-fold increase in the numbers of individuals seeking out opportunities for learning online through their own initiative, a five-fold increase in employer provision of online learning opportunities to their workers and a nine-fold enrolment increase for learners accessing online learning through government programmes. Those in employment are placing larger emphasis on personal development courses, which have seen 88% growth among that population. Those who are unemployed have placed greater emphasis on learning digital skills such as data analysis, computer science and information technology.

- The window of opportunity to reskill and upskill workers has become shorter in the newly constrained labour market. This applies to workers who are likely to stay in their roles as well as those who risk losing their roles due to rising recession-related unemployment and can no longer expect to retrain at work. For those workers set to remain in their roles, the share of core skills that will change in the next 5 years is 40%, and 50% of all employees will need reskilling.

- Despite the current economic downturn, the large majority of employers recognize the value of human capital investment. An average of 66% of employers surveyed expect to get a return on investment in upskilling and reskilling within one year. However, employee engagement into those courses is lagging, with only 42% of employees taking up employer-supported reskilling and upskilling opportunities.

- Companies need to invest in better metrics of human and social capital through adoption of environmental, social and governance (ESG) metrics and matched with renewed measures of human capital accounting.

Future of Work and HR (Buffer, 2020)

The future of work is fluid. Never before has there been such a change in the way people take on the challenges of their jobs and the responsibilities involved. And the changes are happening at near lightning speed as HR races to keep up. Knowing that, three questions come to mind.

- Why is it happening?
- What's behind the change?
- What does it mean for Africa Re / HR?

Those three questions are at the heart of every organization and HR professionals.

According to the popular Newton's 3rd law of motion, "For every action, there is an equal and opposite reaction". This law can be applied to the current flux in the future of work and organization. To be more precise: as changes happen in the workplace, organizations will have to change which will be driven by HR.

The reason for this is a bit more complex as it has many more components or change agents. The first and foremost is technology, but that can be said for almost anything, not just HR. As older technologies grow in sophistication and newer technologies come online, HR realizes that change is now the rule rather than the exception.

One of the best examples of how technology is impacting the future of work and HR is remote work. Globally, 16% of companies are fully remote according to an Owl labs study. This same study found that about 62% of workers aged 22 to 65 claim to work remotely at least occasionally. (APPOLO TECHNICAL , 2022). That in itself means huge changes are occurring around the workforce. New methods of engagement are required as are strategies for team building and employee connection.

The Workforce and the Future of Work

Speaking of the workforce, it's an agent of change itself.

HR professionals who have been in the business for some time probably remember the rise of Generation Y (Millennials) and how spectacularly unprepared HR was when it happened.

In an attempt to stop history from repeating itself, Africa Re is on point and ready for the rise of Generation Z and the timing could not be better. Currently, it's estimated that the workforce is about 50% Generation Z. These workers are considered the 1st true digital natives, which means technology is practically an extension of their being. They are also heavily focused on social accountability, entrepreneurship and the work-life balance. This implies that effective and efficient management as well as good understanding of this dominant workforce group is critical to any business.

Africa Re's Response to Future of Work

Skilling, Reskilling and Upskilling: Through this pandemic, the world has had the opportunity to see the resilience and adaptability of the workforce as workers quickly assumed new roles and even contributed to opportunities in different fields and industries.

Currently, Africa Re is encouraging and offering opportunities to employees to continue to grow and adapt based on their potential, rather than solely on their existing competencies, skills or qualifications/ certifications. The bounty of technological innovation which defines our current era is being leveraged to unleash human potential. We have the means to reskill and upskill individuals in unprecedented numbers towards the jobs of tomorrow where they will be able to thrive. We are doubling down on commitments to building a resilient workforce that can adapt in the face of a constantly changing world.

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by **Pamela Machiri,**
Manager - Underwriting
Mauritius Office

International Women's Day in Africa-Re Mauritius Office

Our Mauritius Regional Office joined in this year's global celebrations of International Women's Day (IWD) on 8 March 2022. A short ceremony was held with each lady in the office receiving roses, and the Regional Director, Mr Vincent Murigande, acknowledging and appreciating the contributions of all women. In his speech, Mr Murigande highlighted the importance of women in both the society and the corporate world, saying "we are all here because of women as our mothers, sisters, aunts, friends and colleagues. Today, we appreciate the contributions of our female colleagues in this office, and reassure you of our continued support in your career development".

The international women's day is a global holiday celebrated annually on 8 March since the early 1900s, to commemorate the cultural, political and socioeconomic achievements of women. According to BBC, the seeds of this event were planted in 1908, when 15,000 women marched through New York City demanding shorter working hours, better pay and the right to vote. It was the Socialist Party of America who declared the first National Woman's Day, a year later. The idea to make the day international came from a woman called Clara Zetkin, who suggested the idea in 1910 at an international conference for women in Copenhagen, and it was unanimously agreed to by all 100 participants from 17 countries.

The IWD has become a date to celebrate how far women have come in society, politics and economics, and risen up the ladders into leadership and executive roles. The theme for this year's commemorations was "Break the bias" calling to action for accelerating gender parity in our communities, and raising awareness against bias, stereotypes and discrimination.

Africa Re as an organization shares the IWD vision on gender parity and celebration of women's achievements in society and the workplace. As an equal opportunity employer, Africa Re actively supports gender equality with women having equal opportunities with men, and occupying key leadership positions across the group. This is equally echoed across all other facets of the organization, where we actively seek to promote gender equality, free of bias, stereotypes and discrimination in our business operations, communications and interaction with our various stakeholders.

Africa Re Pays Tribute to his former Deputy Managing Director,

By - **Corporate Communications Unit**

late James R. Abban

The African Reinsurance Corporation (Africa Re) is deeply saddened to inform you that its former Deputy Managing Director, Sir James Reynolds Abban passed away at the ripe age of 82 years on Friday, 4 February 2022 in Accra, Ghana, after a brief period of illness.

Mr James Reynolds Abban was the Deputy Managing Director of Africa Re from August 1994 to August 1999.

He was a seasoned and astute insurance professional with a unique training and development opportunities in international reinsurance, right from his home country Ghana where in the midsixties, he was one of the pioneer graduates employed by the market-leading State Insurance Corporation (S.I.C.) and was posted to the highly-specialized Reinsurance department of the company.

Prior to his appointment in Africa Re, he was the Executive Vice Chairman of Ghana Re, with decades of experience at both local and international levels.

In Africa Re, Mr James Abban was known for his coolheaded and prudent style of management.

"Mr. *ABBAN, whom I discovered on his arrival in the Management team, was a highly talented reinsurance underwriter, with proven competence in risk assessment. He had always demonstrated prudence in technical and managerial decision-making. A simple and humble man, qualities that some people mistakenly considered as shyness.*

James ABBAN could also be a good teacher and at the same time firm in the expression of his opinion, especially when he felt that the latter was critical for the orientation of the company.

Quiet and civilized at the same time, James ABBAN leaves in the collective memory of the African insurance the image of a faithful colleague and a humble fellow.

May his soul rest in peace and may the African land of Ghana be light for him " said Mr Bakary Kamara, former Managing Director of Africa Re, to whom the late James Abban was the deputy in Africa Re for five years.

Mr Steve Kyerematen, a former Head of International Division and Oil & Energy and Aviation Pools in Africa Re, while remembering the late leader, said : *" it is no wonder that whenever vacancies for high level Executive Management positions in the topmost reinsurance companies and markets in Africa became open and were announced, Mr. James*

Adeola, his Secretary when he was in Africa Re.

Mr James Abban held various technical positions in the industry and chaired many technical committees for the development of the insurance industry on the continent.

The West African insurance community will surely remember him for the role he played at the Technical Board of the Ghana Chapter of the **ECOWAS Brown Card Insurance Scheme** and also for his academic contribution to the **West African Insurance Institute** in Monrovia **(Liberia)** and Banjul **(The Gambia).**

Abban as a highly trained Reinsurance professional with unique personal attributes of hard work, dedication, professionalism, wide knowledge and proven management experience virtually had no competition in getting appointed to the positions of Deputy Executive Chairman of Ghana Reinsurance Company and Deputy Managing Director of African Reinsurance Corporation, Africa Re, Africa's prized and "A" rated, highly-respected worldwide reinsurance juggernaut "

Africa Re is known today for its legendary disciplined and prudent underwriting philosophy. The late James Abban was the **incarnation of this prudent professional approach** which he instilled into a number of young professionals who worked with him at the time and which continues to revail in the Corporation till today.

"A technical man to the core, he was also an easy –going and peace loving fellow" remembered **Mr. Ken Edirin Aghoghovbia,** current Deputy Managing Director/ Chief Operating Officer of Africa Re and a direct collaborator of the departed leader during his time in Africa Re.

"Baba Abban" as he was fondly called, was like a father to many members of staff in Africa Re who would run to him for one advice or the other. His *"fatherly approach"* to issues was the most striking trait of the man." *He was one of the most generous men that I have ever known……. Time after time, he led with steady hands and loving heart",* remembered Mrs.

A great man indeed, a man of humour, Mr James Abban served the insurance industry from his school days up till his retirement days. A dedication for which he received many recognitions both from local and international institutions, including the **Governing Council of West Africa Insurance Institute, Professional Reinsurer's Association of Nigeria.**

His humility and resourcefulness are the main legacies that he left behind for us the younger generation of African insurers to follow.

Commenting on the passing of the leader, **Dr. Corneille Karekezi,** current Group Managing Director / CEO of Africa Re said: *"This is indeed a big loss for Africa Re and also for the entire African insurance industry. I wish to assure his family that, we in Africa Re will surely keep his legacy and also pass it to the next generation. May his gentle soul rest in peace."*

We hereby, as Africa Re family, pay a well-deserved tribute to our leader James Abban and express our sincere condolences to his spouse and children.
A Ghanaian proverb says: *"If the elders leave you a legacy of dignified language, you do not abandon it and speak childish language "*

Adieu
Papa James Abban
your legacy of hard work, humility and solidarity will not be abandoned.

continued from page 11

Cyclone Idai aftermath

industry is a risk carrier that has a role to play in protecting individuals, businesses and government from the adverse effect of climate change. With the projected rising cases of extreme weather events, there are significant issues for consideration going forward. The action plan for the industry should explore dual pathways of building resilience in the short to medium terms while supporting the rebuilding of economies for the future. By building resilience, the insurance industry can help economies and economic role players recover from the adverse effect of climate change. However, due to the potential insurability concerns of natural catastrophes, there needs to be a transition to better alternatives to global energy toward the net-zero objectives outlined in the Paris Climate Agreement.

Below are some of the suggested action items for the insurance industry's consideration:

1. Climate Consciousness: It is important to build climate consciousness across the industry value chain for a proper understanding of these risks. This can be achieved through proper sensitization of the public on the potential dangers of climate change to our continent and to the world at large. This improves their view of risks and also encourages them to consider insurance as a form of protection from these potential losses.

2. Insurance Pools: The industry should also explore creating insurance pools for some of these natural disasters. Sometimes in 2018, Africa Re conducted a survey involving about 70 respondents among executives in the industry. The result shows an increasing trend of natural catastrophe with floods, rainstorms and droughts getting ranked as the topmost natural catastrophes affecting the industry. A further question on the focus of a natural catastrophe pool ranked floods as the recommended priority for the industry. Based on this outcome, the industry could consider establishing a floods insurance scheme on a pool basis. We can also take a cue from the United Kingdom that set up "Flood Re", a (re)insurance Scheme that makes flood cover more widely available and affordable as part of the traditional home insurance, that is expected to run until 2039. Closer home, a SASRIA-type entity but with public-private ownership can be explored. (SASRIA is the state-owned insurance entity established in South Africa to provide compulsory insurance to policyholders against political riots).

According to the International Disaster Database, the economic cost of the two events was estimated at US$ 2.36 billion with US$ 2.12 billion of it attributed to cyclone Idai alone. Out of these total losses, only about US$ 158.98 million was insured representing a protection gap of 93.28%.

3. Industry Framework: There are no clear industry-wide guidelines on how to approach disaster management as this is seen as individual internal measures that vary from country to country and from organisation to organisation. While acknowledging the peculiarity of different stakeholders, it is now important for the continent to consider a unified framework for disaster management. One of such is the Sendai Framework for Disaster Risk Reduction from the 3rd United Nations World Conference. The goal of this framework is to prioritize the following: understanding disaster risks, strengthening disaster risks, investing in disaster risk reduction and strengthening disaster preparedness. The industry needs a risk assessment methodology and this can be

driven by the relevant industry regulators under the Association of African Insurance Supervisory Authorities (AAISA) which is a forum for the standardization of insurance laws in Africa. It is recommended that industry stakeholders conduct a holistic review of their existing practices and develop strategic plans attuned to the goals of sustainability.

4. Public-Private Partnerships: With the potential impact of extreme weather events due to climate change, the issue of insurability becomes a concern. The insurance industry needs to begin exploring ways to consider developing partnerships with development finance institutions and governments on national programmes that can promote resilience when these events happen. This can be through premium subsidies for the insured and stop-loss protection for (re)insurers to make it attractive for them to provide cover. There is a specialized agency of the African Union established in 2014 to help African governments improve their capacities to better plan, prepare and respond to extreme weather events and natural disasters.

5. Risk Modelling: The lack of a centralized repository for climate-related exposures has led to inadequate data for risk modelling for risk-adequate pricing. The use of historical pricing models will not be relevant for the impact of future events as it relates to extreme weather events. This will require investments in geolocation software and catastrophe modelling tools for current exposures. There will be a need to strengthen human capacity for predictive modelling.

Thai floods aftermath

According to Aon, following the Thai floods, reinsurers reduced their exposure to flood risks through various measures ranging from imposing event limits on pro-rata treaties to exclusion of natural catastrophe covers, and reducing their net share of these treaties.

6. Innovative Products: Due to the nature of climate events, there is a need for innovative solutions. One of such solutions is the continuing and expanding use of alternative solutions from traditional insurance. By definition, parametric (or index-based) solutions are a type of insurance that covers the probability of a predefined event happening instead of indemnifying actual loss incurred. It is an agreement to make a payment upon the occurrence of a triggering event that is fortuitous and can be modelled with a pre-agreed pay-out if the parameter or index threshold is reached or exceeded, regardless of actual physical loss sustained. Also, relevant capacity building in the evolving classes of business is an opportunity with renewable energy underwriting capabilities as an example. This is also the time for industry stakeholders to continue to support microinsurance products to help reduce, if not close, the protection gap.

7. Collaborative Actions: There have been collective actions as an industry which have started with the Nairobi Declaration on Sustainable Insurance. This was an important declaration of commitment by African insurance industry leaders to support the achievement of the UN Sustainable Development Goals (SDGs). As risk managers, insurers and investors, the African insurance industry has a key role to play in promoting economic, social and environmental sustainability through sustainable underwriting, investments and procurement practices. The declaration focuses on the following actions to support the achievement of the SDGs, namely: risk management - assessment, management and disclosure of environmental, social and governance risks and opportunities

across the lines of business; insurance - close the protection gap by actively developing and promoting inclusive and innovative insurance solutions; investment – support for the transition to a net-zero in the management of the investment portfolio; engagement – working with policymakers, regulators and industry associations on key sustainability issues for the African insurance industry; practices - knowledge and capacity building of the African insurance industry on sustainable insurance;

The Nairobi Declaration reflects the consolidation of different initiatives like the United Nations Environment Programme (UNEP) Finance Initiative (FI) Principle for Sustainable Insurance (PSI), United Nations (UN) Principle of Responsible Investment (PRI), Net-Zero Insurance Alliance (NZIA) and Task Force on Climate-Related Financial Disclosures (TCFD).

E. Closing

The action plan for the industry should explore dual pathways of building resilience in the short to medium terms while supporting the rebuilding of economies for the future.

The adverse impact of climate change is going to remain significant on the continent with the burden leading to a decline in economic growth from the attendant economic losses. Sustainability is a journey and abrupt termination of projects is not the way to go but each project should have an environmental impact assessment that influences decisions. While governments continue to work with the rest of the world on the issue of fairness from historical greenhouse gas emissions, the insurance industry has a significant role to play and needs to start driving this conversation forward in collaboration with other stakeholders. There is a lot for each (re)insurer to do individually and collectively as an industry. The lessons from the Thai floods of 2011 and experience from the cyclones Idai and Kenneth in 2019 are a practical illustration of the potential impact of climate change on the continent.

Cyclone Kenneth aftermath

There are opinions that Africa is at crossroads to choose between economic prosperity and environmental considerations. This view is both misleading and inaccurate in view of the fact that despite the continent having the least emissions based on historical data, it remains the least resilient to the impact of climate change. This is rather an opportunity for the industry to remain conscious of climate change whilst supporting African economic interests. Africa is significantly endowed with raw materials to promote renewable energy. The industry should consider awareness campaigns, innovative insurance products, public-private partnerships with governments, strategic partnerships with development finance institutions and so much more. The industry should also remain conscious of the social and governance pillars of sustainability. In all, sustainability in the long-term enhances corporate growth, improves risk management and boosts operating margins for individual companies. Business can continue to have a dual mandate of recording strong financial performance whilst safeguarding our planet.
At the moment, many insurance companies show a high degree of interest in the climate change phenomenon and gradually understand its impact on their performance. There has also been increasing support for disclosing climate-related risks and opportunities, but there is no commensurate deployment of resources that aligns with the aspirations. It is recommended that insurers should consider the development of strategies that cover the identification, measurement and disclosure aspects of climate change. These key pillars are at different stages of maturity within the industry.

After internal due diligence and strategy development, it is recommended that African (re)insurers endorse the Nairobi Declaration and remain intentional in

After the passage of Cyclone Idai

compliance with its disclosure requirements. It is recommended that the industry ensures that there are actionable outcomes from its upcoming African Insurance Organisation 2022 annual conference that will hold in Nairobi (Kenya). This roadmap can present the industry with the opportunity to share its contribution during the COP-27 climate change conference to be held in Sharm El-Sheikh (Egypt) towards the end of the year 2022. This engagement is not what the industry can do alone, there is an urgent need to collaborate with other sectors of the economy to achieve optimum speed and impact as we race against time.

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> ***The action plan for the industry should explore dual pathways of building resilience in the short to medium terms while supporting the rebuilding of economies for the future.***

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with products from other financial sectors. Such financial institutions include banks, housing mortgage institutions, investment and fund managers, assets and pension fund managers. To compete effectively, life insurers must generate comparable returns on investment for policyholders. This requires sound investment knowledge that is lacking among the management teams of most life insurers. Unless African life insurers are ready to upgrade their management teams' investment capacity, it will remain difficult to build strong life assurance savings portfolio for generating high premium volume to raise the penetration rate.

6. Poor Savings Habit

Very poor savings habit is prevalent among most African countries, partly due to preference for immediate instead of delayed gratification in consumption. Over reliance on support from family, society and government for financial support in times of need is inhibiting individual need for systematic savings for raining days. This is unlike American and European economies with average savings rate of 15%. The savings rate in India was as high as 21% pre-Covid-19; 8.1% in 2020; and 21% by Quarter 1 of 2021, according to the Reserve Bank of India. Those countries have higher penetration rate than the African countries where the propensity to save and life assurance penetration rate are very low.

Until African life insurers promote life assurance as an effective tool for savings and realization of financial planning goals, demand for savings products will remain low. People will continue to rely on their cultural mindset for financial support in times of need, with attendant low penetration rate.

> ***Very poor savings habit is prevalent among most African countries, partly due to preference for immediate instead of delayed gratification in consumption.***

7. Poor Capitalization

On the surface, life insurers carry far lower risks than non-life insurers. Hence, there is the general wrong perception that life insurers require low capital base to operate. While sums assured on life policies are rarely in hundreds of millions per life, a life insurer requires substantial capital as back up fund. It needs fund to build and train high performing marketing team spread over very wide network of distribution centers. Such network promotes contacts with existing and prospective customers. Even in the digitization era, personal contact is still necessary, especially in an environment of very low financial literacy. Building a strong digital system requires substantial fund just as distribution centers. A combination of both enhances the building of life assurance portfolio with substantial savings capable of raising the penetration rate.

8. Poor Regulatory Consumer Protection

Many life insurers in most African countries created negative image about the business by failing to meet their obligations on claims. The effect is loss of trust and low demand for non-compulsory life assurance savings products.

When consumers lose trust, there is very little chance of building life portfolios that will produce high premium volume and penetration rate. Unless regulators are prepared to protect policyholders to ensure timely payment of claims, it will be difficult to build confidence and raise demand. Regulatory framework must address prompt claims payment, protection of customer personal data and information, sound education and professionalism for agents and intermediaries. It must shield the life fund from mismanagement.

9. Inadequate Regulation of Life Assurance Companies

Inadequate regulation of the practice and management of life insurers can serve as constraints to building life assurance portfolios that will raise the penetration rate. Given the long-term nature of life assurance business and potential effects of negative practices on policyholders, especially later in life, there is need for stiffer regulation of life insurers. Approving new products without due consideration to the long-term benefits to policyholders is not helpful to the industry. Delayed intervention in respect of failing life insurers also constitute source of negative image to the industry. Both expose policyholders to financial loss and reduced demand for life assurance.

The Way Forward

There must be a complete shift from the current practice in terms of product offering, product marketing, knowledge and practice as well as regulation of life assurance.

Life insurers, with help from their reinsurers, should focus on the untapped products that generate long-term substantial savings. The products include Deposit Administration Fund for pension, Deferred Annuities (Regular Premium Deferred Annuity, Longevity Annuity and Longevity Insurance) purchased during active working life for old age retirement income.

> ***There must be a complete shift from the current practice in terms of product offering, product marketing, knowledge and practice as well as regulation of life assurance.***

They can shift to Children's Education Plans and Home Ownership policies based on Investment Linked products instead of endowment assurance; and Investment-Linked plans like Interest-Linked or Unit-Linked plans for long-term savings to finance future projects. They all have very high potential for generating high savings premium and higher penetration rate.

Life insurers must be prepared to spend money to equip their marketing teams with sound knowledge of the principles of life assurance, and marketing of financial services to boost their businesses. Life reinsurers should readily assist in the training. There should also be strong collaboration among operators (life insurers and life reinsurers), and regulators for promoting financial literacy among the existing and potential consumers, with emphasis on life assurance, to grow the industry, enhance the level of penetration and contribute substantially to the growth of their respective national economies.

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- Shariaa base no. 1 clearly mentions that the participants may undertake to bear any deficit that may occur [7].

- Point no. 8 of section no. 10 in AAOIFI standard no. 26 is clearly mentions that the Company may cover the participants' fund deficit from (1) project financing, (2) Qard Hassan and (3) settlement of the deficit from participants to the fund [8].

- Shariaa base no. 5 clearly mentions that the adopted rules may comprise disposal of the surplus in a way that serves the cause for common interest of the participants such as accumulation of reserves, reduction of the contribution….etc [9].

5. In addition, below is A.M.Best's graph showing the contrast between participants' fund losses (based on wakala fees) and shareholder profits in the Middle East [10]:-

3.3 Separate accounts and linkage of Qard Hassan with participants' fund deficit.

The following three factors have created a point of Shariaa non-compliance between the MENA Takaful model and AAOIFI standards:

1. Shariaa base no. 2 clearly mentions that the Takaful Company should maintain two separate accounts: one for its own rights and liabilities i.e. Shareholders' fund, and the other for the rights and liabilities of the policyholders' i.e. participants' fund.

2. Point no. 8 of section no. 10 in AAOIFI standard no. 26 has introduced Qard Hassan as one of the ways to cover the deficit in the participants' fund.

3. As mentioned in point 3.2, Qard Hassan has been introduced as the only way of covering the participants' fund deficit.

The above three factors have directly linked Qard Hassan with the deficit in participants' fund which has converted the relationship between the shareholders' fund and the participants' fund into **a pledge of security relationship** [11].

The pledge of security by its own is a Shariaa compliant standard however, the relationship between the shareholders' fund (represented by the management of the company) and the participants' fund is "Wakala relationship" i.e. agency relationship and thus the conflict of interests in the MENA Takaful/ Retakaful model as follows:

- AAOIFI standard no. 5 point 2/2/1 is clearly mentions that it's not permissible to stipulate in agency contracts (Wakala contracts) that pledge of security be produced, because such a stipulation is against nature of the (Wakala contracts) unless such stipulation is intended to cover cases of misconduct, negligence or breach of contract [12].

(7) Please refer to AAOIFI – standard No. 26 – principles and shariaa bases of Islamic Insurance - pages No. 466.
(8) Please refer to AAOIFI – standard No. 26 – Commitments and jurisdictions of the joint stock company- pages No. 470
(9) Please refer to AAOIFI – standard No. 26 – principles and shariaa bases of Islamic Insurance - pages No. 466..
(10) Please refer to A.M.Best special report - The Dynamics of Takaful Markets of the Middle East and Malaysia – page no. 7
(11) Please refer to AAOIFI – standard No. 5 –page no. 62.
(12) Please refer to AAOIFI – standard No. 5 – point 2/2/1 - page no. 59

- As a consequence, the shareholders' fund is inflating the wakala fees with almost no basis in order to reserve for "Qard Hassan" which they are committed to pay in case of deficit. No rules or average market indicators for the wakala fees are applied.

Example 1 – Profit in participants' fund:

Assumptions:-

1. Fair market Wakala fees to be applied by shareholders' fund represented by the management (Wakeel) is 10%.

2. Shareholders' fund represented by the management (Wakeel) expects the combined ratio before Wakala fees for the participants' fund at the end of the year to be 80%.

Analysis:-

- If " Qard hassan" is not linked to the deficit of participants' fund, shareholders' fund represented by the management (Wakeel) may simply apply the normal fair " Wakala fees" of 10% at the beginning of the year hence, the combined ratio for the participants' fund after "Wakala fees" would show a surplus of 10% i.e 100% -(80%+10%).

- As " Qard hassan" is directly linked to the deficit of participants' fund, shareholders' fund represented by the management (Wakeel) would normally exaggerate their Wakala fees to be 20% in order to reserve for any future deficit to be achieved by the participants' fund hence, the combined ratio for the participants' fund would show 100% i.e. no surplus distribution.

Example 2- Loss in participants' fund:

Assumptions:-

1. Fair market Wakala fees to be applied by shareholders' fund represented by the management (Wakeel) is 10%.

2. Shareholders' fund represented by the management (Wakeel) expects the combined ratio before Wakala fees for the participants' fund at the end of the year to be 90%.

Analysis:-

- If " Qard hassan" is not linked to the deficit of participants' fund, shareholders' fund represented by the management (Wakeel) may simply apply the normal fair " Wakala fees" of 10% at the beginning of the year hence, the combined ratio for the participants' fund after "Wakala fees" would be 100% i.e. no surplus distribution.

- As " Qard hassan" is directly linked to the deficit of participants' fund, shareholders' fund represented by the management (Wakeel) would normally exaggerate their Wakala fees to be 20% hence, the combined ratio for the participants' fund would show 110% which would lead to the following:-
    - No surplus distribution.
    - "Qard Hassan" funded by the shareholders' fund is only theoretical as their net result would be breakeven.
    - "Qard Hassan" would still be paid back to the shareholders' fund from any future surplus.

Conclusions of point 4.3:

- Surplus distribution is eliminated or dramatically reduced in most of the cases with no real base.

- Wakala fees are exaggerated due to the above mentioned conflict of interest.

- Takaful model is considering the shareholders' fund as a non-profit entity for all Takaful operations while shareholders' fund is actually "a for profit organizations/individuals" and no mechanism provided by the Takaful model to solve such conflict of interest in a more transparent way.

- Below is A.M.Best's graph showing the difference between shareholder's fund fee charged (Wakala fees) and actual management expense incurred in MENA compared to the Malaysian market [13].

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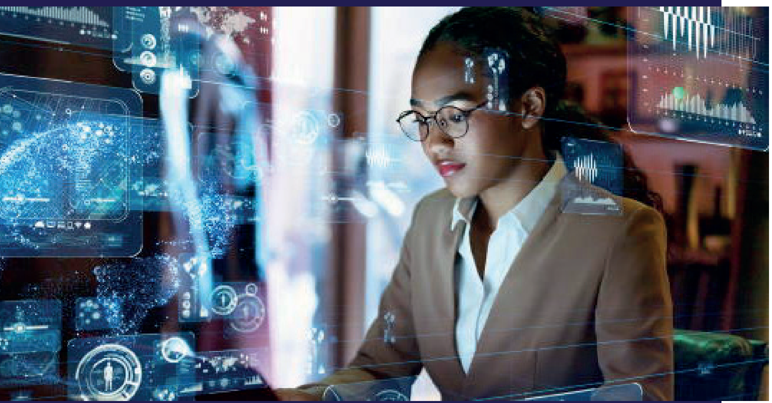

New Work and Employment Models: The pandemic has put more hours into the working day, creating exhaustion and burnout and simultaneously exposing the stress that our employees face in balancing professional and personal demands, as personal commitments and roles (such as being a parent or caregiver) could no longer be separated from work.

Since mid-February 2020, Africa Re has considered different work models available to move with the trend and address the different employees and Office demands. While some of our locations adopt a hybrid work model with location-flexible arrangement, others have fully activated a Work From Home (WFH) arrangement. We will be constantly reviewing the employment and work models available to address the challenges associated with our WFH or Hybrid work arrangements such as burning-out either from work over load, "always-on" working habits for long period of isolation/ loneliness, etc.

Our leaders are encouraged to embed well-being into every aspect of the design and delivery of work itself and to fundamentally redesign work toward outputs instead of activities as we believe this will open up the possibility for employees to both live and perform at their best. This will also position us to continue to attract and retain talents with critical skills from within and out outside the African continent.

Leverage Technology to get the Data and Employees Insights: We are takiing advantage of the power of technology to collect employee's insights, through staff quick pulse survey and discussions, by pulling together the key questions that they need to be asking to gain the real-time workforce insights they need.

We believe that this is the time for organizations to challenge whether they've been asking the right questions all along and whether they have the governance and processes in place to enable them to use the data to truly sense what is happening across the organization and workforce.

Preparing for the future of work   (Gartner, 2020)

Africa Re's HR team is actively helping the Corporation prepare for the future of work. The Executives will be advised on the future roles and, together with the HR Team, an identification of the skills the business will need to continue to thrive will be done. The Corporation will leverage evolving employment models like gig work, remote work and change organizational processes to manage technology-driven work flows while ensuring that it is adapted to the nature of our business operations.

Future of work insights for Africa Re

1. Decide on predictions for investment

2. Conduct workforce planning for future talent needs

3. Rethink employment models: Due to today's tech-based work models and increased talent competition, contingent work in most industries is on the increase.

a) Flexibility/ Flexible Scheduling: The days of going into an office and working in a cubicle are dwindling. Work schedules are changing meaning the average workday isn't 8a – 5p. Sometimes it is 1p – 11p or any other combination of hours conceived. Commonly known as flexible scheduling, it's already becoming a significant part of the future of work, which Africa Re has come to terms with.

   This work model which motivates the workforce, especially the young workforce, will be explored and measures will be put in place to get the work done, get the employees' time in and their deliverables while bearing in mind the multi-locational nature of Africa Re and the longer hours of work put in by many staff in the current work models available.

b) Remote Work: Before 2020 a movement was brewing within knowledge-work organizations. Personal technology and digital connectivity had advanced so far and so fast that people had begun to ask, "Do we really need to be together, in an office, to do our work?" We got our answer during the pandemic lockdowns. The Covid-19 crisis has opened senior leaders' minds to the idea of adopting Remote Work or WFA (Work From Anywhere) for all or part of their workforces.

Research has shown that Millennials love the idea of traveling the world while still employed.

Without question, the model offers notable benefits to companies and their employees. Organizations can reduce or eliminate real estate costs, hire and use talent globally while mitigating immigration issues, and, research indicates, perhaps enjoy productivity gains. Workers get geographic flexibility (that is, live where they prefer to), eliminate commutes, and report better work/life balance. Work-from-anywhere is also seen as a model that may reverse the brain drain gradually being witnessed in the continent and other emerging markets.

However, concerns persist regarding how WFA affects communication, including brainstorming and problem-solving; knowledge sharing; socialization, camaraderie, and mentoring; performance evaluation and compensation; applicable law to labor contracts; and data security and regulation.

Another challenge associated with flexi scheduling and WFA for an organization like Africa Re, with a geographically dispersed locations and team, is the time difference between business locations and/or staff's country of residence. Getting staff from various locations to work, for instance on a Group project with online meetings, will worsen this existing major challenge. In this scenario/ case, staff should also be prepared to make some sacrifices implementing the flexi scheduling.

Africa Re will also consider the various employment models and work management approaches and evaluate those that are right for us.

4. Identify skills gap and bridging the gaps through the competency framework project already commissioned.

5. Help employees adopt new technologies that support the business.

6. Invest in human capital development by way of continuous learning, reskilling and upskilling.

7. Create clear connections across individual jobs, team objectives, and the Corporation's mission

Conclusion/Final Thoughts

For HR professionals, the future of work is not just about redefining the workplace, the employees, or technology... it's about redefining ourselves. Ultimately, HR is in the driver's seat of this change. The power to mold the future of work lies in being able to address the change in generations, handle the challenges of technology, and find the culture that works best for the employees and the business of Africa Re. The change in the future of work is real. Organizations face a choice between returning to a post-Covid world that is simply an enhanced version of yesterday or building one that is a sustainable version of tomorrow. The risk is more than that of falling behind. It's the possibility of never catching up at all.

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Africa Re

Young Insurance Professionals Programme **-YIPP**

Training the insurance professionals of tomorrow.

- Co-financed by Africa Re and DEG
- Objectives : To develop talents and grow human capital for development of insurance industry in Africa.
- 200 young professionals currently enrolled.
- 39 countries and various insurance firms across Africa

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