



Africa Re News

24th Edition

February 2022

English



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7th Edition



June 2022 in Nairobi, Kenya



GMD/CEO's Message

Dr. Corneille Karekezi

Dear Readers,

There is no doubt that the last two years have been tough for individuals, communities and businesses globally, and Africa Re is no exception.

Despite a brittle, anxious, non-linear and incomprehensible (BANI) environment, despite a decline in our 2020 net profit, mainly due to the Covid-19 related claims in South Africa and the Beirut blast in 2020, Africa Re still has some great news to share:

- Our shareholders' funds crossed the US\$1 billion mark in 2020 and our total premium income in underlying currencies increased by 1.7%,
- We succeeded in getting the license to operate Life Business in South Africa,
- Our new underwriting office in Dubai opened to serve the Middle East market better,
- We supported our markets and countries with an unprecedented amount of US\$ 3.32 million to mitigate the impact of the Covid-19 pandemic.
- Etc.

As we still celebrate our 45th anniversary, it is a thing of joy to know that the pan African dream of our founding fathers continues to make wave till date.

As we still celebrate our 45th anniversary, it is a thing of joy to know that the pan African dream of our founding fathers continues to make wave till date. Zimbabwe's recent membership in Africa Re will be remembered as a symbolic expression of a nation's desire to take its rightful place in a family it belongs to. With Zimbabwe on board, Africa Re now has 42 out of the 53 African member States. We hope to welcome the remaining 11 countries soon.

As we remain focused on the pan -African agenda of the Corporation, initiated 45 years ago by the African Development Bank and the UNCTAD, there is no doubt that Africa Re will identify with the current **African Continental Free Trade Areas (AfCFTA)** project which is being spearheaded by the African Union Commission.

45 years ago, Africa Re had already embarked on this journey of a borderless Africa in the insurance and reinsurance sector. AfCFTA is bringing a bigger picture of this project and we are glad to identify

with it. Our hope is that the African insurance industry players seize this golden opportunity of a larger trade area - the largest in the world in terms of numbers of countries - to the benefit of the insurance penetration on the continent.

As we gradually get out of the Covid-19 pandemic, our priority is still the safety of all our stakeholders and it will remain like that until businesses resume normally. We encourage everyone to get the vaccine in order to make things easy for the government authorities in their efforts to put an end to this pandemic.

As the world is evolving so are new risks emerging. As a result, businesses including insurance, are bringing forth innovative products and services as a response to the new normal. It is in line with this idea that this edition of Africa Re News brings to you an insightful article on one of the emerging risks, namely, Political Violence and Terrorism (PVT). It is ***a reinsurer's perspective on the recent civil unrest in Nigeria and South Africa***, (page 5), an article written by Aggrey Mwesigwa, Senior Manager, Underwriting in Africa Re.

I use this medium to say a big **thank you** to **Mr Blaise Abel EZO'O ENGOLO**, Secretary General of CIMA, for his extensive and very informative interview in this edition of Africa Re News.

I also thank all our clients for their trust in Africa Re and reassure them of our continuous support even in difficult times. We are in this pan African project together. As we carry out our duty of fostering the development of the insurance industry, we consider our **clients as priority number one**.

Before I end this message, and because at Africa Re we do not forget that we are building on the shoulders of our founding fathers, I would like to pay a deserved tribute to our past pioneer Deputy Managing Director, Mr Kabisi Milanga Baudoin, whom we lost on 21 June 2021. Please read on page 16 the tribute of the entire Africa Re family to one of our pioneer leaders.

I wish you a pleasant reading.

Dr. Corneille Karekezi
Group MD/CEO

As a result, businesses including insurance, are bringing forth innovative products and services as a response to the new normal.

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By **Mr Aggrey Mwesigwa**,
Senior Manager Underwriting- Headquarters -Lagos

Recent civil unrest in Nigeria and South Africa: A reinsurer's perspective

On 3 October 2020, a video footage went viral allegedlyⁱ showing SARS operatives shooting a young man in Nigeria's Delta state. SARS was the Special Anti-Robbery Squad, a former unit of the Nigerian Police Force. The alleged shooting, disputed by authoritiesⁱⁱ, caused widespread angst and sparked the #Endsars protests. On July 8, 2021, in South Africa, riots also erupted. Media reportsⁱⁱⁱ indicated that unrest started in the province of KwaZulu-Natal as former President Jacob Zuma started serving a 15-month prison sentence for contempt of court. Commercial centres, malls, warehouses and other property were ransacked, looted and set ablaze, leaving behind a trail of property damage.

These events are tragic at a human level for the affected communities. However, for purposes of this article, we wish to draw attention to specific issues that are of concern to reinsurers—the increasing risk of civil unrest; the catastrophic nature of the ensuing losses; the high magnitude of uninsured losses; the existence of insurance solutions and finally the role of governments, insurers, reinsurers and other stakeholders in crafting more effective risk transfer solutions for large unrest events and other catastrophic or systemic risks.

A worrying trend: Increasing risk of violence and civil unrest

The last 5-10 years appear to show a worrying trend for reinsurers—an increase in the size and frequency of unrest events. According to the Institute for Economics and Peace^{iv}, major unrest events increased by 251% between 2011 and 2019 (see Figure 1). Indeed, a recent IMF working paper^v posits that Covid-19 could further exacerbate these recent trends (Barrett and Chen, 2021).

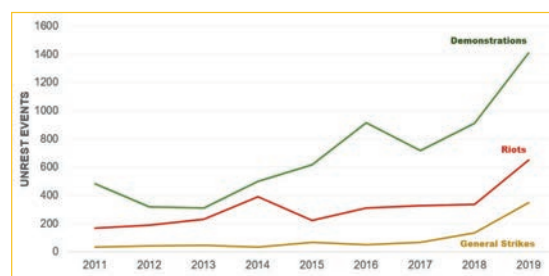


Figure 1: Major civil unrest events globally increased by 251% between 2011 and 2019 (Source: Institute for Economics and Peace)

The 2021 Global Peace Index Report^{vi} highlighted the potential influence of the Covid-19 pandemic in accentuating conditions for civil unrest, noting that, “the full impact of the COVID-19 pandemic on peacefulness is still unfolding. While some forms of violence declined in the short term, growing unease with lockdowns and rising economic uncertainty resulted in civil unrest increasing in 2020. Over 5,000 pandemic-related violent events were recorded between January 2020 and April 2021 (see Figure 2). It is still too early to fully gauge the long-term effects of the pandemic on

peace. However, the changing economic conditions in many nations increases the likelihood of political instability and violent demonstrations.”

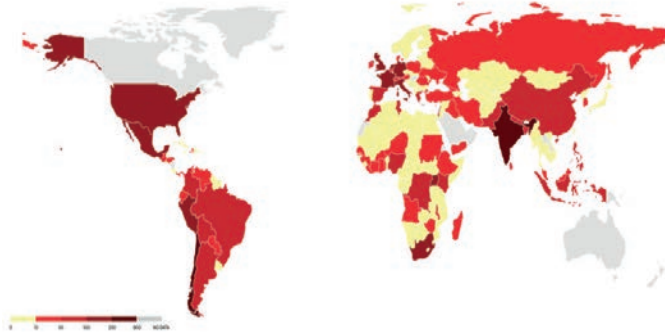


Figure 2: Covid-19 related violent incidents, January 2020 to April 2021 (source: Institute for Economics and Peace (IEP))

In Nigeria^{vii} and South Africa^{viii}, two of the continent's economic powers, Covid-19 negatively impacted the economy in 2020, potentially contributing to an existing underbelly of social discontent^x. Nigeria had a 33.3% unemployment rate as at Q4 2020 according to data from the Nigeria National Bureau of Statistics^x, and the rate is higher among the youth, at 42.5%. In South Africa, the official unemployment rate increased to 34.4% as per the Q2 2021 quarterly labour force survey^{xi} by the government (but the rate is 44.4% per the expanded¹ definition of unemployment). Such a delicate and uncertain environment is fertile ground for civil unrest to break out once there is an unpopular government action or inaction that triggers widespread angst.

The Swiss Re Institute's 2020 SONAR^{xii} report indicated that, "millennials' frustration and distrust in governmental authority could foster social unrest, with possible property damage and other insurance impact." Their 2021^{xiii} report echoed a similar sentiment around rising social inequality and unrest. Clearly, the list of potential triggers is endless and social media is the great amplifier.

Counting the cost: Severe economic loss and impact on communities

In the immediate aftermath of the #Endsars protests in Nigeria, the Lagos Chamber of Commerce and Industry (LCCI) reported^{xiv} that the country lost N700 billion (ca. US\$ 1.7 billion) economic value in the 12 days following the start of the protests. In South Africa, it was reported^{xv} that, "the July 2021 riots in South Africa led to approximately 200 malls and 3,000 shops being



looted, with a further 200 banks and post offices being vandalized. Reports² put the total cost of the riots at around 50 billion rands (3.4 billion US dollars) in terms of lost output." Furthermore, a recent IMF report^{xvi} finds a tight link between unrest and subsequent economic performance, with the impact eating into the GDP performance up to several quarters later.

The Protection Gap: Grappling with the challenge of uninsured losses

Now, let us examine the extent of financial relief and recovery from the losses, in particular through some form of insurance. Africa's aggregate insurance penetration rate in 2019 was only 2.78 percent, compared to the global average insurance penetration rate of 7.2 percent, according to the Africa Insurance Pulse 2020^{xvii}.

In Nigeria, the insurance penetration rate^{xviii} is less than 1%. Insurance companies had, as at 21 October 2021, already paid N9 billion in claims from last year's #EndSARS protests—a figure which could rise to N20 billion, according to the Nigerian Insurers Association (NIA), press reports^{xix} indicate. Compared to the N700 billion economic loss initially estimated by the LCCI, the projected

1. Expanded definition of unemployment includes discouraged work seekers and those having other reasons for not searching (e.g. Lockdown) (source: statssa.gov.za)

2. South African Property Owners Association

N20 billion insured loss represents a mere 2.86%. This percentage is simply too low, especially as significant income lost due to business interruption may not be insured at all; and for insured businesses, that cover may be grossly inadequate. Therefore, the impact on the speed of recovery cannot be overstated.

In South Africa, SASRIA, a special risks insurance company, provides coverage for damage caused by special risks such as politically motivated malicious acts, riots, strikes, terrorism and public disorders. The formation of SASRIA was inspired by the 1976 Soweto uprising. As at 12 October 2021, the company, in a report to its reinsurers, indicated that claims worth 32.75 billion rand (US\$ 2.15 billion) had been reported and 5.59 billion rand had been paid following the July 2021 riots. This is still lower than the 50 billion rand (US\$ 3.4 billion) in lost output initially estimated. It remains to be seen just how much SASRIA will ultimately pay in claims. Fortunately, the protection gap for civil unrest losses appears somewhat mitigated in South Africa, the special risks insurer playing a key role.

Way Forward: The role of (re)insurers, the government and other stakeholders

In sub-Saharan Africa, many insurance companies already sell insurance cover against political violence. Typical perils covered include strike, riots, civil commotion, popular uprising, insurrection, rebellion, military or usurped power, civil war, hostilities, warlike operations and war. The cover is sometimes bundled together with terrorism insurance and war cover may be optional. Traditional insurance classes like property sometimes cover strikes, riots and civil commotion but most exclude or limit war and terrorism aspects. Full protection against these perils is also available in stand-alone political violence and terrorism policies (PVT). Following the Arab spring, some reinsurers revised their risk appetite for some perils in the political violence spectrum, excluding or limiting them, particularly in the affected regions. Others fully exclude certain high risk countries or hot spots. Fortunately, there are some standard political violence policy forms in the market, with varying scope—from global underwriters like AIG, Beazley and Hiscox, among others, and they address the different requirements of all customers.

The challenge today is that far too many individuals, businesses and public enterprises in sub-Saharan Africa are uninsured or under-insured due to lack of awareness of the available private civil unrest insurance policies and the issue of affordability. Further still, the private insurance industry has its own limitations. Low policy uptake means that individual premiums could be too high but overall



policy count too low to pool sufficient funds that can pay for the aggregate ultimate loss, expenses and a margin for profit. However, competitive pressures (price undercutting) oftentimes depress the premium pool even further. Re/insurers ultimately worry about accumulation, adverse selection and the imbalance of premiums collected versus assumed liability. Therefore, they typically impose additional protective limitations on the scope of cover.

To deal with these challenges and eliminate the protection gap, other risk transfer models should be explored. The objective is to lower the cost, increase the financial capacity to pay claims and expand coverage to as many communities and businesses as possible, including government assets. Therefore, the government and other stakeholders should partner with insurers and reinsurers to maximize synergies. For instance, the SASRIA model in South Africa has been a success story, so far. Whereas SASRIA is expected to benefit from a government bailout following the July 2021 riots, the important role it plays to pool risk and insure the public cannot be overstated. This, and other social protection financing models should be studied by other countries in Africa for possible adoption, of course learning from both their successes and challenges. Naturally, a discussion around incentives, subsidies, mandates, securitization, special risk pools and other requirements would follow. In this discussion, reinsurers play a critical role. They provide expertise, catastrophe claims protection and international diversification of the risk, thereby de-localizing the shock effects. Traditional protection structures could be used—for instance the use of stop-loss excess of loss reinsurance to protect direct insurers beyond a pre-defined aggregate loss ratio. Non-indemnity based parametric insurance solutions, using reliable and well-sourced indices, could also be explored to provide additional risk transfer.

Finally, **government, the insurance industry and other stakeholders, together, must devise an effective collaborative framework and policy architecture that deliberately addresses insurance solutions for risks of a catastrophic or systemic nature.**

Ultimately, the optimal solution could be a combination of government and insurance industry risk transfer mechanisms. Africa Re is committed to engaging with all stakeholders to increase awareness that will widen financial inclusion and grow insurance penetration, provide reinsurance capacity, and collaborate on supplementary risk transfer initiatives especially with governments, insurance companies, industry associations, development finance institutions and other stakeholders in the economy.

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Mr. Balise Abel EZO O ENGOLO

Africa Re News:

How is the CIMA zone faring at the time you are taking the reins of power as Secretary General?

**Blaise Abel EZOO ENGOLO
Secretary General**

Thank you for this opportunity to provide you with information on the Inter-African Conference on Insurance Markets (CIMA). CIMA is the result of the desire of the 14 signatory States of the CIMA Treaty signed on 10 July 1992 in Yaounde.

The Treaty followed cooperation agreements in the supervision of insurance companies and operations signed in Paris on 27 July 1962 and 27 November 1973.

The objectives of the Conference are to:

- strengthen cooperation in the area of insurance by establishing an enlarged and integrated insurance market, which creates a satisfactory balance from the technical, economic and financial viewpoints;
- Facilitate the conditions for the development and rehabilitation of insurance companies and

Interview with Blaise Abel EZO' O ENGOLO, Secretary General of CIMA

Interview by **Adogbo A.**

increase premium retention at national and sub-regional levels;

- Promote local investment of technical provisions and mathematical reserves of insurance operations under the best conditions, for the benefit of the countries or the sub-region.
- Pursue the policy of harmonising and unifying the legal and regulatory provisions relating to insurance and reinsurance operations as well as the supervision of reinsurance companies;
- Pursue the policy of training insurance managers and technicians for companies and administrations in Member States.

These objectives are implemented by the specialised bodies set up for this purpose, namely the International Insurance Institute (IIA) and CICA-RE. The Council of Ministers is naturally the governing body of CIMA. The Regional Supervisory Commission (CRCA) is the regulatory body.

The world is indeed moving at full speed towards innovation, with the dematerialisation of many economic activities, particularly services.

Today, CIMA has 179 insurance companies, 112 of which operate in non-life and 67 in life and annuity. The total premium income of the market as at 31 December 2020 was CFA F 1,362.99 billion. It has been growing steadily for more than ten years.



Growth stood at + 4.6% in 2020, compared to 2019. Investments by all companies operating in the CIMA region amounted to CFAF 2 597.29 billion in 2020. These investments comprise 35.0% bank deposits, 45% shares and bonds, and 14.7% real estate assets. Reinsurance balances amounted to CFAF 145.55 billion in 2020. The overall solvency margin per class for insurers is 396.9%. Similarly, provisions are in excess of 123.9%.

CIMA has embarked on a major restructuring project, capacity building and upgrading of all companies in the region. Several important texts were adopted by the highest decision-making bodies concerning the minimum capital level and shareholders' funds; payment of premiums and claims; supervision of reinsurance and microinsurance activities, which resulted in books VI (Guarantee Fund), VII (microinsurance) and VIII (reinsurance) just to name a few.

The outlook of the CIMA insurance market over the next few years is positive, barring any unforeseen major events.

Africa Re News:

The digital revolution is increasingly felt throughout the insurance industry on the continent. How is CIMA riding this wave of change?

Blaise Abel EZOO ENGOLO Secretary General

The world is indeed moving at full speed towards innovation, with the dematerialisation of many economic activities, particularly services. The insurance industry is no exception to this trend. New products and other operators are emerging on the sidelines of conventional systems, and there is also a marked

change in the operating systems of insurance companies. The new methods of distribution via mobile telephony hold great potential and hope particularly microinsurance. Microinsurance, the digital niche par excellence, which aims to satisfy the needs of people excluded from traditional insurance due to their low level of income, could be the engine of the insurance revolution.

However, this is not without risks for users of the financial system as a whole and beyond, and for the economies of our countries. Without the capacity to monitor and control inflows and outflows (premiums collected, claims paid, results recorded, etc.), technological innovation could become a serious threat to the masses using it.

CIMA is working hard to provide a framework for digital insurance, which must be encouraged. It is about introducing regulation that is sufficiently flexible and inclusive of the dynamics, processes, methods and realities of digital insurance. A benchmarking approach could enable us to learn from the successful experiences of other economic areas.

Africa Re News:

How do you assess the impact of Covid-19 on the insurance and reinsurance sector of the CIMA zone?

Blaise Abel EZOO ENGOLO Secretary General

I think it is appropriate to distinguish between the impact on the core business and the indirect impact on the overall insurance sector in the zone.

In the core business, i.e. services related to the direct enforcement of contracts, the impact of Covid-19 has so far been mixed. There is some resilience and even overall growth in premium income for life and non-life

CIMA has embarked on a major restructuring project, capacity building and upgrading of all companies in the region.

Generally speaking, African insurance must undergo a transformation with regard to organisation, functioning and processes.

(+4.8% in 2020 compared to 2019). This resilience could be explained by the principle of the insurance which excludes the coverage of claims related to a pandemic. In fact, once a pandemic is declared, access to insurance benefits is restricted and related claims are generally excluded from contracts.

However, the indirect effects of the pandemic have affected all the sectors of the economy in our zone. These indirect effects are due to the sometimes significant drop in the activities of many insured companies. In the tourism sector, for example, several insured businesses stopped their activities.

Nevertheless, I would like to stress that insurance companies and their associations have made the wise decision to listen to policyholders and to review the exclusive cover clauses of health insurance policies. Regulators have, for their part, encouraged companies to formally put in place business continuity plans to deal with the possibility of disruptions as a result of the pandemic.

Africa Re News:

As the regulator of one of the continent's largest markets, how do you see insurance penetration rates evolving in the economies of your zone?

Blaise Abel EZOO ENGOLO Secretary General

The insurance sector in the sub-region presents, rightly or wrongly, a rather patchy picture to the general public. This state of affairs is due to factors, which are intrinsic to the profession and others which are beyond the control of insurers. Delay in settling claims is not always due to secret tactics by insurance companies, as popular imagination suggests. Very often the insured/victim can be at the origin of payment delays, as well as the other institutions involved in the settlement process (reports, adjusters...).

In any case, the entire CIMA system is mobilised to improve significantly the rate of claims settlement and the quality of service to policyholders. Significant progress has been made in this direction. The General Secretariat will continue its efforts to ensure that commitments, at the heart of the insurance business, are met in time and quantity.

With regard to Communication, better visibility is certainly in the interest of CIMA and the benefit of asserting its positioning among major insurance and financial sector supervisory institutions is undeniable. We believe that the communication strategy should be reviewed and actions should be intensified for the public to have a better knowledge of the insurance sector. This has just been reiterated by the Committee of Experts during the assessment of the new organisation chart of the General Secretariat submitted to the High Council of Ministers for adoption.

Africa Re News:

Total insurance premium for the CIMA zone is estimated at approximately euros. Several analysts believe that this performance is below the real potential. What do you think is responsible for this low amount? And what will your institution do under your leadership to improve the situation?

Blaise Abel EZOO ENGOLO Secretary General

Most sectors have been affected by the pandemic worldwide. The impact is more or less pronounced in the insurance sector. However, as mentioned above, and according to statistics, it is more of a slowdown than a crisis as far as the insurance and reinsurance sector of the CIMA region is concerned. Ignore

The resilience of the insurance sector is largely based on the natural prudential approach of insurers. It is now up to them to use their creativity and reserve potential to further protect themselves. It remains undisputed that insurers are expected to support all businesses and production entities that suffer insured losses.

Generally speaking, African insurance must undergo a transformation with regard to organisation, functioning and processes. It cannot lag behind global benchmarks, disregard quality and transparency constraints or remain on the sidelines of the financial inclusion and dematerialisation train and its requirements.

Africa Re News:

Thank you for your insight, Mr Secretary General.

AfCFTA and the African Insurance Industry

By - African Reinsurance Corporation



Dr Corneille Karekezi - making his presentation at the 25th AIO Reinsurance Forum, Kigali, December 2021

Kofi Annan, a worthy son of Africa and erstwhile UN Secretary-General, once wrote: **“From terrorism to poverty, drugs and crime, disease to trade, no State can settle matter alone”**.

This visionary statement of Kofi Annan sounds like a reminder of our duty in the ongoing African Continental Free Trade Area (AfCFTA) agenda. A project that aims at synthesizing the strengths in various sectors of the African economy for an optimal value to our continent. Africa Re, as a pan-African organization, with the mission to promote the insurance industry in the continent, is seizing this opportunity of AfCFTA to advance its vision and mission which it embarked on more than 45 years ago. This is done sometimes through the platform of the African Insurance Organisation (AIO) and also directly with the insurance and reinsurance communities.

The AfCFTA was formally operationalized on 1 January 2021 with the agreement covering the protocols on trade in goods and services as well as a protocol on rules and procedures for the settlement of disputes. The different sectors of the African economy have been

coming together to evaluate its potential and define the roadmap for implementation to unlock the intended benefits and ultimate value.

The insurance sector is not an exemption as reflected in the theme of the AIO's 25th African Reinsurance Forum (ARF) titled **“Insurance Integration in Africa in the context of the AfCFTA”** held in Kigali (Rwanda) from 27 November 2021 to 1 December 2021. The journey of AfCFTA will have organizational and industry dimensions. While the organizational dimension will reflect in our strategic approach, the industry dimension to enable our organizational dimension needs a collaborative effort. This was the focus of the paper presented by **Dr. Corneille Karekezi** (Group Managing Director / Chief Executive Officer of Africa Re) titled **“The African Reinsurance Industry: Landscape, Trends, and the Possible Integration under the AfCFTA”**.

Based on available statistics, the African insurance industry is relatively small in size with a non-life insurance market size of US\$ 22.63 billion for which South Africa accounts for almost 50% due to the numerous teething challenges ranging from government policies to our cultural orientation and socio-economic development levels. This has culminated in a very low insurance penetration rate. This is further compounded by the limited underwriting capacity, inexperienced human capital, increased market protection and fragmented digitalization initiatives.

Whilst the AfCFTA is promising for the insurance industry, we need to begin finding collaborative solutions to these industry challenges as we begin to look inward. This ensures that the industry is well-positioned to benefit from the regional initiative effort of AfCFTA.



Africa Re Stand at 2021 AIO Conference in Lagos -Kolade Dawodu discussing with business partners at the AIO conference in Nigeria

There have been some industry efforts to explore cross-border or regional integration in the past. For this paper, the focus will be on the ECOWAS Brown Card, CIMA Zone and Africa Re as product-based, regional and continental initiatives respectively.

The ECOWAS Brown Card explored the use of a cross-border insurance product to guarantee victims of road accidents a prompt and fair compensation for damages caused by non-resident motorists from member-states visiting their territory. It has however been difficult to implement due to poor recognition and respect for the agreement, delay in claims settlement, inadequate funding of the bureau, low public awareness and education and potential fraud, reconciliation and settlement challenges.

The CIMA Zone focused on the harmonization of insurance regulations for mainly francophone countries in sub-Saharan Africa covering policies such as minimum capital requirements and domestication policies. It has also facilitated the placement of risks across those countries.

On its part, Africa Re, was also set up to support intra-Africa trade in alignment with its mission especially to "... support African economic development" having 42 African member-states, 113 African (re) insurance companies, the African Development Bank and 3 International Insurance Groups in its shareholding. With a shareholders fund of US\$ 1.017 billion and dividend per share of US\$ 8.80 in 2020 complemented by its strong financial strength and credit rating from AM Best and Standard & Poor's with a ranking among the Top 40 Global Reinsurance

Groups, the continental initiative has been a resounding success that competes favourably with international players.

Africa Re's experience in the insurance industry shows that the success of AfCFTA for (re)insurers relies heavily on flexibility, collaboration, professionalism and digitization. The AfCFTA as a Free Trade Area is the lowest form of regional integration compared with the Customs Union, Common Market, Economic Union and Political Union. This means that its key drivers of success will be policy direction and operational efficiency. Africa Re is taking a cue from the AfCFTA Secretariat that is collaborating with the Afreximbank on a digitization initiative to build a robust financial market infrastructure to enable cross-border payments in local currencies across different markets on the continent through the PAPSS (Pan-African Payment and Settlement System) that was commercially launched on 13 January 2022. It has been estimated that its full implementation will save the continent more than US\$ 5 billion in payment transaction costs annually.

Africa Re is also leading the (re)insurance industry on a digitization journey through the African Reinsurance and Insurance Blockchain Initiative (ARIBI) to ease some of the pains of the market. The pains cover rising frictional costs, increasing operational inefficiencies and increasing moral hazards. In the project which started at the 46th AIO Annual General Assembly in Johannesburg (South Africa), the African Reinsurance Association (ARA) and its members will continue to explore and exploit the potential of blockchain technology. In particular, its underlying distributed ledger technology has demonstrated that blockchain



Oluseye Olakanmi of Africa Re during the presentation of ARIBI project at the 25th Reinsurance Forum in Kigali, Rwanda, 30 November 2021



“AIO Executive Committee, CEOs and MDs at the Africa Re sponsored closing gala of the 25th African Reinsurance Forum in Kigali”

significantly enhances contract certainty and transparency across the entire value chain from the risk origination to the ultimate risk carrier, the reinsurer or even the capital market. As such it provides access to data and analytics, reduces cost, eliminates fraud and strengthens the reliability of the overall system. There is a continuous engagement with the industry and this is believed to be a strong digital backbone that can facilitate the goals of the AfCFTA. At the moment, a preferred engagement model is being discussed and necessary governance structures will be in place as soon as this is done in 2022.

In conclusion, to demonstrate our commitment to the goals of AfCFTA, an industry action plan must be collaboratively developed through a working group of the different stakeholders in the insurance industry especially the (re)insurers, intermediaries, specialists (actuaries, loss adjusters and more) and government representatives (regulators). Some stakeholders are of the view that we explore creating a continental-level industry regulator who is nominated from existing regulators for ease of oversight on a rotational basis as done in Europe and other similar interest groups like

OPEC (Organization of Petroleum Exporting Countries). Others are of the view that we expand existing continental initiatives like Africa Re or regional initiatives like the CIMA Zone. The AfCFTA will need bigger players to drive its ambitions.

Irrespective of the decision, time is of the essence. Like Kofi Annan rightly said, “...but even while we wait for the political vision to catch up with the scale of today’s challenge, we have vital work to do right now”. The industry needs to move from talking to doing as we play a key role in the facilitation of trade and inclusive growth on the continent. This will also create an opportunity to engage with other sectors in defining the future we desire. For example, a partnership with Afreximbank on its PAPSS platform for a payment infrastructure is an opportunity to explore as an enabler. A key sweetener will be for the African (re) insurance market to have a risk exchange infrastructure using the distributed ledger aligned ARIBI platform with all its intended benefits. To guarantee its enforcement, flexible and decentralized prudential supervision is necessary as “Africa is not a country”.

Africa Re Young Insurance Professional Programme

By - Human Resource Department

Started in October 2018, Africa Re's Young Insurance Professional Programme (YIPP) has trained over 2,000 young insurance professionals so far.

YIPP is a free online training programme offered by Africa Re which aims at contributing to the development of the human capital of the African insurance industry. This is in line with the Corporation's mission of fostering the development of the African insurance and reinsurance industry.

The programme is made of 13 modules covering different areas of the insurance business : basic to advanced insurance and reinsurance; basic to advanced technical accounting in insurance and reinsurance; fire; marine insurance and reinsurance (cargo / hull), claims management; basic to advanced liability insurance and reinsurance; leadership and management, etc

The YIPP trainees, from the on-going 3rd cohort, come from 43 African countries with 57% males and 43% females. In recognition and reward for outstanding performances, Africa Re also sponsors the participation of the best ten (10) trainees of each cohort in one of the major African insurance events such as AIO OESAI, WAICA, FANAF, GAIF, etc.

The 3rd cohort of YIPP will round up in January 2022 while the invitation for applications from qualified candidates for the 4th cohort has commenced since 15 November 2021. The application process closes on 15 January 2022 and the 4th cohort is expected to start in April 2022 with 1000 enrollees.



-YIPP



Gebreamlak Noh, best trainee of Africa Re YIPP programme with GMD CEO Dr Corneille Karekezi in Kagali, Rwanda, during the 25th AIO Reinsurance Forum



Mr Gebreamlak Noh (middle) with Africa Re executives at the recent 25th AIO Reinsurance Forum in Kigali,,Rwanda

Africa Re Pays Tribute to its Pioneer Deputy Managing Director, Mr. Kabisi Milanga Baudoin (1939 - 2021)

By Corporate Communications Unit

The African Reinsurance Corporation is deeply saddened to inform you that its pioneer Deputy Managing Director, Mr. Kabisi Milanga passed away in June 2021 at the ripe age of 81 years.

Mr. Kabisi Milanga Baudoin, a native of the Democratic Republic of Congo (the then Zaïre) was the second in command in the first management team that took up the heroic responsibility of translating the dream of a pan African reinsurance into reality.

Together with Sir Edward Mensah of Ghana, Mr. Kabisi Milanga formed the first management team of Africa Re from 1976 to 1985, a period in the history of the Corporation that was marked by open hostilities from the foreign insurers, lack of skilled man power in the continent and financial challenges due to weak African economies and volatility of their currencies against the US dollar.

The **"Prince" of insurance** as he was remembered, Mr. Kabisi Milanga Baudoin was a complete insurance professional who enjoyed the respect of his peers. Even western reinsurers were full of praise for him. Before he joined Africa Re, he was the Managing Director of SONAS, the biggest and most powerful insurance company in the francophone world in the 1970s. He sacrificed such a promising career in order to embark on a journey into the unknown which led to the establishment of Africa Re. All this for the love of his continent, Africa.



Prior to his passing away, he was the Chairman of the Congolese insurance regulatory body, ARCA.

"A man of class" as he was remembered by his collaborators, Mr. Kabisi Milanga Baudoin carried out his pan -African mission with all the care and diplomacy needed to project the good image of the institution he represented, Africa Re.

"I can affirm that, after his visit, he left the Moroccan authorities with the image of the ambassador of a reputable institution, which greatly helped my mission for the next six years" remembered Mr. Bene Lawson, the first Regional Director of Africa Re in Casablanca.

He played this role of good ambassador even after he left Africa Re many decades ago.

"Mr. Kabisi Milanga was a good ambassador for Africa Re after he left the company. He was so happy to be associated with the 40th anniversary of the Corporation in Kigali and had continued to work for the recognition of Africa Re in his country, Congo, and in Africa until we lost him", remembered M. Ken Aghoghovbia, Deputy Managing Director/ Chief Operating Officer of Africa Re and former collaborator of the late leader.

The entire Africa Re family is paying a deserved tribute to a leader who had greatly contributed in laying the solid foundation on which Africa Re is building on today. We are paying this tribute for the personal sacrifice

he made and the legacy of hard work, selflessness and passion for excellence which continue to be the referential values in the Corporation till date.

A disciplined leader of a royal family, Mr. Kabisi was a man of his words. A straight forward man who will not trade his conviction and belief for anything. History in Africa Re had it that Mr. Kabisi Milanga surprised the Board of Directors in Gabon in 1983, when he courageously resigned his appointment in the middle of a board meeting in a disagreement with some board directors and he was called back the next day by the General Assembly of the shareholders to keep his position.

Prince Kabisi Milanga also applied the inherited royal leadership skills in his career. He was known to be a listener, the one who considered staff as the most valuable assets of the Corporation. **“Mr. Kabisi was staff friendly and listened a lot”** remembered Mr. Mosadi Oluwa a member of Staff of Africa Re.

Mr. Kabisi Milanga Baudoin is often remembered as a man whose mere look is enough for anybody to get the pan African message he stood for.

“A typical francophone gentleman, dressed in his Congolese “abacost” with cap, he makes a huge impression of the conservative professional of the insurance of those days” remembered Mr. Eyessus Zafu, the immediate Managing Director after Edward Mensah/Kabisi Milanga’s team.

“He never wore any western dress. He was throughout in his “Congolese “abacost” remembered his Secretary Sola Olaya.

“The man, impeccably dressed in his “abacost” official attire obligatory in Zaïre at the time, received me with simplicity and elegance. I still keep the letter signed by his hand, in green ink, which offered me a job of underwriter at Africa Re from January 2, 1980.”



Mr Kabisi Baudoin P. Y. M. standing extreme right -Africa Re pays tribute

remembered Bene Lawson., erstwhile Regional Director and Board member of Africa Re.

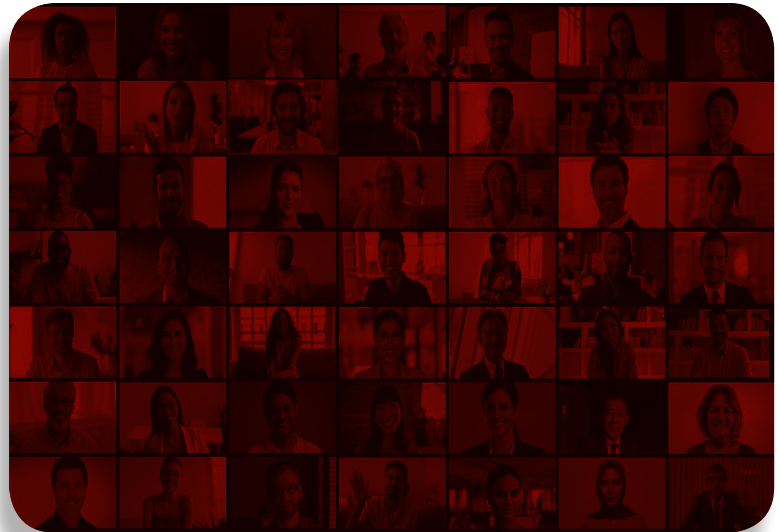
Commenting on his passing away, the Group Managing Director of Africa Re, Dr. Corneille Karekezi said **“I would like to tell the bereaved family of Mr. Kabisi, and the entire insurance industry of the Democratic Republic of Congo, that Africa Re has also lost one of its emeritus founding leaders who will be remembered forever by all the generations of Africa Re Management and staff as an impeccable gentleman and outstanding professional”.**

“It always seems impossible until it’s done” said Nelson Mandela. This is indeed true in the case of Africa Re. The pioneer leaders like Mr. Kabisi Milanga didn’t believe in the apparent impossibility. They took up the risk. And here we are today, 45 years later, celebrating the fruit of their courageous act, Africa Re, the No.1 pan -African Reinsurer and 45th reinsurer globally, with the largest premium income and the highest financial and credit rating (AM Best & S&P) in Africa and the Middle East.

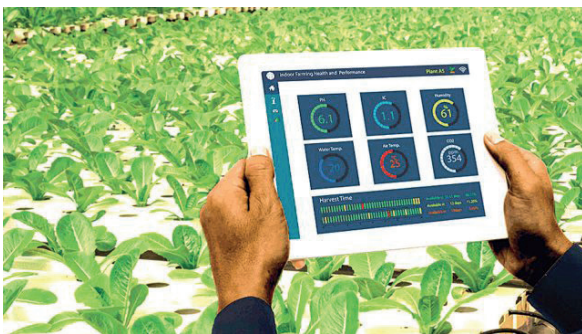
Adieu Mr. Kabisi Milanga Baudoin, your good deeds in Africa Re will continue to linger in our mind for generations to come and your legacy will live forever.



by **Abdelghani Rehal**,
Assistant Director Underwriting and
Marketing , North East Africa



Webinar on Reinsurance Pricing, Nat Cat Assessment and Agriculture Insurance for North –East Africa and Middle East: 3 - 6 October 2021



Pursuant to one of the main objectives of Africa Re which is to assist the development of human capacity in the insurance industry in Africa, an online reinsurance seminar was held for the benefit of the Egyptian, Sudanese and Middle East insurance markets.

It was directed at the intermediate to senior categories of staff.

The four-day seminar was planned, agreed, and executed by the Cairo Regional Office.

The seminar took place from the 3 to 6 October 2021 and was opened by the Regional Director (Mr. Gamal Sakr) who welcomed the attendees and presented the main facts about Africa Re.

Several presentations were conducted by Mr. Yousif Gamma and Mr. Saad Zaghoul (Proportional Reinsurance), Mr. Abdelghani Rehal (Non-Proportional Reinsurance clauses and pricing), a Willis Re team (Nat Cat assessment and pricing) and Erastus OCHIENG (Agriculture insurance).

The 83 participants were from 24 companies in different countries: Egypt, Jordan, Kuwait, Oman, Saudi Arabia, Sudan, Turkey, and United Arab Emirates.

The seminar ended with attendees expressing satisfaction and gratitude to Africa Re for this training initiative and the promise to organize future seminars for the clients.



by **Holy Andriambololona**,
Assistant Director , Underwriting and
Marketing)



Webinar on **Agricultural Insurance** in Madagascar: 24 - 26 November 2021



Denis Chemillier-Gendreau,
facilitator



Edouard Trouillet,
facilitator

The African Reinsurance Corporation (Africa Re) through its Mauritius Regional Office, organised a webinar on agricultural insurance from 24 to 26 November 2021 for the Malagasy market.

Following the introduction of a new insurance code authorizing the sale of index insurance products, the webinar came at the right time. It provided an opportunity for rich exchanges on the analysis of climatic and agronomic issues for the region, on the role of the States in promoting agricultural insurance and on the conditions for the success of agricultural insurance. It also provided an opportunity to zoom in on some of the agricultural insurance systems in place in other African countries and to discuss the modalities and parameters for developing agricultural insurance in Madagascar.

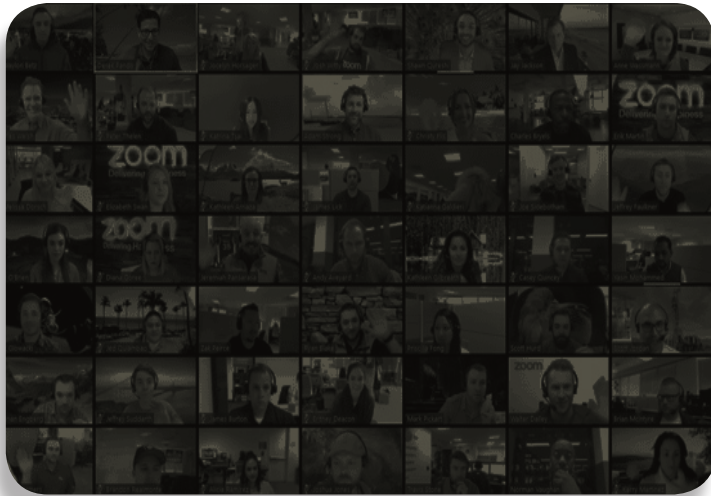


IFC, Madagascar partner to develop insurance to protect smallholder farmers from risks

The webinar was moderated by experts from the Finactu Group, in particular Mr Denis CHEMILLIER-GENDREAU (President and Founder) and Mr Edouard TROUILLET (Consultant).

74 participants registered for the webinar, with 85% from Madagascar. However, insurance professionals from Comoros, Mauritius, Seychelles, Morocco and Congo also attended the training.

On the Malagasy market, there were participants not only from local insurance companies, brokers and general insurance agents, but also from the authorities via a delegation from the General Directorate of the Treasury (the sector's supervisory authority) and the Banking and Finance Supervision Commission (the sector's regulatory body).



The general feedback received from the participants during and after the seminar indicated that the topics were relevant, interesting and very well delivered as was gauged by the good turnaround attendance of participants throughout the three days webinar. However, many agreed to more time allocation for the subject in the future.



Engineering Insurance: 10 -12 May 2021



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

Engineering Insurance - CAR (Ethiopia): 4 November 2021

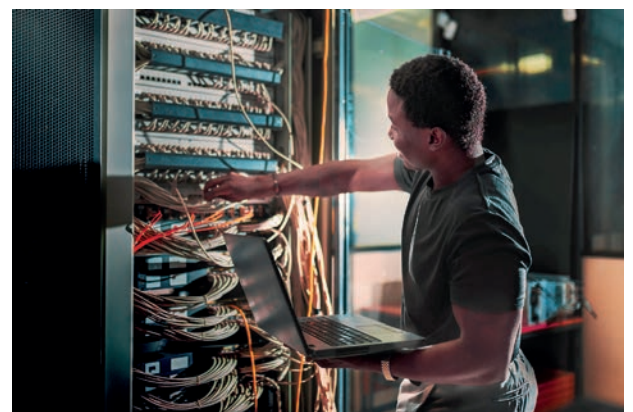
by **Mr Mesfin Abebe**,

On 4 November 2021, Africa Re delivered a successful Engineering insurance training focusing on CAR to Ethiopian Roads Authority (ERA) Executives and Engineers in Addis Ababa. The training was organized by the Association of Ethiopian Insurers (AEI).



There were more than 80 participants in attendance across various work categories mainly Directors, Team Leaders, Lead Experts, Senior Experts, Senior Engineers and Lawyers. The training was very interactive and fruitful and expected to narrow the gaps of interpretations and understanding of the CAR cover. Participants also gave very encouraging feedback on the quality and scope of the training and showed interest for more engagements on the topic to further increase awareness.

The Webinar was designed for Technical/Operation/Underwriting/Reinsurance Managers, who have a minimum of 3 -5 years' experience. The purpose was to equip, improve, and refresh the participants on technical skills and knowledge in underwriting in Engineering Insurance. We closed the registration with 874 participants who showed interest to be part of the webinar. Per the registration, the Engineering Insurance webinar attracted participants from across our continent (32 counties) and beyond (7 countries) but dominantly from East African countries; Kenya, Tanzania, Ethiopia & Zambia to mention countries with more than 100 registered participants.



Construction Project Insurance and Defect Liability: 12 - 16 July 2021



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



The topic was stimulating and mobilizing looking at the high demands in construction insurance based on ongoing number of projects across the continent. A total of 383 participants in average against a planned target of 300. The seminar saw delegates from across the continent but dominantly from East African Countries (Ethiopia, Zambia, Kenya, Tanzania, & Uganda).



Property Insurance Underwriting: 22 - 24 September 2021

by **Hassane Assoumana**,

The training proved to be very popular and interesting with a total of 349 participants in average against a planned target of 300.. The seminar saw delegates from across the continent but dominantly from East African Countries (Ethiopia, Zambia, Kenya, Tanzania, & Uganda). The general feedback received from the participants during and after the seminar indicated that the topic was relevant, interesting and very well delivered as was gauged by the impressive attendance. The participants thought that more time should have been allocated to the topic showing the great interest.

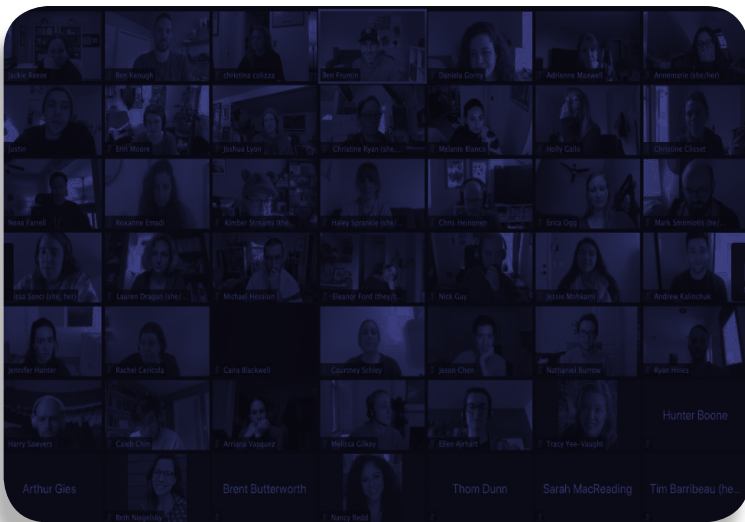
Aviation: 7 - 9 June 2021



by **Mr Hasina Andriatsimisetra**,
Manager Underwriting



This webinar presented the key underwriting factors of the aviation insurance class. It also gave an overview of main market trends, the African aviation pool managed by Africa Re, an overview of aviation coverage, aviation underwriting, risk assessment and rating. Registration closed with 791 participants, though the participation rate was about 50% i.e., about 400 present. The two sessions attracted Insurance Professionals from many countries across our continent (30 counties) and beyond (44 countries). However, about 270 of the total participants came from Kenya being a leading aviation market in East Africa and in Africa in general.



Political Violence and Terrorism: 24 May 2021

By Mr Aggrey Mwesigwa,



Mr Craig Curtiss,
Facilitator

PVT presentation focused on the types of cover present in the international market (Lloyds), wording analysis, pricing and risk assessment, claims management and current market trends. Registration closed with 1,096 participants who showed interest to be part of the webinar, though the participation rate was exactly: 665 present on the first day (PVT) and 509 present on the second day (PVT). The two sessions attracted Insurance Professionals from many countries across our continent (36 countries) and beyond (42 countries) but dominantly from East African countries.

Liability Insurance (emphasis on PI) 24 May 2021



By Mr Aggrey Mwesigwa,
Senior Manager Underwriting-
Headquarters -Lagos

The liability presentation covered key aspects of tort liability and insurance from definitions of key concepts such as negligence, tort, duty of care, compensation ... to discussing insurance Professional Indemnity covers, exclusions, conditions, and pricing ... etc.



Abidjan Regional Office



Charly Benga,
Assistant Director
, Underwriting and
Marketing)

Webinar on Underwriting Energy Construction Risks - Francophone West and Central Africa: 18 - 21 May 2021

The Abidjan Regional Office organized a webinar for Technical Managers and Underwriters on the theme:

Underwriting Energy Construction Risks.

The following topics were discussed: risk analysis, pricing and underwriting in the field of both Renewable Energy (Solar,

Hydro) and Non-Renewable Energy (Steam Power Plants, Gas, Diesel).

The sessions took place over four (4) days with approximately two (2) hours per day. The seminar was attended by an average of 95 participants from 13 countries.



Young Insurance Professional Program - **YIPP**

Training the
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Professionals
of Tomorrow.



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