



REINSURANCE EXCELLENCE
WITHIN YOUR REACH

BUILDING **AFRICA'S** RISK ARCHITECTURE

Special 50th Anniversary Edition of
The African Reinsurer

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EDITORIAL

On 26 February 1976, plenipotentiaries from 36 Member States of the Organization of African Unity met in Yaounde, Cameroon, to sign the Agreement establishing the African Reinsurance Corporation (Africa Re) following a recommendation of the African Development Bank. Fifty years have passed since the birth of this great idea. This golden anniversary is an opportunity to reflect on the Corporation's journey and achievements and strengthen its foundations for a more demanding future.

The river has run its course under the bridge. The baby born in Yaounde, to the great satisfaction of the founding fathers, soon faced serious difficulties, not least of which was stiff competition and sometimes hostility from foreign reinsurance companies that dominated the insurance and reinsurance landscape in Africa. The Corporation had to contend with numerous serious challenges, and at one point, many feared it might not survive.

However, Africa Re managed to navigate these troubled waters with remarkable resilience and innovation, becoming the leading reinsurance company in Africa and the Middle East and one of the strongest in the Southern Hemisphere. This resilience stems from the dedication, professionalism and selflessness of its Management, Board and Staff. The collective commitment of these distinguished sons and daughters of Africa has shaped the Corporation into one of the continent's major post independence success stories.

Africa Re has undergone a successful transformation, even a metamorphosis, by effectively leveraging its initial capital and increasing it, mostly from generated earnings, as needed to meet market demands. It has also engaged insurance professionals across the continent, trained them to be on par with top international experts, submitted to international financial ratings very early, and adopted global best-practice governance standards, including at the Board level.



In no small way, the Corporation has helped shape the market so it can respond to emerging industry challenges. Africa Re is also, and above all, a major reinsurance group established across the African continent, with operations extending to the Middle East and Latin America through its commercial network comprising six regional offices, two wholly owned subsidiaries, four local/contact offices, and two underwriting offices.

Africa Re's business model confirms that it is a sound and robust institution with a full A financial strength and credit rating from AM Best and Standard & Poor's. This journey of success is expected to be sustained, given its strengths and a clear vision for the future trajectory.

This special edition of the African Reinsurer, presented as a dossier, walks readers through this exciting journey, highlighting significant shifts in priorities, achievements, and challenges; the impact on the market and an agenda for a viable insurance industry that would continue to act as a catalyst for Africa's socio-economic development.

The African Reinsurer would play a major role in actualizing this dream while it continues to serve as a veritable marketing instrument.

We thank the Board, Management, Staff and our business partners for contributing to the success story of Africa Re.

We say

"Happy 50th Anniversary to the African Reinsurance Corporation."

Wishing everyone a memorable golden anniversary celebration.

INTRODUCTION

When the African Reinsurance Corporation was established in 1976, it emerged from a clear and urgent need. African insurance markets were then structurally dependent on offshore capacity. Foreign exchange was routinely drained through outward reinsurance placements, and local technical expertise was limited. The risk was African, but the control over risk transfer was not.

The need thus arose for a continental institution, collectively owned by African states and insurers, with a developmental mandate that extended beyond balance sheets. Its purpose was to retain value, build technical capacity, and support the emergence of a confident, self-sustaining African insurance and reinsurance market. Africa Re was conceived as a deliberate intervention to drive this agenda.

Fifty years on, this is an opportunity not only to commemorate longevity, but also to reflect on influence.

This special edition is a curated intellectual retrospective examination that traces how Africa Re has shaped, and been shaped by, the evolution of African risk thinking. The Corporation has played a central role in framing debates on retention, capital adequacy, governance, catastrophe risk, climate resilience, and financial inclusion. This has been achieved through its underwriting practices, engagement with regulators and markets, as well as through *The African Reinsurer*.

The articles referenced in this dossier, drawn from forty years of publication of *The African Reinsurer*, capture the shifting priorities, challenges and ambitions of African insurance markets. This dossier commemorates Africa Re's vision, its huge ambition and operation in an environment dominated by international players. It is narrated through a reflective analysis of how Africa Re's journey has intersected with the development of African risk architecture, echoed in the depth of insight and knowledge shared over the years.

This dossier reveals a powerful journey from survival and capacity building, through expansion and credibility, to Africa Re's current position as a core component of the continent's financial and risk architecture.



The risk was African, but control over risk transfer was not... Africa Re was conceived as a continental institution designed to help Africa shape its own risk destiny.



As Africa continues to advance while confronting increasingly complex and systemic risks, ranging from climate volatility and pandemics to digital disruption and macroeconomic instability, the importance of robust, African-rooted reinsurance institutions has never been greater. Africa Re's first fifty years demonstrate what is possible for home grown institutions when capital, technical knowledge and collective intent converge. The next fifty will test how that legacy is carried forward.

From the Archives

Special Edition of the African Reinsurer, 2022

The success story

The narrative acknowledges the impressive growth of Africa Re, despite the challenges, and notes as follows: "From a humble beginning to a pan-African institution, in just 46 years of existence, Africa Re, a signature initiative of Africa, remains a beacon of hope, a veritable pillar and inspiration in the African insurance industry. It is expected that, with the significant market support, a growing financial capacity, technical and management expertise, the Corporation would continue to provide the desired leadership in the collective pursuit of the development of the insurance industry and the socio-economic progress of the continent."

FOUNDATIONS

WHY AFRICA RE EXISTS

Africa's Original Risk Gap

At independence, many African countries inherited insurance markets that were outward-looking, fragmented, and thinly capitalised. Large risks such as energy, aviation and marine were routinely ceded to overseas reinsurers, limiting domestic retention and reinforcing dependence on foreign expertise. This structure constrained the development of local underwriting capacity and contributed to persistent foreign exchange pressures.

The challenge faced by local entities was not merely one of capital, but of confidence and competence. Without shared institutions capable of aggregating risk, building data, and disseminating technical knowledge, African insurers continued to struggle to participate meaningfully in their own risk ecosystems.

Africa Re as a Deliberate Continental Response

Africa Re was established in Yaounde Cameroon in February 1976 as a collective response to these constraints. By bringing together 36 member states of the Organisation of African Unity (now the African Union), and the African Development Bank as shareholders, the new Corporation was mandated to support retention, strengthen local markets and contribute to broader economic development. From its earliest operations in Accra and later Lagos, Africa Re was designed as a pan-African institution; writing business across borders in an environment marked by political instability, currency volatility and limited actuarial data.

Very quickly, it became clear that capital alone would not be sufficient to achieve Africa Re's objectives. Technical capability, shared learning and institutional memory were equally critical. This recognition shaped Africa Re's dual role: as a reinsurer providing capacity, and as a knowledge hub supporting market development.

Knowledge as Infrastructure: The African Reinsurer

This intellectual ambition was formalised by the launch of The African Reinsurer magazine in 1987, ten years after the Corporation had been in existence. Conceived as a platform for technical exchange, debate and documentation, the publication has since become a unique archive of African insurance thought and a teaching tool for professionals across the continent. Its articles – authored over the years by subject matter experts, staff, regulators and academics – reflect the continent's evolving engagement with underwriting discipline, capital management, governance, technology and emerging risks.

Rather than serving only as a marketing instrument, the publication has functioned as a technical resource: recording lessons learned, highlighting structural constraints, and proposing context-specific solutions. Over time, it has helped build a shared professional language across markets with different legal traditions, currencies and regulatory regimes.

Framing the Journey Ahead

This foundational context sets the stage for the evolution that follows. Africa Re's journey spans three distinct eras of evolution to its present integral position in Africa's risk management framework. The sections that follow trace this progression, drawing selectively from The African Reinsurer's archives to illustrate how technical thinking matured alongside institutional strength, and how Africa Re increasingly moved from responding to market realities to actively influencing them.

From the Archives

Capital Transfer by Reinsurance

Eyessus W. Zafu, 1987

In the very first article of The African Reinsurer, the then General Manager and Chief Executive of Africa Re, Eyessus W. Zafu, articulated the Corporation's founding rationale and the collective imperative for Africa to rise together. He emphasised the urgent need to maximise premium retention, strengthen capital outlays, and foster unity among African insurers and reinsurers. The article framed reinsurance not merely as a risk transfer mechanism, but as a strategic tool for capital formation and economic development – a theme that has continued to run in various editions over the years.



THREE ERAS SHAPED AFRICA RE

From Survival to Systemic Importance

The three phases of evolution over five decades illustrate a shift in emphasis over time, reflecting how the Corporation responded to changing market conditions, internal maturity, and the growing complexity of African risk.

Across these eras, Africa Re progressed from institutional survival to capital deepening and credibility, and ultimately to its current role as a central pillar in Africa's risk architecture.

ERA I

Survival and Capacity Building (1976–mid-1990s)

Theme: Resilience in the Face of Adversity, Laying the Groundwork for Africa's Reinsurance Future

Africa Re's early years were shaped by scarcity. Insurance markets across much of Africa were under-capitalised, technically thin, and exposed to volatile macroeconomic conditions. Foreign exchange shortages, exchange controls, political instability and limited actuarial data constrained underwriting discipline and profitability.



At that time, there were almost zero insurance professionals and a virtually non-existent reinsurance industry in Africa.

Dr Corneille Karekezi,
Africa Re @40 book



In this environment, Africa Re's immediate challenge was institutional survival. Compulsory cessions from member states formed the backbone of the portfolio and provided a foundational flow of business at a time when confidence in regional reinsurers was limited. These cessions were not merely commercial instruments; they were confidence-building mechanisms that enabled Africa Re to assemble a diversified continental portfolio.

Macroeconomic pressures continued to exacerbate the operating environment: many African economies at the time were undergoing structural adjustment plans instituted by the International Monetary Fund (IMF) and World Bank through their Structural Adjustment Programs (SAPs)¹. Foreign exchange volatility posed one of the most persistent threats to the industry as many currencies were subject to administrative controls and sharp devaluations.

Africa Re responded pragmatically, renegotiating treaties for the first time in 1986 to allow business to be recorded in original currencies. This was a significant step that reduced exchange losses for local entities and improved transparency for cedants. Africa Re assumed this risk on behalf of the industry, clearing another obstacle for local players.

From the Archives

Macroeconomics and Insurance Markets

The Second Tier Foreign Exchange Market (SFEM) and its Effects on Property Classes of Insurance, Ephraim Bichetero, 1987

Bichetero's article offered a compelling analysis of Nigeria's SFEM system as a tool for managing scarce foreign exchange. He underscored its implications for the insurance sector – drawing comparative insights from Zambia.

Foreign Exchange Problems Facing the Professional Reinsurer in Africa, F.K. Lule, 1989

Lule demonstrated the severe constraints imposed by exchange controls and proposed remedies to administrative delays that hindered effective solutions – issues that remain relevant today as economies grapple with sovereign debt.

The Impact of Structural Adjustment Policies on Insurance Premiums in the Third World Countries, Raymond Ibata, 1989

Ibata addressed a closely related theme, underscoring the far-reaching effects of economic reforms on the insurance sector.

At the same time, Africa Re recognised that capital without competence would not deliver sustainability. Early emphasis was placed on building underwriting discipline, establishing cedant relationships, and gradually introducing more structured risk selection practices. Analytical tools were rudimentary by modern standards, but the foundations of risk culture were laid. The Corporation worked closely with emerging local insurers to identify gaps, strengthen technical capabilities, and pool risks. Over time, Africa Re's commitment to competence contributed to the creation of a more sophisticated and resilient insurance sector in Africa, capable of responding to evolving market dynamics and supporting the region's broader economic aspirations.

From the Archives

Manpower Resources in the African Insurance Industry Adejeji Lufadeju, 1987

Lufadeju's article confronted the acute shortage of technically trained insurance professionals across African markets. He identified gaps in underwriting, actuarial science and management, while commending emerging initiatives aimed at skills development. The piece underscored a recurring theme in Africa Re's early years: that capacity building was not peripheral to market development, it was central to it.

¹ Structural Adjustments in Sub-Saharan Africa, Saleh M. Nsuli, IMF eLibrary

Cooperation as a Survival Strategy: Pools and Shared Capacity

Recognising the structural limitations faced by individual markets, Africa Re played a key role in promoting cooperative risk-sharing mechanisms. Acting on mandates from the African Insurance Organisation, the Corporation assumed responsibility for managing African insurance pools, most notably in aviation and other specialised risks.

Pools offered a practical solution in an environment characterised by limited capital, foreign exchange constraints and shortage of specialised underwriting expertise. By aggregating risk and coordinating participation, pools enabled African insurers to access classes of business that would otherwise have remained entirely offshore.

Despite the limited resources and evolving governance structures, the Corporation emerged from its first two decades with essential assets: a continental network of cedants, a culture of technical prudence, and a growing recognition that reinsurance could actively support rather than merely mirror Africa’s development ambitions.

From the Archives

Pooling Structures and Risk Retention

The African Aviation Pool: Rationale and Experience William Olotch, 1988

Cooperation as a Tool for Capacity Retention Y. Lijadu, 1989

Drawing on Africa Re’s experience in managing the African Aviation Pool, these articles analysed the rationale for pooling arrangements and highlighted the importance of dedicated governance and operational focus. They reinforced the view that cooperation, when properly structured, could serve as an effective mechanism for retention and technical participation.

ERA II

Expansion and Credibility (mid-1990s–2010s)

Theme: Capital Deepening, Competition and International Validation

Capital and Geographic expansion

The mid-1990s marked a decisive shift. Globalisation, financial liberalisation and increased competition reshaped insurance and reinsurance markets worldwide, including in Africa. For Africa Re, this period was defined by deliberate capital strengthening, geographic expansion and engagement with global standards.

Successive capital increases transformed the Corporation’s financial base. The Corporation also broadened its shareholder composition to include African insurers and development finance institutions. By 2007, the shareholders’ equity had risen to USD 231 million, up from the original USD 10 million subscribed capital in 1976, significantly enhancing underwriting capacity and resilience.

Geographic decentralisation supported this growth. Africa Re recognised the importance of regional expansion, and the benefits of proximity to markets. The Corporation began opening branches in multiple countries across the continent. By the end of 1995, it had a foothold in 5 countries (Nigeria, Morocco, Kenya, Cote d’Ivoire, South Africa); with offices established later in Mauritius in 1997 and Egypt in 2001. Regional offices and subsidiaries brought Africa Re closer to cedants, improved responsiveness to local market dynamics, and strengthened relationships with regulators. Premium income expanded steadily, reflecting both broader reach and growing confidence in Africa Re’s balance sheet.

As the Corporation grew, international credibility became increasingly important. Engagement with global rating agencies from the late 1990s introduced new disciplines around disclosure, capital adequacy and governance. Ratings were not merely symbolic; they influenced retrocession terms, counterparty confidence and strategic positioning.

COMMERCIAL NETWORK



Africa Re writes business in Africa and selected markets in Middle East, Asia and South America

Subsidiaries



Technology, Takaful and Market Transformation

The second era also witnessed important thematic shifts. Advances in information technology began to reshape underwriting, data management and operational efficiency. While adoption was uneven across markets, the strategic necessity of IT became increasingly clear.

From the Archives

Information Technology in the Insurance Industry Gbade Alabi, 1990

Alabi argued that effective data capture and processing were becoming indispensable to competitiveness and innovation. His insights foreshadowed the digital transformation that would later accelerate across African insurance markets.

At the same time, Africa Re diversified its product offerings in response to market demand and regulatory evolution. The establishment of Africa Retakaful in 2010 reflected the maturation of Islamic insurance markets and Africa Re’s ability to provide Shariah-compliant reinsurance solutions.

External shocks also reinforced the need for disciplined risk management. The September 11, 2001 attacks exposed gaps in terrorism coverage and triggered a hardening of global reinsurance markets. Subsequent catastrophic events further underscored the importance of accumulation control, retrocession strategy and catastrophe modelling – capabilities Africa Re progressively strengthened during this phase.

By the end of the 2000s, Africa Re had transitioned from a capacity constrained regional reinsurer into a financially credible, internationally recognised institution.

“Ratings were not symbolic; they reshaped discipline, disclosure and confidence.”

From the Archives

Rating and its Methodology Mike Berry, 1996

Berry’s article demystified the rating process, outlining the qualitative and quantitative principles applied to insurers and reinsurers. By explaining how governance, capital strength and risk management shape external assessments, the write-up anticipated the growing importance of ratings in Africa Re’s strategic evolution.

ERA III

Building a Pan-African Risk Architecture (2010s–2026)

Theme: From Reinsurer to System Actor

The most recent phase of Africa Re's evolution is characterised by scale, sophistication and systemic relevance. By the early 2010s, the Corporation had diversified its shareholder base to include international investors, deepened its capital base, and expanded its geographic footprint beyond Africa.

Under successive leadership teams, the Corporation strengthened its governance and enterprise risk management frameworks, expanded its actuarial and modelling capabilities, and reinforced its capital buffers. By 2010, the Corporation had achieved an A- rating from both AM Best and S&P; validating Africa Re's financial profile in an increasingly complex risk environment. Africa Re's role also evolved. It increasingly functioned as part of Africa's financial infrastructure, supporting market stability, engaging with regulators, and contributing to continent-wide discussions on solvency, climate risk and financial resilience.

Pushing towards the 2020s, the operating environment grew more challenging. Climate-related losses intensified across the continent, the COVID-19 pandemic tested assumptions around business interruption and systemic risk, and regulatory reforms such as IFRS 17 reshaped financial reporting. Digitalisation, particularly accelerated by COVID-19, introduced both opportunity and new forms of operational and cyber risk.

Africa Re responded by investing further in analytics, stress testing and scenario-based planning, aligning underwriting strategy more closely with risk appetite and capital allocation. To offer meaningful contribution in building climate resilience and bridging the protection gap, Africa Re quickly embraced technology by offering parametric product solutions. Expansion into the Middle East, including an office at the Dubai International Financial Centre, reflected a measured approach to diversification beyond African markets.



From the Archives Modelling and Climate as Emerging Pillars

Improving Risk Modelling Capabilities in the African Insurance Industry Yvonne Palm, 2023

In her article, Palm argues that modelling is not merely a technical add-on but a prerequisite for sound risk management in African markets. This perspective underpins Africa Re's own investment in analytical infrastructure.

Climate Change: Opportunities & Challenges Isaac Magina, 2023

Magina highlights how climate risk is reshaping insurance demand, pricing and portfolio management on the continent, reinforcing the need for institutions like Africa Re to lead the analytical response.

By 2024, Africa Re had surpassed USD 1 billion in gross written premium, and established itself as one of the most significant reinsurers headquartered in an emerging market. The Corporation achieved this unprecedented milestone by embedding its developmental mandate within a disciplined and globally credible operating model. Africa Re has solidified itself as one of the top global reinsurers; it continues to feature on the top 40 and top 50 global reinsurer lists published annually by S&P and AM Best respectively. By November 2025, Africa Re's ratings from both rating agencies were upgraded to full A ratings – another unprecedented feat, just as the Corporation was about to celebrate its 50th anniversary.

These three eras illustrate more than institutional growth. They show how Africa Re's evolving capabilities influenced African insurance markets through retention, technical discipline, regulatory engagement and human capital development. The next section examines that impact directly, focusing on how Africa Re helped shape market behaviour, standards and resilience across the continent.

“Africa Re increasingly became part of Africa's financial infrastructure.”

HOW AFRICA RE SHAPED AFRICAN MARKETS



From Capacity Provider to Market Shaper

Africa Re's influence on African insurance markets extends well beyond the provision of reinsurance capacity. Over five decades, the Corporation has helped shape how risk is retained, priced, governed and understood across the continent. The Corporation's impact can be understood through six interrelated pillars.

Retention and Capacity Creation

At its core, Africa Re was established to enable African insurers to retain a greater share of domestic risk. Through treaty and facultative support, the Corporation has consistently expanded the amount and complexity of risk that cedants are able to keep within the continent.

This support has allowed insurers to participate in industrial, engineering, energy and specialised risks that might otherwise have been ceded entirely offshore. Over time, increased retention has strengthened balance sheets, improved underwriting confidence and reduced foreign exchange leakage, thereby reinforcing the financial foundations of local markets.

Retention has also been pursued prudently. Africa Re's underwriting participation is structured to ensure that capacity growth is aligned with technical competence, data quality and capital strength, avoiding unsustainable risk accumulation.



Retention was pursued prudently; never at the expense of discipline.



Internally, this discipline is reinforced through detailed underwriting policy frameworks that define risk acceptance criteria, authority levels and pricing standards across classes of business. These policies are complemented by periodic technical reviews and inspections, ensuring consistency of application and continuous feedback to management and risk committees.

Externally, Africa Re's underwriting approach has served as a reference point for cedants, promoting prudent risk selection and discouraging under-pricing in competitive markets. The Corporation also frequently sponsors training sessions for the market with the goal to improve standards in underwriting, data management, and risk modelling.

Furthermore, Africa Re supports industry wide capacity building initiatives on emerging risk topics such as agriculture and climate insurance through technical assistance programmes. In this way, technical standards have been transmitted through formal training, and daily market interaction.



Underwriting manuals became quiet instruments of market change.



Technical Discipline and Underwriting Standards

Africa Re's market role has consistently emphasised technical discipline. Participation in programmes has often been accompanied by clear expectations around pricing adequacy, coverage structure, accumulation control and data transparency.

Group photo on Construction and Bonds Insurance Training in Tanzania from 16th to 19th September 2025



From the Archives

The Development of Offshore Oil Risks Insurance in Africa
Jean-Pierre Corval, 2007

This article cements the technical ambition that characterised Africa Re's early intellectual agenda. By examining how complex energy risks could be underwritten closer to home, it anticipated the need for advanced expertise within African markets rather than permanent dependence on offshore centres.

Underwriting of Oil And Gas Risks in Anglophone West Africa
Ken Aghoghovbia, 2010

This paper highlights the development of oil and gas in the various countries in the region and goes on to identify the appropriate insurances for the various risk exposures in developing an oil field. It then discusses how oil and gas business is underwritten in the region.

Regulatory and Supervisory Engagement

Africa Re’s continental footprint provides a comparative vantage point across diverse regulatory regimes. Over time, this perspective has enabled constructive engagement with regulators and supervisory bodies on solvency, governance and market conduct.

A notable example is Africa Re’s collaboration with Nigeria’s National Insurance Commission (NAICOM) in supporting the development of a regulatory software platform aimed at strengthening supervisory capacity and operational efficiency. In Uganda, Africa Re collaborated with the Insurance Regulatory Authority (IRA), facilitating engagement with subject matter experts at a workshop in Kampala focused on catastrophe risk stress-testing methodologies. This initiative resulted in the implementation of an advanced supervisory toolkit designed to strengthen oversight of weather-related insurance products. Comparable technical engagements have supported actuarial studies and mortality table development across Africa.

Through such initiatives, Africa Re has contributed to regulatory and supervisory capacity building, not as a regulator, but as a technical partner with deep market insight.

“
A technical partner to regulators, not a supervisor.
 ”

From the Archives

Market Intelligence Over the Years

The Senegalese Insurance Market

by Mamadou Diop (2007) traces the Senegalese insurance market’s evolution from post-independence branch operations to a structured, CIMA-regulated market, highlighting gradual growth in insurers, premiums and institutional frameworks supporting market development.

The Ethiopian Insurance Market

by Haile Michael Kumsa (2010) presents the insurance market of Ethiopia and the challenges facing the industry. Addressing the problems, according to him, requires coordinated action by regulators, industry association and individual insurers nationwide.

The Practice of Reinsurance in Nigeria - An Overview

by Ken Aghoghovbia (2013) looks briefly at the forms and purpose of reinsurance, traces the evolution of reinsurance to its modern form and then provides an overview of the structure of the Nigerian reinsurance market and how reinsurance placements are carried out in the market.

The Tanzanian Insurance Market

by Phocas Nyandwi (2014) presents the economic outlook of The United Republic of Tanzania, which offers strong insurance growth potential. However, sustainable development requires higher underwriting standards, supported by industry players who recognize proper underwriting as essential to a healthy insurance market.

The Algerian Insurance Market

by Kamel Marami (2015) describes Algeria’s insurance market gradually liberalising, with regulatory reforms encouraging new entrants, while penetration remained low but growth prospects improving.

An Overview of the Insurance Market of Equatorial Guinea

by Charly Benga (2018) presents the insurance sector of the country which is supervised by the Ministry of Finance and CIMA regulators. Amongst others, the article highlights the implementation of CIMA rules and the 2008 decree making some insurance types compulsory across the national market.

Overview of the Reinsurance Market in Africa

by Moussa Diaw (2020) provides a historical overview of Africa’s reinsurance market from its early post-independence foundations through successive waves of regional and private reinsurer formation, situating today’s competitive landscape within that long-term evolution.

The Zimbabwe Insurance Market

by Grace Muradzikwa (2021) details the regulatory framework, sector structure, micro-insurance initiatives and industry development efforts in Zimbabwe.

The Insurance Market of Madagascar

by Holy Andriambololona (2023) describes Madagascar’s insurance market as relatively small and underdeveloped compared with other African and Indian Ocean markets, though showing potential for expansion and a significant opportunity for market deepening.

Market Intelligence and Thought Leadership

The African Reinsurer has functioned as a long-running repository of market intelligence. Its market presentation series has documented regulatory reforms, market structures, competitive dynamics and loss experience across African countries.

These contributions have provided practitioners, regulators and policymakers with granular, context-specific insights that are rarely available in aggregated global reports. By recording reforms, shocks and responses, the publication has helped build institutional memory within African insurance markets.

Human Capital Development

Human capital has been a defining pillar of Africa Re’s market impact. Through training programmes, seminars, conferences and secondments, the Corporation has supported the development of insurance professionals across the continent.

The flagship Young Insurance Professionals Programme (YIPP) exemplifies this commitment. Since its launch, more than 6,000 young professionals under the age of 35 have participated in structured training and mentorship, focused on technical insurance disciplines and leadership skills. In addition, approximately 1,000 professionals benefit annually from Africa Re’s free training courses and seminars.

By investing in people, Africa Re has contributed to the emergence of a more confident, technically capable generation of African insurance practitioners, reinforcing the long-term sustainability of the industry.

“
Long-term market impact has been built by investing in people, not just capacity.
 ”

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an integral pillar of Africa Re’s development mandate. To deliver its CSR activities in a structured and strategic manner, the Africa Re Foundation was established in 2018 as an independent vehicle, supporting risk management capacity building, insurance market development, risk awareness, and community resilience across Africa.

Through the allocation of a portion of its profits to education, research, industry development, and resilience-building initiatives, the Corporation reinforces its role as a long-term development partner beyond its commercial reinsurance activities. Many of these interventions are directly linked to risk management objectives, including insurance literacy, regulatory capacity strengthening, and post-disaster support.

Concrete examples illustrate this impact. In Morocco, following the devastating 6.8-magnitude earthquake of 8 September 2023, the Foundation provided humanitarian relief funds to support affected communities, demonstrating its practical contribution to disaster response and recovery. Amongst others, the Corporation also provided support to the Association des Assureurs du Burundi (ASSUR) for an actuarial study on motor insurance in Burundi. The project enabled a comprehensive survey of the insurance sector and proposed solutions to improve it.

The 47th General Assembly in June 2025 approved a transfer of approximately USD 2.66 million, equivalent to 2% of net profit, to the Foundation, reflecting continued institutional commitment. Through these actions, the Africa Re Foundation has strengthened institutional resilience within the insurance markets while enhancing preparedness and adaptive capacity at the community level across the continent.



In times of crisis, Africa Re’s humanitarian interventions translate solidarity into tangible support for affected communities.



From the Archives

The Growing Role of Corporate Social Responsibility in the Modern Economy

Dr Corneille Karekezi, 2011

This article explains that CSR involves companies voluntarily and ethically engaging with their stakeholders in ways that support sustainable development, including environmental stewardship, social welfare, economic equity and good governance. The author positions CSR as increasingly important in modern business practice, urging insurers and financial institutions to integrate responsible behaviour into their operations to foster long-term societal and economic benefits.



TRUST, CAPITAL & GOVERNANCE

Building an African Balance Sheet

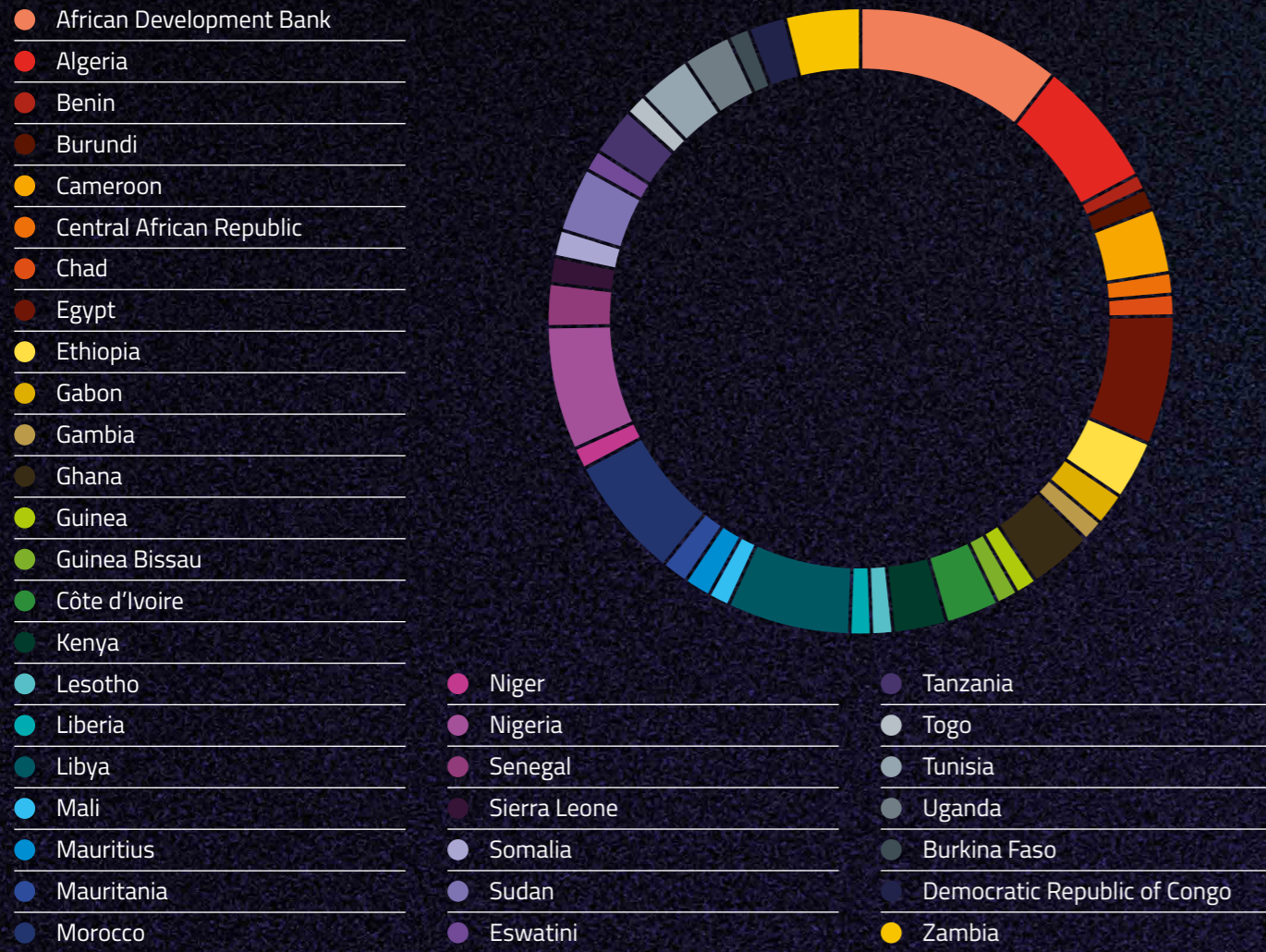
A defining feature of Africa Re’s success has been the construction of a resilient, Africa-based balance sheet supported by disciplined governance and risk management. Capital strength, ratings credibility and institutional trust are mutually reinforcing elements of this foundation.

Capital Growth and Shareholding Evolution

Africa Re’s shareholders’ funds have grown steadily through retained earnings and successive capital increases. Over time, the shareholder base expanded to include African insurers and development finance institutions, diversifying ownership and strengthening financial resilience.

This capital growth enabled Africa Re to absorb volatility, support larger and more complex risks, and maintain the confidence of cedants and counterparties even during periods of market stress.

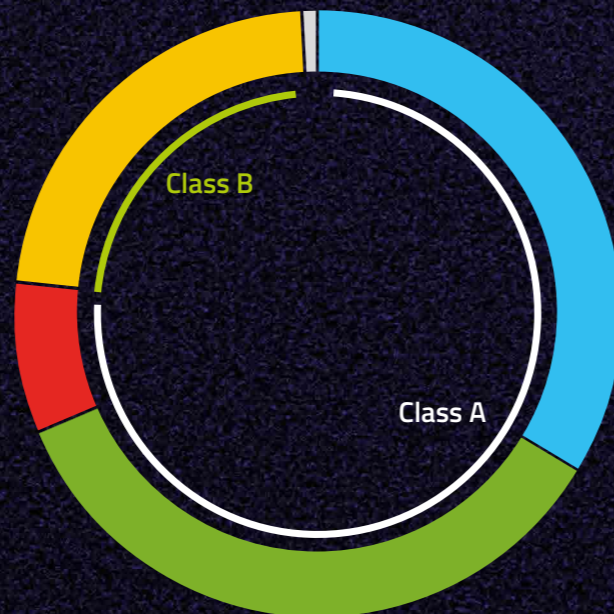
Africa Re's Shareholding 1976: 36 member States of the Organization of African Unity (OAU) and the AfDB



Africa Re's Shareholding 2026:



Class B = Non African investors and few investors from non-African Member States



The Ratings Journey: External Validation

Africa Re's engagement with rating agencies from the late 1990s introduced an additional layer of discipline and transparency. Ratings have influenced not only market perception, but also retrocession costs, regulatory confidence and strategic flexibility.

From the Archives

Reflections on the Role of Credit Rating Agencies
Yvonne Palm and Omar Zarai, 2024

Palm and Zarai examine how international credit rating agencies influence the perception of creditworthiness for insurers and reinsurers, highlighting the value these ratings provide to stakeholders and the debates about their use in Africa. They discuss key factors that drive rating assessments and suggest approaches for African insurance entities to engage with the rating process more effectively.

Early Ratings and Constraints

The Corporation entered the global rating landscape in **1998**, when **S&P assigned a BBB rating**, recognising its supranational mandate and foundational capital strength. In **2002**, **AM Best initiated coverage with a BBB+**, upgrading it to **A- in 2003**, as Africa Re expanded its regional footprint and built global credibility.

At the time, key constraints included:

- **Modest capital base:** Shareholders' funds were under USD 300 million, limiting resilience.
- **Limited international diversification:** Business was concentrated in African markets, considered higher risk by the rating agencies.
- **Currency volatility:** Multi-jurisdictional operations continued to expose earnings to significant foreign exchange risks.

Despite these challenges, Africa Re's governance, shareholder diversity, and legal cessions provided a stable foundation for growth and rating stability.

Timeline of Rating Evolution

Africa Re's rating journey reflects strategic and financial milestones:

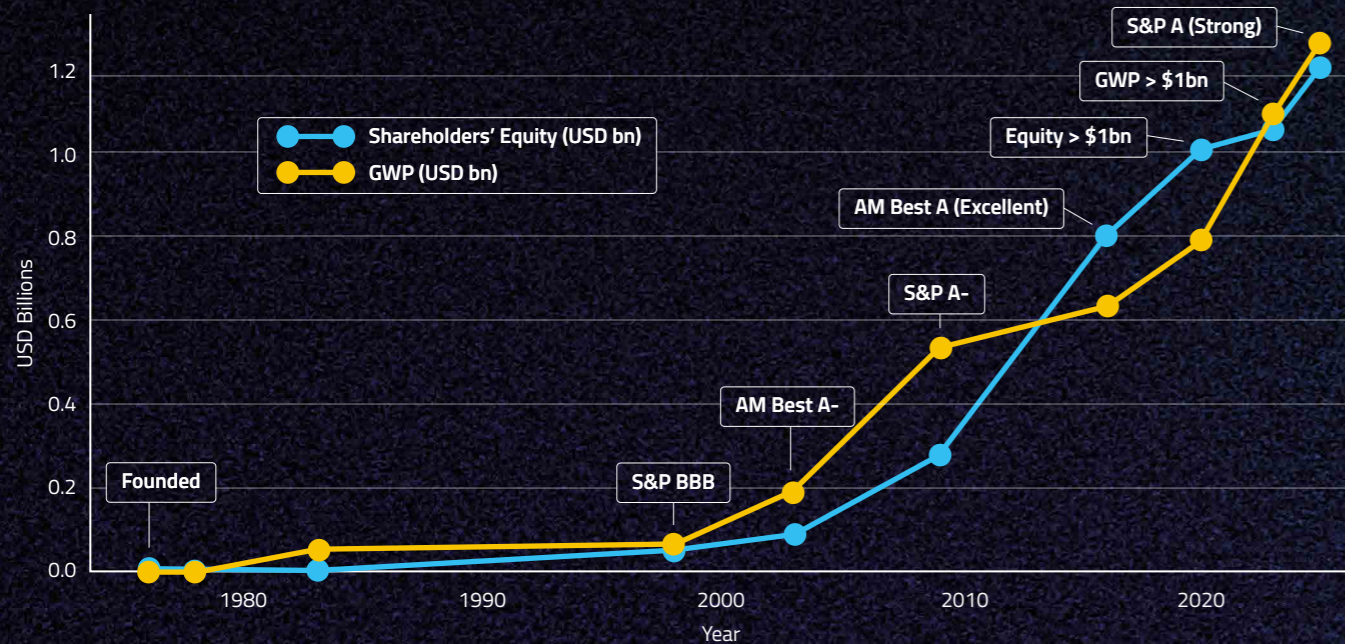
- **1998:** S&P assigns initial BBB rating.
- **2002–2003:** AM Best initiates coverage with BBB+, upgraded to A-.
- **2009:** S&P upgrades to A-, citing stronger capital and underwriting discipline.
- **2016:** AM Best upgrades to A (Excellent), recognising balance sheet strength and performance.
- **2024:** S&P assigns a **Positive Outlook**, indicating potential upgrade within 24 months.
- **2025:** S&P upgrades to A (Strong), recognising consistent strong performance.

Significant Growth as Continental Architecture Deepens

Over the past two decades, Africa Re has achieved consistent growth and diversification, supporting its rating trajectory:

- **Capital Growth:** Shareholders' funds grew from **USD 600 million in 2012**, at the end of the fourth capital increase, to **USD 1.16 billion in 2024**, driven by strong internal capital generation and prudent dividend policy.
- **Premium milestone:** In **2024**, Africa Re surpassed **USD 1 billion in gross written premium**, a landmark for an African reinsurer. Africa Re remains at number 36 in S&P's top 40 reinsurers list, and at number 12 of the top 16 IFRS 17 reporters in the AM Best top 50 reinsurers list.
- **Geographic Expansion:** Over **25% of business is now written outside Africa**, with a cautious approach to managing volatility.
- **Rating Stability:** Africa Re has held an **A rating from AM Best since 2016** and **A- from S&P since 2009**, with a **Positive Outlook from S&P introduced in December 2024** – the first upward signal in over a decade. **S&P converted its rating of Africa Re to a full A in November 2025.**

Africa Re: 50 Years of Growth – Rating Strength and Growth Milestones



Africa Re’s rating resilience stems not only from capital strength but also from strategic governance, diversification, and its supranational positioning. These factors have underpinned Africa Re’s consistent position among the highest-rated entities in emerging markets.

“
Capital strength, governance and trust proved mutually reinforcing.
 ”

Governance and Enterprise Risk Management

For Africa Re, governance and enterprise risk management have evolved in tandem with its scale and complexity. A clear separation of roles between board and management, strengthened board committees, and formalised accountability for risk and control functions enhanced decision quality and institutional resilience.

Enterprise Risk Management is now embedded in core processes. Underwriting strategy is evaluated through the lens of risk appetite and capital impact, investment decisions consider liquidity and currency risk, and stress testing informs planning and dialogue with regulators and rating agencies.

From the Archives

Principles and Practice of Good Corporate Governance in Insurance Companies

Bakary Kamara, 2005

This article states that corporate risk management constitutes the cornerstone of all audit exercises. It ensures effective internal controls, protecting shareholders and assets by managing operational, financial, technological, legal, and market risks while promoting compliance and best practices. Currently, corporate governance has become the preoccupation of all stakeholders in the life of the enterprise.

The Role of Enterprise Risk Management in Corporate Governance

Sere Mady Kaba, 2013

Kaba emphasises that ERM should serve as a decision-support framework embedded at board and executive levels, rather than a standalone compliance function. His analysis highlights board ownership of risk appetite and the integration of risk considerations into strategy – principles that underpin Africa Re’s current governance model.

Crucially, these governance and risk management capabilities did not emerge by chance. They reflect a deliberate evolution in leadership approach and governance architecture at Africa Re, as the organisation transitioned from a primarily developmental reinsurer into a complex, globally rated financial institution. The evolution of governance at Africa Re is inseparable from the evolution of its leadership philosophy.

Over time, the steady maturation of governance has enabled Africa Re to navigate periods of market volatility, regulatory change and capital pressure while maintaining strategic coherence across a diverse geographic footprint. This evolution also reflects a broader understanding of the role of executive leadership in shaping governance culture.

From the Archives

The CEO’s Role in Governance

Dr. Corneille Karekezi, 2020

In his article on corporate governance and board effectiveness (2020), Dr Corneille Karekezi explores how CEOs can shape governance culture in African companies. Many of his insights – on clarity of roles, strategic alignment and the importance of proper risk oversight – are directly relevant to Africa Re’s own governance evolution.

Solvency, Investments and Inflation

Operating across multiple African economies requires managing persistent macro-financial risks, particularly inflation, currency depreciation and interest rate volatility. These forces directly affect claims costs, asset valuations and capital adequacy.

Within this context, Africa Re has adapted through a deliberately cautious investment philosophy, underpinned by portfolio diversification, disciplined asset-liability management and alignment with clearly articulated risk appetite limits. Currency devaluation losses have often affected reported earnings, a reality frequently highlighted in rating-agency assessments. Yet the Corporation’s broad geographic footprint, conservative investment stance and substantial capital base have helped it withstand these pressures and preserve balance-sheet strength through multiple market cycles.

Africa Re CEOs past and present



Edward Mensah
(1977-1984)



Eyessus Work Zafu
(1984-1993)



Bakary Kamara
(1993-2011)



Corneille Karekezi
(2011 to present)

From the Archives

Moving Forward with Change in Management Team
Elizabeth Amadiume, 2012

Amadiume reflects on leadership transitions at Africa Re, highlighting the continuity of vision across successive management teams. The article links governance stability, strategic adaptation and ratings discipline to the corporation's long-term institutional resilience.

Solvency has consistently been an important aspect of Africa Re's internal and external dialogue. Initial discussions focused on solvency margins and fundamental prudential measures. With the Corporation's growth in scale and complexity, alongside evolving regulatory and accounting standards, the dialogue has expanded to include economic capital, risk-based capital frameworks, and, more recently, the effects of IFRS 17 on reported performance, volatility, and capital planning. This progression demonstrates heightened regulatory requirements and reflects Africa Re's ongoing development in enterprise risk management and capital oversight.

Africa Re has earned trust by managing its capital carefully, maintaining reliable governance, and consistently engaging with the market. This solid base helps support daily activities and strengthens the Corporation's ability to handle emerging risks and focus on future development needs.

From the Archives

Investment Strategy Under Conditions of High Inflation
Ibrahim Ibisomi & Alain Zongo, 2024

This article examines the trade-offs insurers face when balancing yield, duration and solvency in high-inflation environments, challenges that have closely mirrored Africa Re's operating context.

BEYOND



Building Africa's Risk Resilience for the Next Generation

Reaching fifty years is both a milestone and a moment of responsibility. Africa Re's journey demonstrates what African ownership, technical discipline and collective purpose can achieve over time. Yet the coming decades will present risks that are more interconnected, systemic and fast-moving than those of the past.

The next chapter of Africa Re's story will therefore be defined not by continuity alone, but by adaptation; grounded in the same developmental mandate that shaped its founding.

“
Climate risk is now a development risk.
”

Climate Risk and Resilience as a Strategic Imperative

Climate change has become one of the most consequential risk drivers facing African economies. Floods, droughts, storms and rising temperatures are already testing the resilience of infrastructure, agriculture and communities. These risks demand reinsurance solutions that enable faster recovery and support long-term adaptation.

Africa Re's forward strategy places climate resilience at the centre of its underwriting and risk-transfer agenda. Through catastrophe risk solutions, parametric products and regional pooling mechanisms, the Corporation aims to support timely payouts and strengthen preparedness for African communities. Crucially, these solutions are designed to balance global best practice with local relevance, ensuring accessibility and sustainability across diverse markets.

By aligning risk transfer with development priorities, the Corporation reinforces its role not only as a capacity provider, but as a partner in building Africa's climate resilience.

From the Archives**Some Reflections on Agriculture Insurance in Africa**

Ephraim Kiiza Bichetero, 2014

This article examined the strategic importance of agriculture insurance within Africa's broader development agenda. It highlighted the sector's central role in employment, GDP contribution and food security, while addressing the structural challenges limiting insurance penetration across the continent.

The paper analysed traditional crop and livestock insurance products, explored the constraints posed by data limitations, affordability and catastrophic exposure, and assessed the growing relevance of index-based insurance as a scalable solution for smallholder farmers. Importantly, it emphasised the need for public-private collaboration and government support to unlock sustainable agricultural risk transfer mechanisms.

More than a decade later, the themes articulated in this article resonate strongly with today's climate resilience discourse. Agriculture remains one of Africa's most climate-sensitive sectors, and the development of innovative, data-driven insurance solutions continues to be central to closing protection gaps and strengthening economic resilience.



Digital transformation is an enabler, not an end.

**Digital Transformation and Data-Driven Risk Management**

Digitalisation is reshaping insurance and reinsurance globally, and Africa is no exception. Advances in data analytics, modelling, connectivity and artificial intelligence, offer new opportunities to improve pricing accuracy, operational efficiency and customer reach. At the same time, they introduce new risks, including cyber exposure, algorithmic bias, data privacy violations, and model dependency.

Africa Re considers digital transformation as an enabler rather than an end in itself. Continued investment in analytics, catastrophe modelling and digital platforms will support smarter underwriting and faster responsiveness across the value chain. These capabilities will also underpin the development of tailored solutions for agriculture, infrastructure, energy, health and small enterprises – sectors critical to Africa's growth, but often underserved by traditional insurance models.

From the Archives**Disruptive Technology: a Leverage for the Insurance Industry**

Mohamed Kante, 2014

This paper examines the impact of information and communication technology on the insurance industry and notes that its growth and development would be greatly enhanced, as ICT gains a necessary foothold in the industry. Indeed, disruptive technologies such as mobile computing, cloud technology, social networks, Big Data (and more recently, artificial intelligence) have a clearly defined place in the insurance industry and should be welcomed, with appropriate controls in place.

Inclusion and Closing the Protection Gap

Despite progress, insurance penetration across Africa remains low, and large segments of the population remain underinsured. Closing these protection gaps is both a development imperative and a strategic opportunity. Africa Re supports reinsurance solutions that enable insurers to extend coverage to underserved communities, including women-owned enterprises, youth-driven businesses and participants in the informal economy. By providing technical support and capacity building, the Corporation will continue to help local insurers design products that respond to the realities of these segments.

Inclusion is also reflected internally, through a commitment to diversity, professional development and equitable opportunity, ensuring that Africa Re's workforce mirrors the continent it serves.

People and Institutions: The Enduring Advantage

Technology and capital are essential, but people remain the cornerstone of sustainable insurance markets. Africa Re's long-standing investment in human capital will therefore continue to deepen in the years ahead.

Training programmes, leadership development initiatives and knowledge-sharing platforms will remain central to the Corporation's mission. By supporting skilled professionals and strong institutions, Africa Re contributes to an industry that is confident, credible and resilient.



People remain the cornerstone of sustainable insurance markets.

**From the Archives**

Closing the Protection Gap through Innovation

Inclusive Insurance: Changing the Game for Africa's Underserved Markets

Yvonne Palm and Jules Gribble, 2025

This article argues that inclusive insurance can fundamentally expand risk protection in Africa by redesigning products and delivery models for underserved populations. The issue acknowledged that large populations on the continent remain underserved by traditional insurance models, and that inclusive insurance can bridge this gap, contributing to poverty alleviation, economic stability, and broader risk protection. The article emphasised that collaboration among regulators, insurers, and technical partners, especially actuaries, is key to driving inclusive insurance success in Africa.

The Need to Further Explore Captive Insurance in Africa

Costain Nikisi, 2025

Nikisi examines the strategic role insurance captives could play in Africa's future risk-financing landscape, despite their limited development on the continent. He highlights how greater awareness, collaboration and analytical rigour could allow captives to expand risk appetite, address emerging and hard-to-insure risks, and strengthen market resilience.

Partnership as a Strategic Multiplier

The scale and complexity of Africa's risk landscape demand collaboration. No single institution can address systemic risks alone. Africa Re's path forward is anchored in partnerships with insurers, regulators, governments, development institutions and global reinsurers.

These partnerships provide technical capacity, mobilise capital and enable solutions that no single actor could deliver independently. By acting as a convening force for risk dialogue and innovation, Africa Re will continue to amplify its developmental impact across the continent.

CLOSING REFLECTION

Pursuing a Vision Anchored in Purpose

Fifty years after its founding, Africa Re stands as a testament to what sustained vision and collective commitment can achieve. From its origins as a response to structural dependency, the Corporation has grown into a trusted institution at the heart of Africa's risk ecosystem.

Africa Re's story is not only one of capital growth and geographic expansion, but of ideas: ideas about retention, cooperation, governance and resilience that have shaped markets and strengthened confidence. Those ideas, captured and debated through *The African Reinsurer*, remain as relevant today as they were decades ago.

As Africa faces a future defined by uncertainty and opportunity in equal measure, the need for strong, African-rooted risk institutions is greater than ever. Guided by its founding mandate and strengthened by fifty years of experience, Africa Re is prepared to continue walking this path with Africa; building resilience, enabling growth and shaping the continent's risk architecture for generations to come.



It cannot be said often enough that if we can afford to dream of an integration of Africa's sub-regions, professionalism should remain the watchword of any efforts in this direction. Without it, it is indeed illusory to believe that the African insurance industry can begin to grow and one day attain a significant level of development capable of ensuring its maturity and effective participation in the struggle for the continent's economic independence. As for Africa Re, which is born of the political will of African leaders, it is at the disposal of all initiatives in this direction, and will spare no effort to attain its objective of assistance to the development of insurance, for the benefit of Africa and of its sons.

Bakary Kamara

The African Reinsurer, June 1988



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